



UNIVERSITY OF
TORONTO

MUNK
SCHOOL
OF
GLOBAL
AFFAIRS

Join the Global Conversation

The
G20 Research Group
at Trinity College at the Munk School of Global Affairs in the University of Toronto
with the
International Organisation Research Institute
at the National Research University Higher School of Economics, Moscow
present

2013 St. Petersburg G20 Summit Final Compliance Report

7 September 2013 to 30 September 2014

Prepared by
Stacey Bocknek, Vera V. Gavrilova, Krystal Montpetit, Theodora Mladenova, Taylor Grott and
Antonia Tsapralis
G20 Research Group, Toronto,
and
Andrei Sakharov, Andrey Shelepov and Mark Rakhmangulov
International Organisations Research Institute, Moscow

15 November 2014
www.g20.utoronto.ca
g20@utoronto.ca

Contents

Preface.....	3
Introduction and Summary.....	6
Table 1: 2013 G20 St. Petersburg Summit Commitments Selected for Compliance Monitoring.....	8
Table 2: 2013 G20 St. Petersburg Final Compliance Scores.....	10
Table 3: 2013 G20 St. Petersburg Summit Final Compliance by Country.....	11
Table 4: 2013 G20 St. Petersburg Summit Final Compliance by Commitment.....	11
Table 5: G20 Compliance by Member, 2008-2013.....	12
Appendix: General Considerations.....	14
1. Macroeconomics: Investment.....	16
2. Macroeconomics: Credit Access.....	51
3. Trade.....	75
4. Financial Regulation: Tax Avoidance.....	100
5. Food and Agriculture: Food Price Volatility and Sustainable Agriculture.....	122
6. Climate Change.....	181
7. Energy: Clean Technology.....	198
8. Labour and Employment: Labour Policies.....	228
9. Labour and Employment: Vocational Training Programs.....	300
10. Crime and Corruption.....	329
11. Development: Tax Administration.....	363
12. Employment: Job Creation.....	391
13. Employment: Education.....	420
14. Macroeconomic Policy: Small and Medium-Sized Enterprises.....	446
15. Development: Green Growth.....	469
16. Development: Remittances.....	491

Preface

Since the G20 leaders met at the Washington Summit in 2008, the G20 Research Group at the University of Toronto and the International Organisations Research Institute of National Research University Higher School of Economics (IORI HSE) in Moscow have produced reports on their progress in implementing the priority commitments issued at each summit. This year, the G20 Research Group is delighted to welcome Australia's Bond University in Gold Coast, Queensland. These reports monitor each G20 member's efforts on a carefully chosen selection of the many commitments announced at each summit. The reports are offered to the general public and to policy makers, academics, civil society, the media and interested citizens around the world in an effort to make the work of the G20 more transparent, accessible and effective, and to provide scientific data to enable the meaningful analysis of the impact of this important informal international institution. Previous reports are available at the G20 Information Centre at www.g20.utoronto.ca/analysis and the IORI HSE at www.hse.ru/en/org/hse/iori/G20_analytics.

The G20 Research Group has been working with the team at IORI HSE since IORI HSE initiated this G20 compliance research in 2009, after the Washington Summit in November 2008. The initial report, covering only one commitment made at that summit, tested the compliance methodology developed by the G8 Research Group and adapted it to the G20.

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

This report assesses performance by G20 members with 16 priority commitments of the 281 commitments made at the 2013 St. Petersburg Summit, held on 5-6 September 2013. This final report covers only the period of 7 September 2013 to 30 September 2014. A final report will be released on the eve of the 2014 Brisbane Summit that will cover the entire time between the St. Petersburg Summit and the Brisbane Summit.

I am most grateful to Marina Larionova and her team in Moscow at the National Research University Higher School of Economics and Caitlin Byrne and her team in Gold Coast at Bond University, as well as to Antonia Tsapralis and our own team in Toronto.

John Kirton
Co-director, G20 Research Group

Research Team

Professor John Kirton, Co-director, G20 Research Group
Professor Marina Larionova, Head, HSE International Organisations Research Institute
Antonia Tsapralis, Chair, G20 Research Group
Stacey Bocknek, Co-director, Compliance Unit
Vera V. Gavrilova, Co-director, Compliance Unit
Taylor Grott, Director, Communitaction Unit
Krystel Montpetit, Co-director, Compliance Unit
Theodora Mladenova, Co-director, Compliance Unit
Mark Rakhmangulov, HSE Research Team Leader

Analysts at the University of Toronto

Lead Analysts

Mikael Deprez	Carol Drumm	Anthony Marchese	Madeline Torrie
Jelena Djuric	Justice Durland	Sarah Mathieu-Comtois	Emily Tsui
Chris D'Souza	Maria Fakhruddin	Colin McEwen	Natalia Valencia
Phil Gazaleh	James Flynn	Iain McCauley	Jasmine Vallve
David Gelles	Ifath Fatima	Digvijay Mehra	Alissa Xinhe Wang
Caitlin Gillespie	Ujwal Ganguly	Sabina Mihaescu	Tracy Wang
Rui Kelly Li	Crystal Gao	Liam Moloney	Victoria Wicks
Atena Sadegh	Grace Gao	Cindy Ou	Leslie Wood
Jonathan Tavone	Teresa Gomez	Nikhil Pandey	Madeleine Wood
Melanie Wallace	Mathew R. Gumley	Chan Park	Luciano Xavier
Pei Zhao	Ishita Gupta	Artur Pereira	Nancy Xue

Analysts

Joy Lizette Aguilar	Israa Hamad	Kayla Rimer	Yinan Yang
Tasneem Ara	Jiyoon Han	Alicia Robinson	Xue (Snow) Yuan
Virginia Arsenault	Alessandra Harkness	Hayden Rodenkirchen	Kei Zamaninoor
Elisabeth Asselin	Daniel Hart	Melissa Rogers	Freda Zhang
Elise Belzil	Aurora Hudson	Tatiana Rother	Pei Zhao
Emma Best	Daanish Hussain	Jonathan Francis	Gurion De Zwirek
Sasha Boutillier	Jose Isla	Rybicki	<i>Editors</i>
Andrei Burloiu	Christine Jacob	Bianca Salazar	Emma Compeau
Eden Cai	Kertia Johnson	Vitali Selivanov	Victoria Heath
Pin Hui Chen	Monica Layarda	Harinya Shanthakumar	Holly Long
Irene Ferro	Eddie Kawooya	Akshay Sharma	Shahbano Rao
Colmenares	Monica Khosravi	HyunAh Heidi Shim	Anna Roach
Amelia Cook	Kirstyn Koswin	Timmy Shin	Joy Rogers
Jessica Coper	Julia Kochneva	Ariel Sim	Michael Schintz
Nabiha Chowdhury	Darnya Kutsyna	Arturo Sparks	Brenan
Angel Chu	Jasper Lim	Sevda Sparks	Sivapragasam
Derek Cuddington	Stephanie Lim	Emma Stanton	Pirya
Alison Dillman	Casmire Legran	Max Stern	Soundranaygam
D. Reid Dobell	Andy Li		Augusta Waldie
	Aylin Manduric		

Analysts at the Higher School of Economics

Natalia Churkina
Evgeny Gushchin
Tatyana Lanshina
Ekaterina Maslovskaya
Vitaly Nagornov
Svetlana Nikitina
Yana Nursubina
Julia Ovchinnikova
Alice Prokhorova
Mark Rakhmangulov
Elizaveta Safonkina
Andrei Sakharov
Andrey Shelepov
Nadezhda Sporysheva
Lyudmila Tarasenko
Anna Vekshina
Anastasia Zhuravleva

Analysts at Bond University

Affan Bajwa
Scott Blakemore
Kevin Conway-Smith
William Cannon
Sinead Dumas
Mie Leonora Heiberg
Marita Hermundstad
Lucinda Jones
Ali M. Khan
Ugochkwu (Victor) Nwoye
Darryl Lupton
Madeleine Pugin
Robert Steinberg

Introduction and Summary

The G20 2013 St. Petersburg Final Compliance Report, prepared by the G20 Research Group at the University of Toronto and the International Organisations Research Institute of the National Research University Higher School of Economics (IORI HSE), analyzes compliance by G20 members with a selection of 16 priority commitments out of a total of 281 commitments made at the St. Petersburg Summit on 5-6 September 2013. The report covers compliance-relevant actions taken by the G20 members between 7 September 2013 to 30 September 2014. This timeframe allows for an assessment of compliance of the full period between the 2013 St. Petersburg Summit and the Brisbane Summit, which will be hosted by Australia on 15-16 November 2014.

Methodology and Scoring System

This report draws on the methodology developed by the G8 Research Group, which has been monitoring G8 compliance since 1996 (IORI HSE joined this multiyear project in 2005, and Bond University participated in 2014). The use of this methodology builds cross-institutional and cross-member consistency and also allows compatibility with compliance assessments of other institutions.

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

A failing compliance score does not necessarily imply an unwillingness to comply on the part of G20 members. In some cases policy actions can take multiple compliance cycles to implement and measure. As the G20 Research Group and IORI HSE continue to monitor developments in this issue area, progress made by members will be recorded in future compliance reports.

Commitment Breakdown

The G20 made a total of 281 commitments at the St. Petersburg Summit.² These commitments, as identified by the G20 Research Group and HSE, are drawn from the official G20 Leaders' Declaration and St. Petersburg Action Plan.

Selection of Commitments

For each compliance cycle (that is, the period between summits), the research team selects commitments that reflect the breadth of the G20 agenda and also reflect the priorities of the summit's host, while balancing the selection to allow for comparison with past and future summits, following the methodology developed by the G8 Research Group.³ The selection also replicates the breakdown of issue areas and the proportion of commitments in each one. Primary criteria for priority commitment selection considers the comprehensiveness and relevance to the summit, the G20 and the world, as well as individual and collective pledges. Selected commitments must also

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

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

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

meet secondary criteria of performance measurability and ability to commit within a year, as well as tertiary criteria of significance as identified by scientific teams and relevant stakeholders in the host country.

For the 2013 G20 St. Petersburg Final Compliance Report, 16 priority commitments were selected from the 281 commitments made at the St. Petersburg Summit (see Table 1).

Final Compliance Scores

The assessment is based on relevant, publicly available information relating to action taken from 7 September 2013 to 30 September 2014. The final compliance scores by commitment are contained in Table 2. Country rankings are listed in Table 3 and commitment rankings are listed in Table 4. Table 5 allows a comparison of the 2013 final compliance scores with the final scores of previous G20 summits.

For the period from 7 September 2013 to 30 September 2014, G20 members achieved an average final compliance score of +0.44, which translates to 72 per cent. This final compliance score is an improvement from the interim compliance score of +0.37 (68%) and surpasses the final compliance scores for the 2009 London, 2009 Pittsburgh and 2010 Toronto summits.

Final Compliance by Member

For compliance with the St. Petersburg Summit's priority commitments, the United Kingdom and Germany are in first place with a score of +0.75 (88 per cent), followed by France and the United States at +0.69 (84 per cent), and host Australia and the European Union at +0.63 (81 per cent). The lowest scoring members are Argentina and Saudi Arabia in last place with a score of +0.06 (53 per cent). The difference between the highest and lowest G20 member compliance scores is +0.69. For more information about compliance by G20 members, see Table 2.

Final Compliance by Commitment

This particular compliance cycle produced a high level of compliance for a few different issue areas, with the three employment commitments scoring among the highest: job creation at +1.00 (100 per cent) in first place, followed by vocational training programs, small and medium-sized enterprises and investment tied for second place at +0.85 (93 per cent). The commitments on food price volatility and sustainable agriculture and education came in third place at +0.80 (90 per cent). Three commitments scored below 0 (50 per cent): climate change at -0.20 (40 per cent), remittances at -0.25 (38 per cent) and trade at -0.35 (33 per cent). For more information on scoring by commitment, see Table 3.

Table 1: 2013 G20 St. Petersburg Summit Commitments Selected for Compliance Monitoring

1	Macroeconomics: Investment [83]	We [recognize the paramount importance of the investment climate in attracting long-term financing and] will take a comprehensive approach to identifying and addressing impediments to improving underlying investment conditions. (G20 St. Petersburg Leaders' Declaration)
2	Macroeconomics: Credit Access [42]	[Members have committed to a wide range of reforms to strengthen the foundations for strong, sustainable and balanced growth over the long term by improving] credit access. (G20 St. Petersburg Leaders' Declaration)
3	Trade [92]	We recognize the risks of economic slowdown and trade weakening posed by protectionism. We extend until the end of 2016 our standstill commitment. (G20 St. Petersburg Leaders' Declaration)
4	Financial Regulation: Tax Avoidance [7]	"We are committed to take steps to change our rules to tackle tax avoidance, harmful practices, and aggressive tax planning." (G20 St. Petersburg Leaders' Declaration)
5	Food and Agriculture: Food Price Volatility and Sustainable Agriculture [149]	"We reaffirm our determination to implement all existing initiatives including that stated in the Action Plan on Food Price Volatility and Agriculture which the G20 endorsed in 2011." (G20 St. Petersburg Leader's Declaration)
6	Climate Change [188]	"We support the operationalization of the Green Climate Fund (GCF)." (G20 St. Petersburg Leaders' Declaration)
7	Energy: Clean Technology [12]	"[We commit] to take steps to support the development of cleaner and more efficient energy technologies to enhance the efficiency of markets and shift towards a more sustainable energy future." (G20 St. Petersburg Leaders' Declaration)
8	Labour and Employment: Labour Policies [68]	"[We commit to ensure] effective labour activation policies are in place to help jobseekers find work and bring under-represented and vulnerable groups into the labour market and reduce informality." (G20 St. Petersburg Leaders' Declaration)
9	Labour and Employment: Vocational Training Programs [74]	"We are committed to creating vocational training programs." (G20 St. Petersburg Leaders' Declaration)
10	Crime and Corruption [142]	"We commit to take measures to ensure that we meet the FATF [Financial Action Task Force] standards regarding the identification of the beneficial owners of companies." (G20 St. Petersburg Leaders' Declaration)
11	Development: Tax Administration [107]	"[We are committed to continue to assist developing countries, including through the international organizations, in] building capacity in the area of tax administration (in addition to automatic exchange of information)." (G20 St. Petersburg Leaders' Declaration)
12	Employment: Job Creation [60]	"[We commit to] stimulate the creation of formal jobs [through pro-growth structural reforms in product and labour markets, including by promoting labour market adaptability and efficiency, ensuring adequate labour protection, as well as appropriate tax regimes and other government initiatives that may be required according to national circumstances]." (St. Petersburg G20 Leaders' Declaration)

13	Employment: Education [64]	“[We commit to] invest in our people’s skills [to give them skill portability and better prospects, to facilitate mobility and enhance employability].” (St. Petersburg G20 Leaders’ Declaration)
14	Macroeconomic Policy: Small and Medium-Sized Enterprises [78]	“We commit to encourage the private sector, including small and medium sized enterprises as one of our most important partners, in fostering inclusive economic growth including for job creation and labour absorption.” (St. Petersburg G20 Leaders’ Declaration)
15	Development: Green Growth [240]	“Building on the Los Cabos Leaders’ Declaration we will continue to support developing countries in sustaining and strengthening their development through appropriate measures, including those that encourage inclusive green growth in the context of sustainable development.” (St. Petersburg Development Outlook)
16	Development: Remittances [264]	“We will consider in 2014 innovative results-based mechanisms to further reduce the cost of transferring remittances to developing countries.” (St. Petersburg Development Outlook)

Table 2: 2013 G20 St. Petersburg Final Compliance Scores

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Korea	Mexico	Russia	Saudi Arabia	South Africa	Turkey	United Kingdom	United States	European Union	Average		
1	Macro-economics: Investment	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	0	0	+1	+1	+1	+1	+0.85	93%	
2	Macro-economics: Credit Access	-1	0	0	0	+1	0	0	+1	+1	-1	0	+1	0	0	0	-1	0	+1	0	+0.10	55%	
3	Trade	-1	+1	0	0	-1	-1	-1	0	0	-1	0	-1	-1	0	0	0	-1	0	-1	-0.35	33%	
4	Financial Regulation: Tax Avoidance	0	+1	-1	+1	0	0	+1	0	0	+1	0	0	+1	+1	-1	+1	0	0	+1	+1	+0.35	68%
5	Food & Agriculture: Food Price Volatility & Sustainable Agriculture	+1	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	0	0	0	+1	+1	+1	+0.80	90%	
6	Climate Change	-1	-1	-1	-1	-1	+1	+1	-1	+1	+1	+1	+1	-1	-1	-1	0	-1	+1	0	-1	-0.20	40%
7	Energy: Clean Technology	0	-1	+1	0	+1	+1	+1	+1	+1	0	0	0	+1	+1	0	0	+1	+1	+1	+1	+0.55	78%
8	Labour & Employment	+1	+1	+1	0	-1	+1	+1	+1	0	0	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+0.75	88%
9	Labour & Employment: Vocational Training Programs	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	0	+1	+1	+1	0	+1	+1	+1	+0.85	93%
10	Crime & Corruption	+1	0	+1	0	0	0	0	0	0	0	-1	-1	0	+1	0	0	0	+1	0	+1	+0.15	58%
11	Development: Tax Administration	0	+1	0	+1	0	+1	+1	+1	0	0	+1	+1	0	0	0	0	0	+1	+1	+1	+0.50	75%
12	Employment: Job Creation	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1.00	100%
13	Employment: Education	0	+1	+1	+1	+1	+1	+1	+1	0	+1	0	0	+1	+1	+1	+1	+1	+1	+1	+1	+0.80	90%
14	Macroeconomic Policy: SMEs	0	+1	+1	+1	0	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	+1	+1	+1	+1	+1	+0.85	93%
15	Development: Green Growth	-1	+1	-1	+1	0	+1	+1	0	0	+1	+1	0	0	-1	-1	-1	+1	+1	+1	+1	+0.25	63%
16	Development: Remittances	-1	+1	-1	-1	-1	+1	+1	+1	+1	0	-1	-1	-1	0	-1	-1	-1	+1	-1	0	-0.25	38%
	Average	+0.06	+0.63	+0.31	+0.44	+0.19	+0.69	+0.75	+0.63	+0.50	+0.44	+0.31	+0.38	+0.38	+0.44	+0.06	+0.25	+0.25	+0.75	+0.69	+0.63	+0.44	72%
		53%	81%	66%	72%	59%	84%	88%	81%	75%	72%	66%	69%	69%	72%	53%	63%	63%	88%	84%	81%	72%	

Table 3: 2013 G20 St. Petersburg Summit Final Compliance by Country

Rank	Member	Average	
1	United Kingdom	+0.75	88%
	Germany	+0.75	88%
2	France	+0.69	84%
	United States	+0.69	84%
3	European Union	+0.63	81%
	Australia	+0.63	81%
	Indonesia	+0.63	81%
4	India	+0.50	75%
	Italy	+0.50	75%
5	Canada	+0.44	72%
	Russia	+0.44	72%
6	Mexico	+0.38	69%
	Korea	+0.38	69%
7	Brazil	+0.31	66%
	Japan	+0.31	66%
8	Turkey	+0.25	63%
	South Africa	+0.25	63%
9	China	+0.19	59%
10	Argentina	+0.06	53%
	Saudi Arabia	+0.06	53%

Table 4: 2013 G20 St. Petersburg Summit Final Compliance by Commitment

Rank	Commitment	Average	
1	Employment: Job Creation	+1.00	100%
2	Labour and Employment: Vocational Training Programs	+0.85	93%
	Macroeconomic Policy: SMEs	+0.85	93%
	Macroeconomics: Investment	+0.85	93%
3	Food and Agriculture: Food Price Volatility and Sustainable Agriculture	+0.80	90%
	Employment: Education	+0.80	90%
4	Labour and Employment	+0.75	88%
5	Energy: Clean Technology	+0.55	78%
6	Development: Tax Administration	+0.50	75%
7	Financial Regulation: Tax Avoidance	+0.35	68%
8	Development: Green Growth	+0.25	63%
9	Crime and Corruption	+0.15	58%
10	Macroeconomics: Credit Access	+0.10	55%
11	Climate Change	-0.20	40%
12	Development: Remittances	-0.25	38%
13	Trade	-0.35	33%

Table 5: G20 Compliance by Member, 2008-2013

Member	Final		Final		Final		Final		Final		Final		Final		Interim		Final	
	Washington		London		Pittsburgh		Toronto		Seoul		Cannes		Los Cabos		St. Petersburg		St. Petersburg	
Argentina	0	50%	-0.60	20%	-0.13	44%	0	50%	-0.08	46%	0	50%	+0.31	66%	+0.06	53%	+0.06	53%
Australia	n/a	–	+0.60	80%	+0.50	75%	+0.56	78%	+0.85	93%	+0.67	84%	+0.94	97%	+0.38	69%	+0.63	81%
Brazil	+1.00	100%	+0.20	60%	-0.63	19%	+0.29	65%	+0.42	71%	+0.60	80%	+0.56	78%	+0.31	66%	+0.31	66%
Canada	+1.00	100%	+0.60	80%	+0.63	82%	+0.78	89%	+0.69	85%	+0.73	87%	+0.75	88%	+0.44	72%	+0.44	72%
China	0	50%	-0.40	30%	+0.13	57%	+0.38	69%	+0.42	71%	+0.53	77%	+0.38	69%	0	50%	+0.19	59%
France	+1.00	100%	+0.80	90%	+0.63	82%	+0.56	78%	+0.77	89%	+0.60	80%	+0.69	85%	+0.69	84%	+0.69	84%
Germany	+1.00	100%	+0.80	90%	+0.63	82%	+0.56	78%	+0.54	77%	+0.67	84%	+0.56	78%	+0.56	78%	+0.75	88%
India	0	50%	-0.40	30%	-0.38	31%	-0.29	36%	+0.42	71%	+0.60	80%	+0.50	75%	+0.19	59%	+0.63	81%
Indonesia	n/a	–	-0.40	30%	-0.63	19%	-0.13	44%	+0.36	68%	+0.14	57%	+0.47	74%	+0.50	75%	+0.50	75%
Italy	+1.00	100%	0	50%	+0.13	57%	+0.56	78%	+0.77	89%	+0.80	90%	+0.19	60%	+0.31	66%	+0.44	72%
Japan	+1.00	100%	+0.20	60%	+0.50	75%	+0.56	78%	+0.62	81%	+0.47	74%	+0.50	75%	+0.31	66%	+0.31	66%
Korea	n/a	–	0	50%	+0.75	88%	+0.56	78%	+0.46	73%	+0.60	80%	+0.63	82%	+0.19	59%	+0.38	69%
Mexico	+1.00	100%	0	50%	+0.25	63%	-0.14	43%	+0.58	79%	+0.67	84%	+0.69	85%	+0.38	69%	+0.38	69%
Russia	0	50%	+0.40	70%	+0.38	69%	+0.13	57%	+0.59	80%	+0.60	80%	+0.63	82%	+0.50	75%	+0.44	72%
Saudi Arabia	n/a	–	+0.20	60%	-0.13	44%	-0.13	44%	+0.08	54%	+0.21	61%	+0.50	75%	-0.06	47%	+0.06	53%
South Africa	+1.00	100%	+0.40	70%	+0.63	82%	-0.14	43%	+0.33	67%	+0.47	74%	+0.47	74%	+0.25	63%	+0.25	63%
Turkey	n/a	–	+0.20	60%	-0.25	38%	-0.14	43%	+0.17	59%	+0.20	60%	+0.25	63%	+0.13	56%	+0.25	63%
United Kingdom	+1.00	100%	+1.00	100%	+0.50	75%	+0.78	89%	+0.77	89%	+0.87	94%	+0.81	91%	+0.88	94%	+0.75	88%
United States	0	50%	+0.40	70%	+1.00	100%	+0.33	67%	+0.38	69%	+0.53	77%	+0.81	91%	+0.63	81%	+0.69	84%
European Union	+1.00	100%	+0.60	80%	+0.38	69%	+0.57	79%	+0.82	91%	+0.85	93%	+0.75	88%	+0.69	84%	+0.63	81%
Average	+0.67	83%	+0.23	62%	+0.24	62%	+0.28	64%	+0.50	75%	+0.54	77%	+0.57	79%	+0.37	68%	+0.44	72%
	Final		Final		Final		Final		Final		Final		Final		Interim		Final	

n/a = not available

Conclusions

G20 compliance performance for the chosen priority commitments, measured as a country average, improved incrementally from the April 2009 London Summit and September 2009 Pittsburgh Summit (both at 62 per cent) to the June 2010 Toronto Summit (64 per cent) and then rose with the November 2010 Seoul Summit (75 per cent) and the November 2011 Cannes Summit (77 per cent), and again with the June 2012 Los Cabos Summit (79 per cent). With the St. Petersburg Summit, compliance dropped to 70 per cent. If the G20 can improve its performance on delivering on its promises, it may validate its claim for legitimacy as a global governance institution.

Many of the commitments assessed in this report have timelines that extend beyond the 2013 St. Petersburg Summit or reflect medium- and long-term priorities. A unique feature of this report is the incorporation of deadlines for commitments monitored over multiple compliance cycles. The convergence of medium- and long-term commitments and those with deadlines in the near future reflects the nature of G20 decisions as a crisis management forum and a global governance steering institution. It also illustrates the multifaceted nature of compliance assessment. As the relationship among short, medium, and long-term commitments becomes clearer, the compliance landscape for many of these priority commitments may change over the course of future compliance periods.

Future Research and Reports

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

Considerations and Limitations

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

See also Appendix: General Considerations.

Appendix: General Considerations

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

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

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

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

1. Macroeconomics: Investment

“We [recognize the paramount importance of the investment climate in attracting long-term financing and] will take a comprehensive approach to identifying and addressing impediments to improving underlying investment conditions.”

G20 St. Petersburg Leaders' Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico		0	
Russia			+1
Saudi Arabia		0	
South Africa		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.85	

Background

On 5-6 September 2013, at the St. Petersburg Summit, the G20 leaders renewed and reaffirmed their standing commitment to promoting a suitable climate for investment.⁴ “Promoting investment,” taken in the broadest sense, means conducting macroeconomic policies and instituting market regulations that inspire confidence in entrepreneurs — no matter small or large, private or public, or domestic or foreign. At the St. Petersburg Summit, the G20 leaders recognized the vital role that long-term investment plays in achieving sustainable growth, job creation, and integration in the global market.⁵ In particular, they placed an emphasis on small and medium-sized enterprises (SMEs) and infrastructure, acknowledging the key role that these entities will play in their countries future economic development.⁶

⁴ G20 Workplan on Financing for Investment, Study Group's Findings and Ways Forward, G20 Study Group on Financing for Investment (Moscow) July 2013. Access Date: 4 February 2014. <http://en.g20russia.ru/load/782804292> .

⁵ G20 Workplan on Financing for Investment, Study Group's Findings and Ways Forward, G20 Study Group on Financing for Investment (Moscow) July 2013. Access Date: 4 February 2014. <http://en.g20russia.ru/load/782804292>.

⁶ G20 Workplan on Financing for Investment, Study Group's Findings and Ways Forward, G20 Study Group on Financing for Investment (Moscow) July 2013. Access Date: 4 February 2014. <http://en.g20russia.ru/load/782804292>.

At St. Petersburg the leaders recognized “the need for governments to promote policies that facilitate and encourage institutional investors to finance long-term investment consistent with their mandates and prudent risk-taking.”⁷ On 6 September 2013, they endorsed the High-Level Principles of Long-Term Investment Financing by Institutional Investors, a document prepared jointly by the Task Force on Institutional Investors and Long-Term Financing led by the Organisation for Economic Co-operation and Development (OECD).⁸ The principles had been reviewed and welcomed by the G20 finance ministers and central bank governors on 18-19 July 2013.⁹

The G20 leaders pledged that by the Brisbane Summit their countries will have implemented policies that improve their domestic investment climate in a way that favours long-term investment. Thus, the finance ministers were called upon to oversee the implementation, and address the challenges in meeting this commitment in due time.¹⁰ Such a commitment also involves co-operation between the government and the central banks, so as to co-ordinate the regulatory policies with economic policies. As well, G20 leaders pledged to work in conjunction with international bodies such as the OECD, the World Bank, and other multilateral or regional development banks to achieve the commitment goals. It is expected that these organizations will share with countries the expertise and the resources relating to mobilization of financial resources, the leveraging of private capital, and increasing lending capacity — especially in the cases of emerging and developing markets. For this reason, the G20 leaders re-affirmed their decision to ask the United Nations Conference on Trade and Development (UNCTAD) and the OECD to monitor investment policies and deliver a report in 2014.¹¹

Commitment Features

The commitment requires the G20 members to take measures to foster and maintain a supportive and attractive climate for long-term investment by identifying and addressing impediments to improving underlying investment conditions. The commitment seeks to address potential impediments to both real and financial investment, by domestic and foreign investors.¹²

Positive actions regarding this issue include measures designed to improve the effective enforcement of the rule of law and government regulations to maintain predictable, stable, transparent, and reliable business regulation procedures.¹³ Specifically, governments are encouraged to support measures that encourage diversification in financial and real investments, measures designed to improve transparency in taxation law, and supporting measures establish greater rigour in competition laws. Furthermore, governments complying with this commitment might provide opportunities for private sector

⁷ G20 St. Petersburg Leaders' Declaration, G20 Research Group (Toronto) 6 September 2013. Access Date: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

⁸ Leaders endorse new G20/OECD principles on long-term investment financing, Organisation for Economic Development and Co-operation (Paris) 6 September 2013. Access Date: 3 February 2014. <http://www.oecd.org/g20/meetings/saint-petersburg/leaders-endorse-new-g20oecd-principles-on-long-term-investment-financing.htm>.

⁹ G20-OECD High-level Principles of Long-term Investment Financing by Institutional Investors, Organisation for Economic Development and Co-operation (Paris) 6 September 2013. Access Date: 3 February 2014. <http://www.oecd.org/daf/fin/principles-long-term-investment-financing-institutional-investors.htm>.

¹⁰ G20 Workplan on Financing for Investment, Study Group's Findings and Ways Forward, G20 Study Group on Financing for Investment (Moscow) July 2013. Access Date: 4 February 2014. <http://en.g20russia.ru/load/782804292>.

¹¹ G20 Workplan on Financing for Investment, Study Group's Findings and Ways Forward, G20 Study Group on Financing for Investment (Moscow) July 2013. Access Date: 4 February 2014. <http://en.g20russia.ru/load/782804292>.

¹² G20 Workplan on Financing for Investment, Study Group's Findings and Ways Forward, G20 Study Group on Financing for Investment (Moscow) July 2013. Access Date: 4 February 2014. <http://en.g20russia.ru/load/782804292>.

¹³ G20/OECD High-Level Principles of Long Term Investment Financing By Institutional Investors, Organisation for Economic Co-operation and Development (Paris) September 2013. Access Date: 4 February 2014. <http://en.g20russia.ru/load/782802644>.

participation in long-term public investment projects, public procurement, and public-private partnerships, and promote fairly remunerative agendas for privatization, nationalization, and government procurement. Finally, responsible regulatory policies in a globalized climate should be in place to ensure investment regulations are in line with relevant international standards, and that measures ensuring the Most-Favoured-Nation and the National Treatment principles, as articulated in the Agreement on Trade-Related Investment Measures, are honoured.

Maintaining an attractive investment climate also confers upon “[finance ministers and central bank governors] to explore the ways in which private financing and capital markets can be better mobilized, [working alongside the] Multilateral Development Banks to develop new approaches in order to optimize the use of existing resources and to strengthen their lending capacity.”¹⁴ Positive actions taken in this respect revolve around the maintenance of stable and predictable macroeconomic conditions that are conducive to long-term investment, the maintenance of credible monetary policy frameworks and responsible fiscal policies.¹⁵ The governments should equally consider issuing appropriate long-term instruments in line with their debt management and capital market development objectives, such as promoting the development of long-term savings through savings mobilisation policies and designating capital resources for increased lending to small and medium enterprises (SMEs).

Following the mandate from G20 leaders, the WTO, the OECD and UNCTAD monitor the developments in the G20 members’ trade and investment policies and regularly report their findings.¹⁶ The reports are comprehensive sources of information on the G20 members’ investment policies.

Thus, to achieve compliance with this commitment the G20 member must take actions to improve investment conditions through macroeconomic and/or regulatory initiatives in line with the policy suggestions outlined in the G20 Workplan on Financing for Investment and the High-Level Principles on Long-Term Investment Financing.¹⁷

Scoring Guidelines

-1	Member takes steps that further amplify impediments OR takes no actions to identify and address impediments to improving underlying investment conditions.
0	Member takes measures to address the impediments to improving underlying investment conditions from a macroeconomic OR regulatory approach.
+1	Member takes measures to address the impediments to improving underlying investment conditions from a macroeconomic AND regulatory approach.

Lead Analyst: Chris D’Souza

Argentina: +1

Argentina has fully complied with its commitment to take action to improve investment conditions through macroeconomic and regulatory initiatives in line with the policy suggestions outlined in the G20 Workplan on Financing for Investment and the High-Level Principles on Long-Term Investment Financing.

¹⁴ G20 St. Petersburg Leaders' Declaration, G20 Research Group (Toronto) 6 September 2013. Access Date: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

¹⁵ G20/OECD High-Level Principles of Long Term Investment Financing By Institutional Investors, Organisation for Economic Co-operation and Development (Paris) September 2013. Access Date: 4 February 2014. <http://en.g20russia.ru/load/782802644>.

¹⁶ Joint UNCTAD-OECD Reports on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 2013. Access Date: 4 February 2014. <http://unctad.org/en/Pages/DIAE/G-20/UNCTAD-OECD-reports.aspx>.

¹⁷ G20 Workplan on Financing for Investment and High-Level Principles on Long-Term Investment Financing, Civil G20 (Moscow) 6 September 2013. Access Date: 4 February 2014. <http://www.g20civil.com/newsg20/4069/>.

On 27 March 2014, Argentina's Senate approved the government's proposal to provide USD5 billion worth of compensation payable in government bonds to Spanish oil company Repsol for nationalizing Argentinean energy company YPF of which it was a majority stakeholder in 2012.¹⁸ The nationalization of YPF launched a major legal dispute and inhibited the company's ability to secure much needed international financing on reasonable terms.¹⁹ According to the World Energy Council, in order to become energy independent by 2030, Argentina requires investment of approximately USD200 billion–USD140 billion in shale oil and USD60 billion in conventional oil and gas. The government has taken several steps to attract investment in the industry, which include wellhead prices for newly developed gas, new hydrocarbon law, and a decree allowing companies to repatriate profits after investing a minimum of USD1 billion over a period of five years.

On 2 October 2014, the Ministry of Culture announced an Argentine Cultural Development Fund, awarding USD15 million economic aid to entrepreneurs in mobility, sustainability, infrastructure, and innovation. This effort will affect at-home mobility aids for citizens and promote joint marketing. This falls in line with The High-level Principles on Long-term Investment Financing by Institutional Investors under government led initiatives.²⁰

On 9-10 December 2013 Argentina's Minister of the Economy Axel Kicillof and Minister of Planning Julio de Vido, during an official visit to the People's Republic of China, presented 15 strategic infrastructure projects to Chinese investors and entrepreneurs.²¹ Among the strategic projects presented included hydro dams, water works, and communications projects that would require approximately USD20 billion worth of investment.²² Argentina's bilateral trade relationship with China has grown by 367 per cent since 2003.²³

On 18 December 2013, in a report released by the Organisation for Economic Co-operation and Development and the United Nations Conference on Trade and Development, Argentina had not taken or implemented any investment or investment-related measures between 16 May 2013 and 15 November 2013.²⁴

¹⁸ Argentine Senate Oks plan to pay Repsol for 2012 YPF takeover, Reuters US Edition (Buenos Aires) 27 March 2014. Access Date: 1 April 2014. <http://www.reuters.com/article/2014/03/27/argentina-ypf-idUSL1N0MN1X020140327>.

¹⁹ A deal with Repsol is a small step towards reversing an energy deficit, The Economist (Buenos Aires) 28 November 2013. Access Date: April 2014. <http://www.economist.com/news/americas/21590939-deal-repsol-small-step-towards-reversing-energy-deficit-swallowed-pride>.

²⁰ Ministry of Cultural Development announces aid for the arts. October 2nd, 2014. Access date: October 5th 2014. <http://www.argentina.gob.ar/noticias/3097-fondo-argentino-de-desarrollo-cultural.php>

²¹ Kicillof y De Vido presentaron quince obras de infraestructura a inversores chinos, Ministerio de Economía y Finanzas Publicas de la Nación (Buenos Aires) 10 December 2013. Access Date: 1 April 2014. <http://www.mecon.gov.ar/wp-content/uploads/2013/12/10-12-2013gacetilla.pdf>.

Los ministros Kicillof y De Vido mantuvieron reuniones con empresarios chinos, Ministerio de Economía y Finanzas Publicas de la Nación (Buenos Aires) 9 December 2013. Access Date: 1 April 2014. <http://www.mecon.gov.ar/wp-content/uploads/2013/12/Gacetilla-3.pdf>.

²² Los ministros Kicillof y De Vido mantuvieron reuniones con empresarios chinos, Ministerio de Economía y Finanzas Publicas de la Nación (Buenos Aires) 9 December 2013. Access Date: 1 April 2014. <http://www.mecon.gov.ar/wp-content/uploads/2013/12/Gacetilla-3.pdf>.

²³ Kicillof y De Vido presentaron quince obras de infraestructura a inversores chinos, Ministerio de Economía y Finanzas Publicas de la Nación (Buenos Aires) 10 December 2013. Access Date: 1 April 2014. <http://www.mecon.gov.ar/wp-content/uploads/2013/12/10-12-2013gacetilla.pdf>.

²⁴ Tenth Report on G20 Investment Measures, Organization for Economic Cooperation and Development and United Nations Conference on Trade and Development Secretariats, 18 December 2013. Access Date: 1 April 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

On 20 December 2013, Argentina's government signed an agreement with supermarkets and suppliers in the country to freeze prices on basic goods over the next year.²⁵ Such price control measures have been implemented as Argentina attempts to tame its double-digit inflation rate, which is reported to be the second highest inflation rate in the western hemisphere. The agreement covers approximately 200 products ranging from soap to meat and poultry items and is set to take effect in January 2014. The price agreement is voluntary, as previous mandatory price controls have proved to be ineffective in decreasing inflation.

On 23 December 2013, Minister of the Economy and Public Finance Axel Kicillof announced that the Argentine government will implement two measures in order to promote competitiveness of regional economies.²⁶ The measures will include a refund and compensation to exporters, and the extension of credit to finance productive sectors. Furthermore, in order to finance productive sectors the Argentina Central Bank will administer a line of credit at a rate of 15 per cent. In 2014, it is expected that that USD100 billion of loans will be awarded.

On 17 January 2014, a Chinese supermarket chain signed an agreement with the Argentine government to freeze prices on more than 180 products.²⁷ Miguel Angel Calvete, President of the Chinese Supermarket Federation, announced that it is vital for Chinese-owned stores to sign the agreement to remain competitive. Chinese supermarkets account for 20 per cent of the sectors in Argentina, and have joined the five largest supermarket chains in the country, that control 60 per cent of the market.

Effective on 24 January 2014, Argentina relaxed some of its foreign exchange controls, thus allowing for individuals to purchase dollars within fixed limits.²⁸

On 7 February 2014, Argentina's insurance regulator Superintendencia de Seguros de la Nacion (SSN) announced modification to "Inciso K" (subsection K) of act 35 of the Reglamento General de la Actividad Aseguradora — the industry's regulatory framework — increasing the minimum amount insurers are required to invest in public and infrastructure projects.²⁹ This comes after subsection K was established in 2012 obligating insurance companies to invest some of their funds in the public sector. Under the new rules insurance companies will invest an average of 14 per cent of available funds in public and infrastructure projects, increased from the previous 10 per cent.

On 24 March 2014, the AFIP, Argentina's tax authority, and Switzerland agreed to a new instrument that will enable Argentina to ratify taxation at source on royalties and to incorporate the power to tax shares with property taxes, for individuals or companies that have equity interest in Argentine companies.³⁰ As part of the agreement, Swiss banks and the AFIP will implement a cooperative

²⁵ Argentina Takes Another Shot At Price Control, The Wall Street Journal (Buenos Aires) 20 December 2013. Access Date: 1 April 2013. <http://online.wsj.com/news/articles/SB10001424052702303773704579270312124410066>.

²⁶ Kicillof anuncio medidas para bajar la tasa de empleo en negro fomentar la inversion y el desarrollo economico, Ministerio de Economia y Finanzas Publicas de la Nacion (Buenos Aires) 23 December 2013. Access Date: 1 April 2014. <http://www.mecon.gov.ar/wp-content/uploads/2013/12/23-12-20131.pdf>.

²⁷ Argentina's markets freeze prices on basic products to flight inflation, CCTV News English (Beijing) 18 January 2014. Access Date: 1 April 2014. <http://english.cntv.cn/program/newshour/20140118/102709.shtml>.

²⁸ El gobierno autoriza desde el lunes compra de dólares para tenencia a personas físicas y disminuye anticipo impuesto a las ganancias, Presidencia de la Nacion Argentina (Buenos Aires) 24 January 2014. Date Accessed: 26 October 2014. <http://www.presidencia.gob.ar/informacion/actividad-oficial/27116-el-gobierno-autoriza-desde-el-lunes-compra-de-dolares-para-tenencia-a-personas-fisicas-y-disminuye-anticipo-impuesto-a-las-ganancias>.

²⁹ Argentina modifies "Inciso K", increases minimum investment limits for insurance players, LATAM Insurance Review (London) 14 February 2014. Access Date: 1 April 2014. <http://www.insurancelatam.com/tag/investment/>.

³⁰ AFIP and the Swiss banking instrument a tax inducement mechanism, Dialogo Fiscal el Diario de la AFIP (Buenos Aires) 24 March 2014. Access Date: 1 April 2014. <http://www.dialogofiscal.gob.ar/en/internacionales/induccionSuiza.aspx>.

mechanism via a communication system that will allow individuals and companies when filing the submission of their tax statements to declare any accounts or financial instruments in Switzerland that are subject to taxation by AFIP. For those individuals who fail to comply with this mechanism and do not declare their financial instruments or accounts, the Swiss bank may identify those Argentine companies or individuals to the AFIP for the fulfillment of their tax obligations. A Memorandum of Understanding was also incorporated into the agreement, which will implement an anti-abuse mechanism that will allow AFIP to limit benefits from the agreement when abusive use is presumed.³¹

On 27 March 2014, Kicillof, the Minister of the Economy, announced that government subsidies on natural gas and water could be reduced by up to 20 per cent.³² The subsidies were initially introduced to boost consumption after the 2001-2002 financial crisis, but in the process also fuelled inflation and hindered investment in the energy sector. With the announcement to scale back these subsidies, the Argentine government is attempting to pursue more orthodox economic policies in order to win back investor confidence and make the industry more competitive. In addition, the reduction in subsidies comes as the Argentine government attempts to reduce its largest fiscal deficit in more than a decade. Following the announcement, Kicillof also stated that growth in gross domestic product in 2013 grew by 3 per cent in comparison to previous official estimates of 4.9 per cent.

On 10 June 2014 Argentina extended tax and currency incentives to attract energy investment as the government implements a new oil law with provinces, according to Cabinet Chief Jorge Capitanich. The Plan offers to attract investment by energy companies that invest USD250 million over a five-year period, allowing Argentina to expand its oil sales by up to 20 per cent in international markets.³³

Argentina has taken several steps that are in line with the G20 Workplan on Financing for Investment and the High-Level Principles on Long-Term Investment financing to improve its investment conditions. They include taking measures to improve transparency in taxation law via their information mechanism with Switzerland and providing opportunities for private sector participation in long-term public investment projects via its modification of the regulatory framework for the insurance industry. Moreover, Argentina has taken several regulatory measures, such as price controls and subsidy reductions, towards creating stable macroeconomic conditions for investment and debt management. As well, Argentina has taken measures to implement regulatory policies to ensure its investment regulations are in line with international standards — i.e., Agreement on Trade-Related Investment Measures.

Thus, Argentina has received a score of +1 for compliance with this commitment.

Analyst: Antonia Tsapralis, Chris D'Souza and Affan Bajwa

Australia: +1

Australia has fully complied with its macroeconomic commitment on improving investment conditions.

On 8 October 2014, the Ministry of Trade and Investment announced that Australia's Export Finance and Insurance Corporation (EFIC) will increase its focus on financing Small and Medium Enterprises (SMEs) to capitalize on global market trends. Under CEO Andrew Hunter, the process for SMEs will

³¹ AFIP and the Swiss banking instrument a tax inducement mechanism, Dialogo Fiscal el Diario de la AFIP (Buenos Aires) 24 March 2014. Access Date: 1 April 2014. <http://www.dialogofiscal.gob.ar/en/internacionales/induccionSuiza.aspx>.

³² Argentine revises 2013 growth from 4.9% to 3%, Financial Times (Buenos Aires) 27 March 2013. Access Date: 1 April 2014. <http://www.ft.com/intl/cms/s/0/71eb9176-b5fa-11e3-b40e-00144feabdc0.html?siteedition=uk#axzz2xg12xWel>.

³³ Argentina Plans Extension of Energy Investment Incentives, Bloomberg (Buenos Aires) 10 June 2014. Access Date: 20 October 2014. <http://www.bloomberg.com/news/2014-06-10/argentina-said-considering-extending-oil-investment-incentives.html>

be streamlined through credit application process. This will allow for a seamless and cost efficient business process with EFIC. The new process will also be aided with a proposed amendment under the Export Finance and Insurance Corporation Act, which reduced costly administrative costs on businesses. Also, EFIC financing for projects outside of Australia will only be provided if the private sector is adequately taken care of, and is not at the expense of SMEs, especially if it involves Australian content with SME supply chain participation.

For projects inside of Australia, EFIC will no longer be providing financing infrastructure, unless it is financial services related to SME suppliers who are apart of the vital Australian resource-export initiative. These new provisions will increase business productivity with SMEs, majority being Australian exporters. EFIC will now receive capital boost of USD200 million as a result of these progressive reforms for SME exporters in the upcoming budget.³⁴

On 18 December 2013, the Organisation for Economic Co-operation and Development and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to Australia, the report noted that no investment policy measures or investment policy measures relating to national security were taken during the reporting period.³⁵

On 17 February 2014, Minister for Trade and Investment Andrew Robb announced the release of a free trade agreement between Australia and Korea. The agreement contains investment liberalization and protection standards.³⁶ In this document, the Korean government allowed 84 (by value) per cent of Australian exports to be exempted from duty at the initial stage, and agreed to eventually eliminate tariffs on 99.8 per cent of Australian exports. Apart from trade, this agreement also encourages bilateral investment.³⁷ The Agreement was signed on 8 April 2014.³⁸ The Agreement was signed on 8 April 2014.³⁹

On 27 February 2014, foreign ministers of Australia and the Netherlands signed a Declaration of Intent in Canberra to establish a formal Strategic Dialogue. The declaration strengthens the economic collaborations between the two countries.⁴⁰

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries —

³⁴ EFIC to increase SME exporters. 8 October 2014. Access date: 9 October 2014.

<http://www.ferret.com.au/articles/news/efic-to-increase-focus-on-sme-exporters-n2518039>

³⁵ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014.

http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

³⁶ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014.

Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

³⁷ Public release of Korea-Australia FTA text, Official Site of Minister of Foreign Affairs (Canberra) 17 February 2014. Access Date: 27 February 2014. http://trademinister.gov.au/releases/2014/ar_mr_140217.html.

³⁸ About the Korea-Australia FTA, Department of Foreign Affairs and Trade 2014. Access Date: 11 November 2014. <http://www.dfat.gov.au/fta/kafta/>.

³⁹ About the Korea-Australia FTA, Department of Foreign Affairs and Trade 2014. Access Date: 11 November 2014. <http://www.dfat.gov.au/fta/kafta/>.

⁴⁰ Australia and The Netherlands – closer cooperation on global issues and strengthened economic ties, Official Site of Minister of Foreign Affairs (Canberra) 27 February 2014. Access Date: 27 February 2014. http://foreignminister.gov.au/releases/2014/jb_mr_140227.html.

including Australia — in the period between November 2013 and February 2014.⁴¹ No measures were reported for Australia.

On 27 March 2014, the Minister for Small Business Bruce Billson announced the appointment of the Review Panel to oversee the review of Australia's competition laws, policies and institutional framework, expected to result in greater rigour in competition laws.⁴² The Panel released its Draft Report for public consultation on 22 September 2014.⁴³

On 30 May 2014 the Wall Street Journal stated that Australia's largest businesses are pressing new conservative government to change rules seen as deterring direct investment from overseas companies, particularly those from China, in a motion to increase foreign direct investment in Australia.⁴⁴

In May 2014, the Australian government issued the overview of the 2014-15 Budget. According to the budget documents, total investment in infrastructure in Australia will amount to AUD50 billion to 2019-20, including the new AUD11.6 billion Infrastructure Growth Package. The Budget also includes AUD5 billion to launch the Asset Recycling Initiative, which will provide incentive payments to State and Territory governments to sell infrastructure assets and reinvest the sale proceeds in new productive infrastructure, thus enhancing private sector involvement in infrastructure.⁴⁵

On 8 July 2014, Australian Prime Minister Tony Abbott and Japanese Prime Minister Shinzo Abe signed the Japan Australia Economic Partnership Agreement. The agreement will contribute to economic growth in both countries by increasing opportunity for investment and trade.⁴⁶

On 17 October 2014, Minister for Trade and Investment Andrew Robb discussed the government's proposed new Premium Investor Visa (PIV). He said that the PIV would offer a "more expeditious pathway for international investors to permanent residency as compared to the existing Significant Investor Visa (SIV). Under the PIV a 12 month pathway to permanent residency would be available for investors meeting a USD15 million threshold in an eligible investment."⁴⁷

During the compliance period Australia has taken actions to address the impediments to improving underlying investment conditions from both macroeconomic and regulatory approaches. Thus, it has been awarded a score of +1 for this commitment.

Analyst: Eden Cai

Brazil: +1

Brazil has fully complied with its macroeconomic commitment on improving investment conditions.

⁴¹ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

⁴² Competition policy review, Australian Government 14 April 2014. Access Date: 11 November 2014. http://competitionpolicyreview.gov.au/files/2014/04/Competition_Policy_Review_Issues_Paper.pdf.

⁴³ The Draft Report, Australian Government 22 September 2014. Access Date: 11 November 2014. <http://competitionpolicyreview.gov.au/draft-report/>.

⁴⁴ Australia Urged to Change Rules on Foreign Investments, Wall Street Journal (Melbourne) 30 May 2014. Access Date: 20 October 2014. <http://online.wsj.com/articles/australia-urged-to-change-rules-on-foreign-investments-1401451517>

⁴⁵ Budget 2014-15. Building Australia's Infrastructure, Australian Government May 2014. Access Date: 11 November 2014. <http://www.budget.gov.au/2014-15/content/glossy/infrastructure/download/Infrastructure.pdf>.

⁴⁶ About the Japan-Australia Economic Partnership Agreement, Australian Embassy in Tokyo 2014. Access Date: 11 November 2014. <http://australia.or.jp/en/fta/>.

⁴⁷ Premium Investor Visa to promote innovation, Minister for Trade and Investment (Canberra) 17 October 2014. Access Date: 20 October 2014. http://trademinister.gov.au/releases/Pages/2014/ar_mr_141017.aspx

On 18 December 2013, the Organisation for Economic Co-operation and Development and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to Brazil, the report noted that three investment policy measures were taken during the reporting period. The measures, however, came in effect prior to the St. Petersburg Summit and, therefore, do not count towards compliance in the present report.⁴⁸

On 17 March 2014, after years demanding stronger public sector response to copyright infringement, the government has agreed to facilitators in agreements between private parties related to copyright enforcement in the digital environment within the National Council on Combating Piracy. Such a move promises to improve investment in research and Development in Brazil.⁴⁹

On 18 March 2014, Brazil's central bank president Alexandre Tombini reaffirmed his commitment to bring down inflation. However, the full impact of higher interest rates is still to be felt on prices. Mr. Tombini said that "Brazil's currency devaluation fuels inflation, but that by increasing interest rates, the central bank can compensate for it." Reducing inflation will result in predictability and stability for foreigners seeking to invest in Brazil.⁵⁰

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries — including Brazil — in the period between November 2013 and February 2014.⁵¹ No measures were reported for Brazil.

On 29 September 2014, Brazil's main economic policy body eased some rules governing foreign investment on local depositary receipts, in order to stimulate a quite dormant market. The Monetary Policy Council decided that non-resident investors' purchases of Brazilian depositary receipts, called BDRs, could also be made from a local Brazilian account and not only from a foreign account.⁵²

Brazil has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1 for this commitment.

Lead Analyst: Chris D'Souza

Canada: +1

Canada has fully complied with its macroeconomic commitment on improving investment conditions.

⁴⁸ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014.

http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

⁴⁹ The Privatization of Copyright Enforcement: the Brazilian Context, InfoJustice (Brasilia) 4 March 2014. Access Date: 17 March 2014. <http://infojustice.org/archives/32315>.

⁵⁰ Brazil Central Bank President Says Interest-Rate Rise's Impact on Inflation Still To Be Felt, The Wall Street Journal (Brasilia) 18 March 2014. Access Date: 18 March 2014. <http://online.wsj.com/article/BT-CO-20140318-706333.html>.

⁵¹ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

⁵² Brazil eases rules on foreign investments on depositary receipts, Reuters (Sao Paulo) 29 September 2014. Access Date: 6 October 2014. <http://www.reuters.com/article/2014/09/29/brazil-regulations-depositary-receipts-idUSL2N0RU2NJ20140929>

On 5 November 2013, a free trade agreement was signed between Canada and Honduras.⁵³

On 18 February 2014, Canadian Prime Minister Stephen Harper and Mexican President Enrique Peña Nieto signed multiple bilateral agreements that created new trade and investment opportunities for Canadian and Mexican companies. The first agreement is a Memorandum of Understanding (MoU) that will enhance co-operation between Export Development Canada (EDC) and Banco Nacional de Comercio Exterior in the structuring and co-financing commercial activities, as well as promoting the exchange of experience and best practices between the two institutions. The establishment of common areas of financial product and service delivery will enhance trade and foreign direct investment between Canada and Mexico.⁵⁴

The second agreement is a Master Cooperation Agreement that ensures financial support and other assistance to boost bilateral trade and investment. The agreement establishes a collaborative approach to providing financial support, guarantees, private equity, and assistance to Mexican and Canadian projects and companies, with a particular focus on promoting small- and medium-sized enterprise exports between the two countries. Moreover, Canada and Mexico also agreed to expand air travel by updating the existing air transport agreement in order to add more direct flights between Canadian and Mexican cities for passengers and cargo. This deal also allows for more flexibility on pricing. These agreements have forged a closer business and investment tie between the two nations.⁵⁵

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to Canada, the report noted that an investment policy measure (changes to the Investment Canada Act received Royal assent on 26 June 2013) was taken during the reporting period. The measure, however, came in effect prior to the St. Petersburg Summit and, therefore, does not count towards compliance in the present report.⁵⁶

On 29 September 2014, the Canada-China Foreign Investment Promotion and Protection Agreement (FIPA) was ratified and will come into effect on 1 October 2014. The agreement will protect Canadian investors in China (and vice versa) by fair treatment of investors, pay any compensation for direct or indirect expropriation, due process in courts and tribunals, avoid protectionist measures, transparent application of laws, and allow for the transfer of capital. Canadian investors in China are now able to enforce international arbitration instead of following China's national courts, and will be made public, except for confidential investor information. Additionally, the Canadian natural resource sector will now become more attractive to Chinese investors, especially due to the exemption of non-discriminatory

⁵³ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

⁵⁴ PM welcomes Agreements that promote new trade opportunities between Canada and Mexico, Prime Minister of Canada (Ottawa) 18 February 2014. Access Date: 20 February 2014. <http://pm.gc.ca/eng/news/2014/02/18/pm-welcomes-agreements-promote-new-trade-opportunities-between-canada-and-mexico#sthash.yPmCdIUd.dpuf>.

⁵⁵ PM welcomes Agreements that promote new trade opportunities between Canada and Mexico, Prime Minister of Canada (Ottawa) 18 February 2014. Access Date: 20 February 2014. <http://pm.gc.ca/eng/news/2014/02/18/pm-welcomes-agreements-promote-new-trade-opportunities-between-canada-and-mexico#sthash.yPmCdIUd.dpuf>.

⁵⁶ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

environmental measures that are important in protecting the health of humans, wildlife, plants, and resource conservation.⁵⁷

On 17 September 2014, Minister of State (Finance) Kevin Sorenson reiterated the Canadian government's commitment to increase support for small businesses. Amongst the key policies is the reduction of the small business tax rate and increases in the small business income limit which will provide an estimated CND2.2 billion in tax relief in 2014, hence allowing small business to increase investment. The government also increases small business' access to credit through the new Small Business Job Credit.⁵⁸

During the compliance period Canada has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1 for this commitment.

Analyst: Maria Monica Layarda and Affan Bajwa

China: +1

China has fully complied with its macroeconomic commitment on improving investment conditions.

On 18 September 2014, China promised a USD20 billion investment plan over the next five years in India, including a new road to Kailash Mansarovar. This deal will be focused on infrastructure and the manufacturing sectors in India. Also, a Memorandum of Understanding was signed for cooperation on increasing the speed from the Chennai to Mysore via Bangalore railways. An additional railway route will be open from Kailash Mansarovar via Nathu la.⁵⁹

On 29 September 2013, the China (Shanghai) Pilot Free Trade Zone was opened. It seeks to create a regulatory environment pertaining to investment and trade that is in line with international standards.

On 9 November 2013, at the Third Plenary Session of the 18th CPC Central Committee China pledged to allow for more private capital into the market to develop a mixed-ownership economy. This would allow for non-state owned capital to take equity stakes in investment projects featuring investment by state-owned capital.

On 14 November 2013, the Special Report of the Third Plenary Session of the 18th CPC Central Committee announced that China would open up further to the world in terms of improving access for foreign investment. The report stated that China would relax investment access and accelerate free-trade area development.

On 15 January 2014, the 2014 Chinese and Foreign Investment Promotion Agencies Conference was held in Beijing. The focus of the 2014 conference was on "new thoughts, mechanism and approaches of investment promotion." Assistant Minister Wang Shouwen said: "The Chinese government will continue to attach great importance to the promotion of international investment cooperation, further

⁵⁷ Canada-China treaty in full effect. 29 September 2014. Access date: 1 October 2014.

<http://www.mondaq.com/canada/x/343020/international+trade+investment/CanadaChina+Investment+Treaty+Enters+In+to+Force+After+30+Month+Wait>.

⁵⁸ Harper Government Supports Small Businesses in Canada, Department of Finance Canada (Ottawa) 17 September 2014. Access date: 5 October 2014. <http://www.fin.gc.ca/n14/14-121-eng.asp>

⁵⁹ China-India deal announce future plans. 18 September 2014. Access date: 1 October 2014.

<http://www.ndtv.com/article/cheat-sheet/china-promises-20-billion-investment-in-india-a-new-road-to-kailash-mansarovar-594230>

optimize the investment environment and enhance the level of bringing in and going out.” Similarly, Secretary Liu Dianxun stated that the Ministry of Commerce Investment Promotion Bureau will improve the professional level of investment promotion work, promoting the domestic environment, develop international cooperation, and raise public services capabilities.

On 21-23 January 2014, China and the European Union held a first round of negotiations for a bilateral investment agreement. The negotiations are a result of China’s recent decision to open up its economy to foreign investors.

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries — including China — in the period between November 2013 and February 2014. No measures were reported for China.

On 26 June 2014, China’s State Council published the document “Notice on further improving business fares management and reducing enterprise burden.”⁶⁰ The document outlined major tasks which include establishing, implementing and opening to the public a business charge directory, establishing new legislation and rules regarding business charges, cancelling service charges that do not have legal basis, investigating the violations of enterprise laws and rights and fully deepen the business fares reform.

On 28 July 2014, the Shanghai People’s Congress unanimously passed the law that covers regulations on supervision, investment, trade, financial services and taxation in the China (Shanghai) Pilot Free Trade Zone.⁶¹ Dai Haibo, executive vice director of the zone’s management committee said that the law “ensures that reforms and innovation in the zone can be carried out under a legal framework. Reforms include the registration system for setting up a business in the zone, measures to facilitate custom clearance procedures and rules to boost financial liberalization.

On 5 August 2014, China’s State Council released a statement regarding the alleviation of the high financing cost of enterprises.⁶² The state council published its recommendations which include maintaining the moderate increase of loans, control the unreasonable increase of financing costs, shorten the enterprise financing chain, clear up the unreasonable financial service charges, increase the efficiency of loan examination and provision, etc.

On 28 September 2014, the Chinese government announced to life restrictions on foreign investment for 27 businesses in the Shanghai Free Trade Zone.⁶³ Foreign investors are allowed to setup solely-owned firms and foreign investors’ stakes are allowed to exceed 51 per cent.

⁶⁰ State Council Distributes “Notice on further improving business fares management and reducing enterprise burdens”, Government of China (Beijing) 26 June 2014. Date accessed: 4 October 2014. http://www.gov.cn/xinwen/2014-06/26/content_2708405.htm

⁶¹ Shanghai FTZ law passed, China (Shanghai) Pilot Free Trade Zone (Shanghai) 28 July 2014 Date accessed: 4 october 2014. <http://en.china-shftz.gov.cn/News-Information/News-update/234.shtml>

⁶² State Council Office on recommendations on multiple measures on alleviating high enterprise financing cost, Government of China (Beijing) 5 August 2014. Date accessed: 4 October 2014. http://www.gov.cn/zhengce/content/2014-08/14/content_8983.htm

⁶³ China opens businesses to foreign firms in Shanghai FTZ, China Daily (Beijing) 28 September 2014. Date accessed: 4 October 2014. http://europe.chinadaily.com.cn/business/2014-09/28/content_18677546.htm

On 28 September 2014, China's State Council announced measures to further liberalize business for foreign companies in the Shanghai Free Trade Zone.⁶⁴ 27 items in six regulations were adjusted and foreign firms are now allowed to hold bigger stakes in joint ventures and given lower thresholds.

On 30 September 2014, the China Council for the Promotion of International Trade announced the establishment of two arbitration agencies to assist with the global expansion of Chinese companies.⁶⁵ The main task aims to provide legal assistance to businesses, and offering dispute resolution services, especially for SMEs.

China has identified and began to implement measures that address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1 for full compliance.

Analyst: Alissa Xinbe Wang and Affan Bajwa

France: +1

France has fully complied with its macroeconomic commitment on improving investment conditions.

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to France, the report noted that one investment measure relating to national was taken during the reporting period. The measure, however, came in effect prior to the St. Petersburg Summit and, therefore, does not count towards compliance in the present report.⁶⁶

On 19 December 2013, the French Parliament adopted the Finance Act 2014.⁶⁷ The act imposes a corporate tax increase from 5 per cent to 10.7 per cent upon companies with an annual turnover above EUR250 million. Also, the Act toughens transfer pricing documentary requirements for companies with annual turnovers exceeding EUR400 million. This measure improves the general business climate.

On 21 January 2014, President Francois Hollande publicized his intention to ease the tax burden on French companies, encouraging them to invest in France and hire young and old workers, who were hardest hit by high unemployment. This was also in response to a 77 per cent decrease in foreign investment in France over the previous year.⁶⁸

On 17 February 2014, President Hollande reiterated his pledge to reduce by EUR30 billion the social charges that companies pay on their employees. He further announced plans to stabilize corporate tax

⁶⁴ Foreign firms given more autonomy in Shanghai FTZ, China Daily (Beijing) 28 September 2014. Date accessed: 4 October 2014. http://europe.chinadaily.com.cn/business/2014-09/28/content_18677549.htm

⁶⁵ Legal agencies to help enterprises expand overseas, China Daily 30 September 2014. Date accessed: 4 October 2014. http://europe.chinadaily.com.cn/business/2014-09/30/content_18684575.htm

⁶⁶ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

⁶⁷ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 26 February 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf.

⁶⁸ Hollande ties business tax relief to investment in France, Reuters (Paris) 21 January 2014. Access Date: 26 February 2014. <http://uk.reuters.com/article/2014/01/21/uk-france-reforms-idUKBREA0K0QA20140121>.

rules simplify customs procedures for imports and exports and introduce a tax break for foreign startups.⁶⁹

On 27 February 2014, Minister of Economy and Finance Pierre Moscovici and Minister of Budget Bernard Cazeneuve announced two new measures under the mandate of “Simplification for Businesses,” (1) creating a single-entry point for taxation on foreign companies, and (2) clarifying the instructions for Research Tax Credits (CIR).⁷⁰

On 17 April 2014, The National Assembly has adopted measures relating to law of “Artisan, Trade, and Very Small Businesses.” The aims of the Bill are (1) to control commercial rents and to balance the relationships between retail tenants and landlords, (2) to reinforce the right of first refusal, (3) to encourage business diversity in France, (4) to develop artisanship, and (5) to facilitate processes for individual enterprises.⁷¹

On 8 September 2014 France, along with Germany, proposed increased investment in Europe using private capital to improve economic activity and job creation. The proposal is aimed at building infrastructure in the public and private sector.⁷²

On 30 September 2014, Secretary of State for Trade, Crafts, Consumer Affairs and the Social and Solidarity Economy Carole Delga, Minister of Overseas George Pau Langevin, Minister of Economy, Industrial Renewal of Information Technology Emmanuel Macron, and Minister of Labour, Employment and Social Dialogue François Rebsamen have jointly signed the Convention of “Action for Employment and Business Creation.”⁷³ The convention aims (1) to improve financial devices for enterprises, (2) to support micro-enterprises and very small businesses (TPEs), (3) to prepare for the demographic challenges in France, and (4) to develop social and solidarity economy.

During the compliance period, France has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1 for this commitment.

Analysts: Freda Zhang, Affan Bajwa and Vera V. Gavrilova

Germany: +1

Germany has fully complied with its macroeconomic commitment on improving investment conditions.

On 1 September 2013, the Foreign Trade and Payments Acts and Foreign Trade and Payments Act Regulation were amended. The amendments brought changes to the German review mechanism for

⁶⁹ France Tries to Tempt In More Foreign Investment, New York Times (Paris) 17 February 2014. Access Date: 26 February 2014. <http://www.nytimes.com/2014/02/18/business/international/hollande-throws-open-frances-doors-to-business.html?r=0>.

⁷⁰ Communiqué de presse, Pierre MOSCOVICI et Bernard CAZENEUVE announced two new measures to simplify business taxation, Ministry of Economy and Finance (France) 27 February 2014. Access Date: 8 October 2014. <http://proxy-pubminefi.diffusion.finances.gouv.fr/pub/document/18/17074.pdf>

⁷¹ Law of “Craft, Trade, and TPE”: Measures adopted by the Assembly, Ministry of Economy and Finance (France) 18 April 2014. Access Date: 9 October 2014. [http://www.economie.gouv.fr/loi-artisanat-commerce-tpe-mesures-adoptee#Simplifier les régimes de l'entreprise individuelle](http://www.economie.gouv.fr/loi-artisanat-commerce-tpe-mesures-adoptee#Simplifier%20les%20r%C3%A9gimes%20de%20l'entreprise%20individuelle)

⁷² France & Germany aim to boost investment in EU. 8 September 2014. Access date: 2 October 2014. <http://www.reuters.com/article/2014/09/08/europe-investment-germany-france-idUSL5N0R91YU20140908>

⁷³ Joint Communiqué de presse, Signature of the Convention on “Action for Employment and Business Creation”, Ministry of Labor, Employment and Social Dialogue (France) 30 September 2014. Access Date: 9 October 2014. http://travail-emploi.gouv.fr/IMG/pdf/CP_commun_-_signature_Convention_Agir_pour_l_emploi_-_30_septembre_2014.pdf

foreign investment. The changes aim to reduce the information that needs to be submitted to the Ministry in the sector-specific review as well as allow the Ministry to give clearance before the end of the one-month review period set for the sector-specific review.⁷⁴

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries — including Germany — in the period between November 2013 and February 2014.⁷⁵ No measures were reported for Germany.

On 14 March 2014, on the wake of the negotiations between United States and the European Union, Germany insisted that any pact must exclude a dispute settlement provision. The “investor-state dispute settlement” mechanism, or ISDS, would allow private investors to sue governments if they felt local laws threatened their investments. Public opposition to its inclusion has grown in both Europe and the US since the launch last year of negotiations over a transatlantic trade area.⁷⁶

On 29 April 2014 the ERP-Wirtschaftsplangestz (KfW) 2014 (plan to support SME and start-up financing) was passed. With this regulation the German government continues its support to facilitate access to finance for SMEs and start-ups using loans services by KfW. The Ministry of Economic Affairs and Energy sponsors the loans using EPR funds and ensures favourable credit conditions for the recipients.⁷⁷

On 2 July 2014, the German cabinet adopted the government draft for the 2015 federal budget and the financial plan for 2014 to 2018. The government pledges an additional EUR5 billion for investment in roads, railways and waterways, EUR1 billion of which will be released in 2015. Investments in transport will continue to increase, from EUR10.8 billion in 2015 to EUR11.9 billion by the end of the parliamentary term. By improving its infrastructure, the German government has contributed to improving long-term investment climate in the country.⁷⁸

On 27 September 2014, Germany’s Chancellor Angela Merkel announced that Germany has rejected the protectionist investment measures put forth by the European Union (EU)-Canada trade accord. The Economy Ministry stated that Germany rejects clauses allowing for investors to arbitrate a tribunal case against a country with a disputed investment. The deal is slated to end 98 per cent of the tariffs on EU and Canadian goods, moving up to 99 per cent after seven years.⁷⁹

⁷⁴ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 26 February 2014.
http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

⁷⁵ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

⁷⁶ Transatlantic trade talks hit German snag, The Financial Times (Berlin) 14 March 2014. Access Date: 16 March 2014. <http://www.ft.com/intl/cms/s/0/cc5c4860-ab9d-11e3-90af-00144feab7de.html#axzz2wMbTdlUk>.

⁷⁷ ERP-Wirtschaftsplangestz 2014, Bundesanzeiger Verlag (Berlin) 23 April 2014. Access Date: 5 October 2014. http://www.bgbl.de/banzxaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&jumpTo=bgbl114s0413.pdf#__bgbl_%2F%2F*%5B%40attr_id%3D'bgbl114s0413.pdf'%5D__1407426978271

⁷⁸ German cabinet adopts 2015 draft budget, Federal Ministry of Finance (Berlin) 2 July 2014. Access Date: 5 October 2014. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-07-02-cabinet-adopts-2015-draft-budget.html>

⁷⁹ Germany rejects investment clause in EU-Canada deal. 25 September 2014. Access Date: 1 October 2014. <http://www.theglobeandmail.com/report-on-business/international-business/european-business/germany-wants-investment-clause-scrapped-in-eu-canada-trade-deal/article20783471/>

During the compliance period Germany has taken actions to address the impediments to improving underlying investment conditions from regulatory and macroeconomic approach. Thus, it has been awarded a score of +1 for this commitment.

Analyst: Maria Monica Layarda and Affan Bajwa

India: +1

India has fully complied with its macroeconomic commitment on improving investment conditions.

On 4 September 2013, the Reserve Bank of India relaxed “use limitations” for funds in foreign currency borrowed under ECB rules.⁸⁰

On 18 September 2013, the Reserve Bank of India expanded the definition of “infrastructure sector” so as to facilitate public investment.⁸¹

On 26 September 2013, Prime Minister of India Manmohan Singh announced his plan to offer 51 per cent foreign direct investment in e-commerce firms, to attract US tech companies like Amazon and eBay.⁸²

On 30 September 2013, the Reserve Bank of India announced that the ECB facility was available for acquisition of shares in the disinvestment process, under the government’s disinvestment programme of the public sector undertakings.⁸³

On 8 November 2013, the Reserve Bank of India announced that unlisted companies incorporated in India were allowed to raise capital abroad without requiring prior or subsequent listing in India. This permission is initially for a period of two years and is subject to certain conditions.⁸⁴

On 9 January 2014, India’s central bank relaxed foreign direct investment regulations to allow investors to exit their investments subject to the conditions of a minimum lock-in period and without any assured returns. The Reserve Bank of India expected this relaxation to facilitate great foreign direct investment (FDI) inflows into the country.⁸⁵

⁸⁰ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 26 February 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

⁸¹ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 26 February 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

⁸² Indian PM May Allow 51% Foreign Investment in E-Commerce to Woo US, Global Talks Business (New Delhi) 6 September 2013. Access Date: 26 February 2014. <http://global.com/globaltalksbusiness/indian-pm-may-allow-51-foreign-investment-e-commerce-woo-us/>.

⁸³ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 26 February 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

⁸⁴ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 26 February 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

⁸⁵ India's cbank eases foreign direct investment rules, Reuters 9 January 2014. Access Date: 26 February 2014. <http://www.reuters.com/article/2014/01/09/india-cbank-fdi-idUSI8NOCZ02N2014010>.

On 4 December 2013, the Indian government had agreed to withdraw a notification that suspended tax benefits on investments from Cyprus.⁸⁶

On 12 December 2013, India signed a bilateral investment treaty with the United Arab Emirates.⁸⁷

On 17 January 2014, the Reserve Bank of India officially allowed foreign investors to acquire shares in the South Indian Bank.⁸⁸

On 22 January 2014, Indian Microfinance institutions (MFIs) have extended loans to INR30 thousand crore so far in the current fiscal cycle. Microfinance Institutions Network (MFIN) CEO Alok Prasad said: “The portfolio of lending has gone up by 55 per cent this year. The good news is that payback tendency of over 99 per cent of the borrowers is strong.”⁸⁹

On 17 February 2014, India’s Finance Minister P. Chidambaram proposed setting up a non-statutory public debt management office that could start from fiscal 2014/15⁹⁰

On 22 February 2014, the government of India began to review all its bilateral investment promotion and protection pacts, given global firms raising concerns about India’s investment policy. So far India has implemented 83 bilateral investment promotion and protection agreements (BIPPAs) with various countries.⁹¹

On 17 April 2014, the Indian government pronounced a Consolidated FDI policy, aimed to attract and promote foreign direct investment “in order to supplement domestic capital, technology and skills, for accelerated economic growth.”⁹²

On 7 April 2014, the Reserve Bank of India announced that foreign institutional investors can only invest in Government dated securities having residual maturity of one year and above.⁹³

On 9 June 2014, president Pranab Mukherjee told parliament that India would use public and private investment to create jobs for the millions who enter the workforce every year and will make containing inflation its top priority.⁹⁴

⁸⁶ Centre to withdraw order denying tax benefits on investments from Cyprus, The Hindu (New Delhi) 4 December 2013. Access Date: 26 February 2014. <http://www.thehindu.com/business/Economy/centre-to-withdraw-order-denying-tax-benefits-on-investments-from-cyprus/article5422249.ece>.

⁸⁷ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

⁸⁸ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

⁸⁹ Microfinance institutions lending close to Rs.30,000 cr in current fiscal, The Hindu (New Delhi) 22 January 2014. Access Date: 26 February 2014. <http://www.thehindu.com/business/Industry/microfinance-institutions-lending-close-to-rs30000-cr-in-current-fiscal/article5606494.ece>.

⁹⁰ I-India to set up debt management office, Reuters (New Delhi) 17 February 2014. Access Date: 26 February 2014. <http://uk.reuters.com/article/2014/02/17/uk-india-budget-debtooffice-idUKBREA1G08720140217>.

⁹¹ India reviewing its 83 bilateral investment pacts: Anand Sharma, The Economic Times (New Delhi) 22 February 2014. Access Date: 26 February 2014. http://articles.economictimes.indiatimes.com/2014-02-22/news/47581787_1_investment-protection-bilateral-treaties-investment-promotion.

⁹² Consolidated FDI Policy, Department of Industrial Policy and Promotion (New Delhi) 17 April 2014. Access Date: 4 October 2014. http://dipp.nic.in/English/Policies/FDI_Circular_2014.pdf

⁹³ UNCTAD-OECD Eleventh Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 October 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2014d11_en.pdf

On 11 June 2014, incoming Prime Minister Narendra Modi suggested that he wanted to promote a supply-side revolution. He promised “rationalization and simplification of the tax regime to make it non-adversarial and conducive to investment, enterprise and growth.” Narendra Modi’s electoral platform emphasized liberal economic growth and anti-corruption in the investment sphere.⁹⁵

On 10 July 2014, to energize capital markets, the government proposed measures, including tax benefits and easier regulations for foreign investors and corporate bonds besides creating a new instrument Bharat Depository Receipts, helping BSE benchmark Sensex to jump 434 points. Finance Minister Arun Jaitley also announced incentives for real estate and investment trust (REIT). The government has proposed introducing uniform KYC (Know Your Customer) norms with inter-usability of the KYC records across the entire financial sector. As well, in his budget presentation for 2014-15, Arun Jaitley announced introducing a much more liberal and ambitious Bharat Depository Receipt (BhDR).⁹⁶

On 10 July 2014, India will ease rules for foreign investment in the nation’s defense sector and boost spending by 12 per cent, as part of India’s plan to modernize the armed forces. Overseas investors can buy as much as 49 per cent of Indian defense companies without government approval, up from 26 per cent currently⁹⁷

On 5 August 2014, India’s central bank left interest rates unchanged for a third straight meeting as retail inflation slowed. The government of India released food stocks to offset the risk of higher prices from a weak monsoon, to allow stability and predictability in the agri-sector.⁹⁸

On 21 August 2014, the Reserve Bank of India (RBI) reiterated its commitment to lower the consumer price index to 6 per cent by January 2016, saying it was ready to use monetary policy to address high inflationary expectations and sticky core inflation. Such a policy will promote investment in the Food sector, which is facing sustained high levels of inflation.⁹⁹

On 29 September 2014, Indian Prime Minister Narendra Modi told several U.S. chief executive officers that he is “committed to liberalizing his country’s economy, which has underperformed other emerging markets recently after years of breakneck growth.” Modi spoke with 11 chief executive officers during his first official visit to the U.S. His visit was designed to encourage investment by large American firms in India, as an emerging market.¹⁰⁰

⁹⁴ India's new government reveals plan for jobs, low inflation, ABC Net (New Delhi) 9 June 2014. Access Date: 4 October 2014. <http://www.abc.net.au/news/2014-06-10/indian-government-jobs-plan/5511180>

⁹⁵ Modi Turns to the Supply Side, Wall Street Journal (New Delhi) 11 June 2014. Access Date: 4 October 2014. <http://online.wsj.com/articles/modi-turns-to-the-supply-side-1402419886>

⁹⁶ Govt proposes measures to energise capital markets, Zee News India (New Delhi), 10 July 2014. http://zeenews.india.com/business/indian-budget-2014/govt-proposes-measures-to-energise-capital-markets_103646.html

⁹⁷ Modi Eases Defense Investment Rules as India to Rebuild Forces, Bloomberg (New Delhi) 10 July 2014. Access Date: 4 October 2014. <http://www.bloomberg.com/news/2014-07-10/modi-eases-defense-investment-rules-as-india-to-rebuild-forces.html>

⁹⁸ Rajan Holds Rates for Third Meeting in India Inflation Fight, Bloomberg (New Delhi) 5 August 2014. Access Date: 4 October 2014. <http://www.bloomberg.com/news/2014-08-05/rajan-holds-rates-for-third-meeting-as-india-s-inflation-eases.html>

⁹⁹ RBI signals anti-inflationary policy ahead, Business today (New Delhi) 21 August 2014. Access Date: 4 October 2014. <http://businesstoday.intoday.in/story/rbi-inflation-consumer-price-index-inflation/1/209469.html>

¹⁰⁰ India’s PM Modi is Committed to Liberalizing the Country’s Economy, Market Pulse (New Delhi) 29 September 2014. <http://www.marketpulse.com/20140929/indias-pm-modi-committed-liberalizing-countrys-economy/>

During the compliance period India has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1 for this commitment.

Analyst: Chris D'Souza

Indonesia: +1

Indonesia has fully complied with its macroeconomic commitment on improving investment conditions.

On 23 September 2013, Indonesia initiated talks on empowering SMEs as one priority at the APEC 2013 Eighth High-Level Summit in Bali. Special Staff of the President for Economy and Development Professor Firmanzah, said that Indonesian government continues to encourage SMEs to improve human resource capacity, market dominance and technology. He announced that the Ministry for Cooperatives and Small and Medium-Sized Businesses continues to implement its Credit for the People (KUR) program to provide finance to micro enterprises. This initiative has been widely supported by all APEC members and they agreed to have a discussion on empowering SMEs at each annual APEC meeting.¹⁰¹

On 6 October 2013, President Susilo Bambang Yudhoyono at the APEC Summit mentioned that in order to achieve APEC's goals Indonesia would focus its efforts "economic empowerment, engagement of stake-holders and enhancement of SMEs' global competitiveness" through promoting innovation and engaging women in small businesses.¹⁰²

On 12 October 2013, Indonesia establishes a three-year bilateral currency swap agreement with Korea in order to promote bilateral trade and further strengthen investment between the two countries. The size of the agreement is up to KRW 10.7 trillion/IDR 115 trillion (equivalent to USD 10 billion). The extension of the effective period of this facility will be subject to future agreement. This Bilateral Currency Swap Arrangement (BCSA) aims.¹⁰³

On 23 October 2013, I Wayan Dipta, Indonesian Minister for Cooperatives and SMEs, announced the launch of a practical business skills program, to provide training for young people in rural areas to stimulate their activity as entrepreneurs.¹⁰⁴

On 6 November 2013, the Investment Coordinating Board announces major plans to attract foreign investment in various sectors. The government is planning to amend the "negative investment list"¹⁰⁵

¹⁰¹ Indonesia Prakarsai Pembahasan Penguatan UKM di KTT APEC 2013, Portal Nasional Republik Indonesia 23 September 2013. Access Date: 25 September 2014. <http://indonesia.go.id/en/ministries/ministers/ministry-of-the-state-secretariat/2293-ekonomi/13389-indonesia-prakarsai-pembahasan-penguatan-ukm-di-ktt-apec-2013>

¹⁰² Keynote Speech at The APEC CEO 2013, President Republic of Indonesia 6 October 2013. Access Date: 25 September 2014. <http://www.presidentri.go.id/index.php/eng/pidato/2013/10/06/2190.html>

¹⁰³ Indonesia dan Korea Tanda Tangan Kerja Sama Bilateral Currency Swap, Kementerian Keuangan Republik Indonesia 6 March 2014. Date of access: 25 September 2014. <http://www.kemenkeu.go.id/Berita/indonesia-dan-korea-tanda-tangani-kerja-sama-bilateral-currency-swap>

Bilateral Currency Swap Arrangements, Indonesia-Investments (Jakarta) 13 October 2013. Date of access: 21 February 2014. <http://www.indonesia-investments.com/finance/financial-columns/bilateral-currency-swap-arrangement-bcsa-indonesia-and-korea/item1209>

¹⁰⁴ Pendirian Tempat Praktek Keterampilan Usaha Di Pedesaan Digenjot, Jejaring Lapangan Kerja Bagi Kaum Muda Indonesia, Bappenas 24 October 2013. Access Date: 25 September 2014. <http://jejakmu.bappenas.go.id/berita/oktober-2013-pendirian-tempat-praktek-keterampilan-usaha-di-pedesaan-digenjot>

¹⁰⁵ Indonesia Ease Curbs Foreign Investment. Industry Week (Jakarta) 24 December 2013. Date of access: 25 September 2014. <http://www.industryweek.com/global-economy/indonesia-ease-curbs-foreign-investment>

which limits foreign investment in areas deemed sensitive. Under the new plan, the country's transportation sectors will be opened up to foreign market. Foreign investors will be allowed to invest up to 49 per cent in airports and 95 per cent in seaports and toll roads.¹⁰⁶ At the same time, the government also plans to ease restrictions in the telecommunication and pharmaceutical sectors. The maximum shareholding for foreign investment will be increased from 75 per cent to 85 per cent and in advertising agencies from 49 per cent to 51 per cent. In the energy sector, foreign investors will be allowed an investment up to 100 per cent in power plants built under public-private partnerships.

On 14 November 2013, Deputy Coordinating Minister for Economic Affairs in Commerce Edi Putra announced the directorate general of tax imposing 1 per cent tax on SMEs. He said that this measure would improve SME access to the financial market, as entrepreneurs would have an opportunity to get a tax identification number necessary for getting a loan.¹⁰⁷

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to Indonesia, the report noted no investment policy measure or investment measure relating to national was taken during the reporting period.¹⁰⁸

On 10 January 2014, Danial, the Director of the Cooperative Revolving Fund Management Agency under the Ministry of Cooperatives and SMEs, announced the budget increase for business loans for the country's small and medium enterprises to IDR2.63 trillion in a move to boost the growth of the small and medium business in the country.¹⁰⁹

On 18 February 2014, Indonesia and Taiwan agreed to establish a special economic zone agreement at Indonesia's island, Morotai, as part of the joint bilateral development project. The agreement is set to promote Taiwanese investment in Morotai's fisheries and tourism industries.¹¹⁰

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries — including Indonesia — in the period between November 2013 and February 2014. No measures were reported for Indonesia.¹¹¹

On 8 April 2014, the Bank of Indonesia issued regulation No. 16/8/PBI/2014 in order to align its provisions with the provisions of electronic money transfer funds to harmonize provisions on electronic

¹⁰⁶ Indonesia Pushes Pro-Investment Reform, Oxford Business Group (Oxford) 19 December 2013. Date of access: 25 September 2014. http://www.oxfordbusinessgroup.com/economic_updates/indonesia-pushes-pro-investment-reform

¹⁰⁷ Tax Imposition on SMEs for Easy Financial Access, Ministry of Republic of Finance Republic of Indonesia 14 November 2014. Access Date: 25 September 2014. <http://www.kemenkeu.go.id/en/Berita/smes-tax-easy-financial-access>

¹⁰⁸ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 25 September 2014. <http://unctad.org/en/Pages/DIAE/G-20/UNCTAD-OECD-reports.aspx>

¹⁰⁹ LPDB-KUMKM Anggarkan Rp2,63 Triliun Tahun Ini, Kementerian Kooperasi dan Usaha Kecil dan Menengah Republik Indonesia 10 January 2014. Access Date: 25 September 2014. http://www.depkop.go.id/index.php?option=com_content&view=article&id=1377:lpdb-kumkm-anggarkan-rp263-triliun-tahun-ini&catid=50:bind-berita&Itemid=97

¹¹⁰ Indonesia to set up Morotai economic zone: envoy, China Post (Taiwan) 20 February 2014. Date of access: 25 September 2014. <http://www.chinapost.com.tw/taiwan/foreign-affairs/2014/02/20/401018/Indonesia-to.htm>

¹¹¹ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 25 September 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

money with provisions on fund transfer, increase technology security and efficiency of electronic money services, and expand the coverage of electronic money services to support National Strategy for Financial Inclusion through implementation of Digital Financial Service increase the efficiency of security technology and electronic money. This initiative is a significant improvement on the existing financial infrastructure and it enables customers to easily access financial services and payment systems via technological means, such as mobile-based devices or web-based tools.¹¹²

On 8 April 2014, the Indonesian Financial Services Authority (OJK) issued Regulation No.5/POJK.05/2014 as a prudential regulation in credit risk mitigation by establishing a credit guarantee company. The company serves as a key policy tool for rapidly developing as a mechanism to expand credit markets and to improve financial inclusion, particularly in regional areas. Indonesia now has 16 regional credit guarantee companies, which have provided incentives to increase financial intermediation in regional areas.¹¹³

On 29 September 2014, the Organization for Economic Cooperation and Development (OECD) High-level Principles on Long-term Investment Financing by Institutional Investors report noted that Indonesia will implement preconditions for long-term investment, including favourable business processes by removing red tape, as well as allowing for public-private partnerships by cutting fuel subsidies. In the same report, it was also noted that Indonesia plans to increase investment in the infrastructure sector through financial markets, thereby exemplifying a high capability for large investments in infrastructure. This highlights the key role of institutionalized investments in capital markets.¹¹⁴

During the compliance period, Indonesia has taken clear macroeconomic and regulatory actions to improve investment conditions, give targeted support for SMEs, as well as take part in the collective action through its role in APEC. Thus, it has been awarded a score of +1 for full compliance.

Analyst: Maria Monica Layarda and Affan Bajwa

Italy +1

Italy has fully complied with its macroeconomic commitment on improving investment conditions.

On 19 September 2013, the federal government decided to enact the Destination Italy legislation (Destinazione Italia)¹¹⁵, to attract foreign inward property investment and aid Italy at capitalizing on globalization, by bringing the world to them. The legislation proposed a closer collaboration with the tax revenue agency, with five-year tax agreements and an application of international rulings. The Plan

¹¹² Peraturan Bank Indonesia Nomor 16/8/PBI/2014 tentang Perubahan Atas Peraturan Bank Indonesia Nomor 11/12/PBI/2009 tentang Uang Elektronik (Electronic Money), Bank Indonesia 8 April 2014. Date of Access: 25 September 2014. http://www.bi.go.id/id/peraturan/sistem-pembayaran/Pages/PBI_16814.aspx

¹¹³ Peraturan Otoritas Jasa Keuangan tentang Perizinan Usaha dan Kelembagaan Lembaga Penjaminan, Otoritas Jasa Keuangan 8 April 2014. Date of Access: 25 September 2014. http://www.google.ca/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CB8QFjAA&url=http%3A%2F%2Fwww.ojk.go.id%2Fdl.php%3Fi%3D2840&ei=HIMkVlFOF420yASO7YDADA&usq=AFQjCNH6i8Wao-A3uw8gGsvPc0-27O9Dog&sig2=v25iWeDQ9q_ObMB9Do8c6w&bvm=bv.76247554,d.aWw

¹¹⁴ Report on The High-level Principles on Long-term Investment Financing by Institutional Investors. September 2014. Access Date: 29 September 2014. <http://www.oecd.org/daf/fin/private-pensions/G20-OECD-Report-Effective-Approaches-LTI-Financing-Sept-2014.pdf>

¹¹⁵ A Plan to Attract Foreign Direct Investment in Italy, Destinazioneitalia (Rome) 19 September 2014. Access Date: 15 March 2014. <http://destinazioneitalia.gov.it/wp-content/uploads/2013/10/destinazioneitaliaEnglishVersion.pdf>

establishes a set of measures to foster inbound investments in a cohesive and structural manner and increase Italian companies' competitiveness on the world market.

On 21 November 2013, the government of Italy approved plans to sell some EUR12 billion in assets.¹¹⁶

On 4 February 2014, it was declared that Kuwait's sovereign fund would invest EUR500 million in Italian companies.¹¹⁷ The investment will be done in coordination with Italy's own strategic investment fund, as Prime Minister Enrico Letta explained. This agreement illustrates confidence in Italian economy.

On 14 February 2014, it was announced that Italy would not be allowed to make use of a so-called "investment clause"¹¹⁸ because it failed to present a document requested by the European Commission. This clause would allow flexibility on public spending, but considering Rome's deadline had already been extended, there is skepticism as to whether Italy will be able to present this document required. The Italian Ministry Economy refused to comment on the situation.

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to Italy, the report noted no investment policy measure or investment measure relating to national was taken during the reporting period.¹¹⁹

On 2 February 2014, it was declared that Italy would impose an obligation, requiring banks to withhold a 20 per cent tax on all inbound wire transfers, to be effective starting 1 February. This tax has the potential to seriously hinder capital flow in Italy since the more Italians will open bank accounts in other Eurozone nations, or in new tax haven areas such as Switzerland or Singapore.¹²⁰

In May 2014, The OECD's online report published explains that Italy's slow recovery from recession will continue throughout the year and growth will start to be apparent in 2015. This growth will help increase both consumption and investment, all the while keeping price inflation relatively low. The OECD encourages Italy to continue fiscal restraint, with the main goal of reducing expenditure as a share of GDP.¹²¹

¹¹⁶ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

¹¹⁷ Italian PM says Kuwait to invest \$676m in Italy, Al Arabiya (Kuwait) 4 February 2014. Access Date: 28 February 2014. <http://english.alarabiya.net/en/business/economy/2014/02/04/Italian-PM-says-Kuwait-to-invest-767m-in-Italy.html>.

¹¹⁸ Italy won't have leeway on investment spending in 2014-EU source, Reuters (London) 14 February 2014. Access Date: 28 February 2014. <http://in.reuters.com/article/2014/02/14/italy-spending-investment-idIN16N0LB01420140214>.

¹¹⁹ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

¹²⁰ Money Launderer Until Proven Innocent - Italy Imposes 20% Tax Withholding On All Inbound Money Transfers, ZeroHedge 16 February 2014. Access Date: 29 September 2014. <http://www.zerohedge.com/news/2014-02-16/money-launderer-until-proven-innocent-italy-imposes-20-tax-withholding-all-inbound-m>

¹²¹ Italy - Economic forecast summary (May 2014), OECD (Geneva) May 2014. 29 September 2014. <http://www.oecd.org/eco/outlook/italy-economic-forecast-summary.htm>

Italy has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1 for this commitment.

Analyst: Cas Legrand

Japan: +1

Japan has fully complied with its macroeconomic commitment on improving investment conditions.

On 15 October 2013, Fiscal Investment and Loan Program Committee submitted the FY2014 overview to the Cabinet.¹²² The goals of the program include: (1) revitalization of private investment; (2) support for small and medium-sized businesses; (3) assisting appropriate oversea investments made by Japanese corporations; (4) facilitating exports. The program's budget is JPY16.2 trillion.

On 15 December 2013, the Japanese government and the Republic of the Union of Myanmar signed an Investment Agreement in Tokyo.¹²³ The agreement hopes to strengthen the Japan-Myanmar relationship and facilitate Japanese business efforts in Myanmar. The agreement includes investment liberalization and protection standards.

On 17 December 2013, Government of Japan and Government of United Kingdom of Great Britain and Northern Ireland signed the Protocol Amending Tax Convention to avoid double taxation and to prevent fiscal evasion.¹²⁴

On 7 February 2014, the Cabinet approved the Bill for the Act for Partial Revision of the Trade and Investment Insurance Act, which enhances the effectiveness of trade insurance.¹²⁵ In response to threats of war and terrorist attacks, the purpose of the Bill was to protect and support Japanese enterprises' development abroad.

On 18 February 2014, Government of Japan attended the Intersessional Meeting of the Negotiations on Free Trade Agreement along with China and Republic of Korea in Beijing, China.¹²⁶

On 22-23 February 2014, Government of Japan attended Meeting of Ministers and Central Governors in Sydney, Australia.¹²⁷ The meeting reinforced its commitments to continue implementing sustainable measures to attract long-term investments in response to global economic crisis in 2014.

¹²² Press Release, FY2014 Fiscal Investment and Loan Program Proposal, Ministry of Finance (Tokyo) 24 December 2013. Access Date: 20 February 2014. <http://www.mof.go.jp/filp/plan/fy2014/h26youkyugaiyou.htm>

¹²³ Joint Press Release with the Ministry of Foreign Affairs, Signing of the Japan-Myanmar Investment Agreement, Ministry of Economy, Trade and Industry (Tokyo) 15 December 2013. Access Date: 20 February 2014. http://www.meti.go.jp/english/press/2014/0207_02.html

¹²⁴ Press Release, Protocol Amending Tax Convention with the United Kingdom was Signed [Provisional Translation], Ministry of Finance (Tokyo) 18 December 2013. Access Date: 20 February 2014. http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20131218uk.htm

¹²⁵ Cabinet Decision on the Bill for the Act for Partial Revision of the Trade and Investment Insurance Act, Ministry of Economy, Trade and Industry (Tokyo) 7 February 2014. Access Date: 20 February 2014. http://www.meti.go.jp/english/press/2014/0207_02.html

¹²⁶ Joint Press Release with Ministry of Finance, Intersessional Meeting on the Negotiations of Free Trade Agreement (FTA) among Japan, China and ROK, Ministry of Economy, Trade and Industry (Japan) 17 February 2014. Access Date: 20 February 2014. http://www.meti.go.jp/english/press/2014/0217_01.html

¹²⁷ Communiqué, Meeting of Ministers and Central Bank Governors (Sydney, 22-23 February 2014), Ministry of Finance (Tokyo) 23 February 2014. Access Date: 23 February 2014. http://www.mof.go.jp/english/international_policy/convention/g20/20140223.htm

On 7 March 2014, the Cabinet of Japan approved the Bill for the Small Enterprises Promotion Act and the Bill for Small Business Support Act simultaneously.¹²⁸ The aim of the bills is to develop strategic policy measures that can create a more favorable environment for small enterprises in Japan. The support acts outline three pillars to promote small business: (1) to establish a cooperative support system among other relevant entities, (2) to encourage collaborative efforts among regional institutions in Japan, and (3) to provide small enterprises with management support and business information via new service options a the Organization of Small & Medium Enterprises and Regional Innovation.

On 8 July 2014, Japanese Prime Minister Toshimitsu Montegi announced the conclusion of Japan-Australia Economic Partnership Agreement.¹²⁹ The agreement focuses on four major objectives: (1) to progressively eliminate tariffs on goods, (2) to increase investments and trade in service sector, (3) to strengthen government procurement and rules on electronic businesses, and (4) to emphasize the protection of Intellectual Property Rights.

On 10 October 2014, the ties between India and Japan strengthened with respect to investment. During the next five years, Japan is expected to invest USD35 billion in India through overseas development help and public-private partnerships. Japan also proposed that through the bullet train, operational, technical and financial support to India would be achieved. Japan is the fourth largest investor in India and accounts for 8 per cent of India's Foreign Direct Investment (FDI) inflows around USD1.7 billion for Fiscal Year 2013-14. Japan also invested USD4.5 billion in Delhi-Mumbai industries by holding 26 per cent of its equity.¹³⁰

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment related measures taken between 16 May 2013 and 15 November 2013 by the G20 members.

In relation to Japan, the report noted no investment policy measure or investment measure relating to national was taken during the reporting period.¹³¹

Japan has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach.

Thus, it has been awarded a score of +1 for this commitment.

Analyst: Freda Zhang and Affan Bajwa

Korea: +1

Korea has fully complied with its macroeconomic commitment on improving investment conditions.

¹²⁸ The Cabinet Approved the Bill for the Small Enterprises Promotion Act and the Bill for the Small Business Support Act, Ministry of Economy, Trade and Industry (Japan) 7 March 2014. Access Date: 2 October 2014. http://www.meti.go.jp/english/press/2014/0307_02.html

¹²⁹ Minister's Statement, The Signing of the Japan-Australia Economic Partnership Agreement, Ministry of Economy, Trade and Industry (Japan) 8 July 2014. Access Date: 2 October 2014. http://www.meti.go.jp/english/speeches/20140708_01.html

¹³⁰ India & Japan boost relations. 1 September 2014. Access Date: 4 2014. <http://timesofindia.indiatimes.com/India/Modi-in-Tokyo-Japan-to-invest-34-billion-in-India-no-nuke-deal/articleshow/41443426.cms>

¹³¹ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

Korean President Park Geun-Hye delivered a 20-minute keynote during her state visit to France, in which she underscored the importance of establishing cultural and economic ties with France.¹³²

On 17 December 2013, Egypt and Korea signed a contract on Tuesday morning to construct a petrochemical plant in Egypt, which the Ministry of Foreign Affairs says will include USD4.8 billion of investment and create tens of thousands of jobs during construction and operation.¹³³

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to Korea, the report noted one major investment policy measure — an amendment to the Telecommunications Business Act. However, the Act came into effect on 13 August 2013, prior to the G20 St. Petersburg Summit, and, therefore, does not count towards compliance in this report.¹³⁴

On 10 January 2014, Government of Korea amended the Foreign Investment Promotion Act. The act came into effect on 11 March 2014.¹³⁵

On 7 March 2014, Korea announced plans to ease rules to make mergers and acquisitions easier for private equity firms and local companies in order to provide liquidity to the extent of an estimated 10 trillion won (HKD72.4 billion) in assets of cash-strapped local companies. Such a policy will undoubtedly promote investment in sectors such as shipping and finance.¹³⁶

On 17 August 2014, Korean Minister of Finance Choi Kyung-hwan proposed a HKD40 billion stimulus package last month. The Bank of Korea announced last week that it will lower interest rates for the first time in 15 months to further encourage investments and induce a depreciation of the won.¹³⁷

On 24 September 2014, the financial regulator of South Korea appealed foreign private investors for equity funds. There is also a chance that the policies by the Korean regulations would be eased out by the parliament. Moreover, the regulations will soon remove the hindrances on the financial sectors that set up private equity funds. These private sectors will be allowed to promote themselves through advertisements for the first time. Also, the registration of the funds would not be mandatory anymore. These new measures and incentives would boost investment and economic growth. Choi Kyung-hwan disclosed a stimulus package worth USD40 billion.¹³⁸

¹³² President proposes future direction for Korea-France cooperation, Gateway to Korea (Seoul) 5 November 2013. Access Date: 27 February 2014. <http://www.korea.net/NewsFocus/Business/view?articleId=114614>.

¹³³ \$4.8bn investment deal signed in South Korea, Daily News Egypt (Cairo) 17 December 2014. Access Date: 27 February 2014. <http://www.dailynewsegypt.com/2013/12/17/4-8m-investment-deal-signed-in-south-korea/>

¹³⁴ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

¹³⁵ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

¹³⁶ South Korea to ease rules over mergers and acquisitions, Reuters (Seoul) 7 March 2014. Access Date: 15 October 2014. <http://www.scmp.com/business/money/markets-investing/article/1442221/south-korea-ease-rules-over-mergers-and>

¹³⁷ South Korea Lowers Interest Rates, Increases Uncertainty, The Diplomat (Seoul) 17 August 2014. Access Date: 20 October 2014. <http://thediplomat.com/2014/08/south-korea-lowers-interest-rates-increases-uncertainty/>

¹³⁸ South Korea appeals for private equity investment. 24 September 2014. Access date: 2 October 2014. http://www.ft.com/intl/cms/s/ebf5ccac-3e3a-11e4-b7fc-00144feabd0,Authorised=false.html?_i_location=http%3A%2Fwww.ft.com%2Fcms%2Fs%2F0%2Febf5ccac-3e3a-11e4-b7fc-00144feabd0.html%3Fsiteedition%3Dintl&siteedition=intl&_i_referer=#axzz3F3dCK4Jl

Korea has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1 for this commitment.

Analyst: Eden Cai and Affan Bajwa

Mexico: 0

Mexico has partially complied with its macroeconomic commitment on improving investment conditions.

On 20 December 2013, the Congress of Mexico passed amendments to the Constitution. The amendments lift the perilously existing restrictions on private capital in the oil industry.¹³⁹

On 11 January 2014, the Senate agreed to a comprehensive set of reforms of the banking sector.¹⁴⁰ The reforms touch upon the court system, small banks and the creation of universal credit body.

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to Mexico, the report noted one major investment policy measure — a decree relating to ownership of telecommunication services. However, the decree came into effect on 12 June 2013, prior to the G20 St. Petersburg Summit and, therefore, does not count towards compliance in this report.¹⁴¹

On 22 February 2014, the Canadian *Globe and Mail* called Mexico the “new frontier for Canada’s oil and gas industry” as its government opens the energy sector to foreign investment for the first time in more than 70 years.¹⁴²

On 4 May 2014, the Mexican government released its new rules on its oil sector, allowing for the energy reforms it announced last year. The rules are made with the intention of attracting quick investment from international oil companies.¹⁴³

Mexico has taken actions to address the impediments to improving underlying investment conditions from a regulatory approach. There is no evidence of any macroeconomic actions to improve the investment climate.

Thus, it has been awarded a score of 0 for this commitment.

Analyst: Chris D’Souza

¹³⁹ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

¹⁴⁰ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

¹⁴¹ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

¹⁴² Mexico Opens Up to Foreign Investment, The Globe and Mail (Mexico City) 22 February 2014. Access Date: 28 September 2014. <http://www.theglobeandmail.com/news/politics/mexico-opens-up-to-foreign-investment/article17052368/>

¹⁴³ Mexico Proposes Energy Rules to Attract Investment, OilPrice (New Mexico) 4 May 2014. Access Date 28 September 2014. <http://oilprice.com/Energy/Energy-General/Mexico-Proposes-Energy-Rules-To-Attract-Investment.html>

Russia: +1

Russia has fully complied with the commitment to improve investment conditions.

On 27 December 2013, Russian President Vladimir Putin signed the list of instructions on implementing his Address to Federal Assembly. In particular, he instructed the government to develop and approve a set of measures to increase the investment appeal of single-industry towns, to provide tax exemptions for investment projects implemented in some Russian regions and to develop the national rating of investment environment in Russian regions.¹⁴⁴

On 30 December 2013, Putin ratified the Agreement on the Promotion and Mutual Protection of Investment between Russia and Uzbekistan. The agreement provides long-term stability for investors and promotes more active investment, trade and economic cooperation between the two countries.¹⁴⁵

During the monitoring period the Russian Government continued to implement the National Business Initiative in order to systematically improve the investment climate. The initiative is implemented according to the roadmaps dealing with various spheres of government regulation. During the compliance period the government adopted the roadmaps on Improving Appraisal Services on 26 September 2013 and Improving Tax Administration on 10 February 2014.^{146,147} The government also amended the roadmaps Improving Customs Administration on 26 September 2013 and Improving Access to Energy Infrastructure on 9 August 2013.^{148,149} The amendments expand the coverage of the roadmaps and specify concrete measures to improve the investment climate.

Russia has implemented measures to improve investment conditions for both domestic and foreign investors unilaterally and on a bilateral basis. Thus, it received a score of +1.

Analyst: Andrey Sbelepor

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to improve its investment climate conditions. The government of Saudi Arabia has taken steps to identify and address impediments to underlying investment conditions since the G20 St. Petersburg Summit.

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation

¹⁴⁴ Instructions on implementing Address to Federal Assembly. President of Russia 27 December 2013. Access Date: 20 April 2014. <http://eng.kremlin.ru/misc/6529>.

¹⁴⁵ Law on ratification of intergovernmental agreement between Russia and Uzbekistan on promotion and mutual protection of investment, President of Russia 30 December 2013. Access Date: 20 April 2014. <http://eng.kremlin.ru/acts/6471>.

¹⁴⁶ On approving the roadmap Improving Appraisal Services, Government of Russia 2 October 2013. Government of Russia 10 February 2014. Access Date: 20 April 2014. <http://government.ru/en/docs/6569>.

¹⁴⁷ On approving the roadmap Improving Tax Administration, Government of Russia 10 February 2014. Access Date: 20 April 2014. <http://government.ru/en/docs/10362>.

¹⁴⁸ On amending the roadmap Improving Customs Administration, Government of Russia 1 October 2013. Access Date: 20 April 2014. <http://government.ru/en/docs/6382>.

¹⁴⁹ On amendments to the action plan Improving Access to Energy Infrastructure. Government of Russia 13 August 2013. Access Date: 20 April 2014. <http://government.ru/en/docs/3724>.

to Saudi Arabia, the report noted that no investment policy measures or investment policy measures relating to national security were taken during the reporting period.¹⁵⁰

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries — including Saudi Arabia — in the period between November 2013 and February 2014.¹⁵¹ No measures were reported for Saudi Arabia.

On 25 February 2014, the Saudi Arabia's Press Agency issued a cabinet statement announcing plans to open new training centres for judges.¹⁵² The opening of the centres will be administered by the Justice Ministry and is intended to address “one of the main issues for international investments” with judges now applying rules inconsistently and without due process. The reform creates greater transparency and predictability to help attract foreign investment.¹⁵³

On 21 August 2014, an announcement by the Saudi Arabian Capital Market Authority showed that Saudi Arabia is willing to permit non-Saudis to participate directly on the Kingdom's stock exchange (the Tadawul). The CMA published for consultation its draft rules for “Qualified Foreign Financial Institutions — Investments in Listed Shares” on 21 August 2014.¹⁵⁴

Saudi Arabia has taken actions to address the impediments to improving underlying investment conditions from a regulatory approach. Thus, it has been awarded a score of 0 for this commitment.

Analyst: Vera V. Gavrilova

South Africa: 0

South Africa has partially complied with its commitment on maintaining a supportive business environment for investors.

On 20 November 2013, the South African government published a draft Promotion and Protection of Investment Bill. The Bill has been introduced as part of an overhaul of the regulatory framework for foreign investment in South Africa, an overhaul that was initiated following a government review of the country's policy on bilateral investment treaties (BITs).¹⁵⁵

On 23 December 2013, the termination of the bilateral investment treaty between South Africa and Spain came in effect.¹⁵⁶

¹⁵⁰ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014.

http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

¹⁵¹ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf.

¹⁵² With eye on investors, Saudi Arabia plans training for judges, Reuters (Riyadh) 25 February 2014. Access Date: 15 March 2014. <http://www.reuters.com/article/2014/02/25/us-saudi-arabia-judges-idUSBREA1013L20140225>.

¹⁵³ Saudi Arabia to set up judge training centres, BBC News (London) 25 February 2014. Access Date: 15 March 2014. <http://www.bbc.com/news/world-middle-east-26341835>

¹⁵⁴ Saudi CMA Publishes Draft Rules to Open Tadawul to Qualified Foreign Investors, Latham and Watkins (Riyadh) 21 August 2014. Access Date: 15 October 2014. www.lw.com/thoughtLeadership/LW-Saudi-Tadawul-proposed-rules

¹⁵⁵ South Africa's Promotion and Protection of Investment Bill, Tralac (Pretoria) 20 November 2013. Access Date: 20 March 2014. <http://www.tralac.org/2013/11/20/south-africas-promotion-and-protection-of-investment-bill/>.

¹⁵⁶ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

On 21 February 2014, South Africa and the Republic of Azerbaijan signed Memorandum of Understanding (MoU) on Regular Political Consultations. MoU is not only the formal political tie between the two countries; it also provides a wide scope for future economic and investment cooperation between South Africa and the Republic of Azerbaijan.¹⁵⁷

On 28 January 2014, during an official visit to Madagascar, Deputy Minister of South Africa met with Madagascar President in a bilateral discussion and stated that South Africa recognizes the importance of expanding the existing bilateral economic and investment relations with Madagascar. It was also suggested that a South Africa-Madagascar Chamber of Commerce would soon be launched to reinforce the economic tie.¹⁵⁸

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to South Africa, the report noted that no investment policy measures or investment policy measures relating to national security were taken during the reporting period.¹⁵⁹

On 29 September 2014, South Africa will “need to invest about 3 billion rand ([USD]270 million) to help smaller enterprises so that they can add to growth,” Small Business Development Minister Lindiwe Zulu said. “We are expected to make proposals and we are looking at around 3 billion rand over the next three years,” Zulu added.¹⁶⁰

South Africa has taken actions to address the impediments to improving underlying investment conditions from a regulatory approach. Thus, it has been awarded a score of 0 for this commitment.

Analyst: Eden Cai

Turkey: +1

Turkey has fully complied with its macroeconomic commitment on improving investment conditions.

On 25 September 2013, Turkey signed a bilateral investment treaty with Djibouti.¹⁶¹

On 30 September 2013, the Ministry of Economy has approved 5,567 incentive documents.¹⁶² Within the structure of the new incentive system introduced in June 2012, the Ministry expects TRY84 billion in revenue from these new investments.

¹⁵⁷ Remarks by the Minister of International Relations and Cooperation, Ms Maite Nkoana-Mashabane, on the occasion of the joint press briefing with the Minister of Foreign Affairs of the Republic of Azerbaijan, Department of International Relations & Cooperation (Pretoria). 21 February 2014. Access Date: 27 February 2014.

<http://www.dfa.gov.za/docs/speeches/2014/mash0221.html>.

¹⁵⁸ Deputy Minister Fransman concludes visit to Madagascar, Department of International Relations & Cooperation (Pretoria) 28 January 2014. Access Date: 27 February 2014. <http://www.dfa.gov.za/docs/2014/mada0128.html/>.

¹⁵⁹ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014.

http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

¹⁶⁰ South Africa May Spend \$270 Million to Aid Small Business, Bloomberg (Pretoria) 29 September 2014. Access Date: 20 October 2014. <http://www.businessweek.com/news/2014-09-29/south-africa-may-spend-270-million-to-aid-small-business>

¹⁶¹ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014.

http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

On 1 November 2013, the Ministry of Economy has composed a Memorandum of Understanding (MoU) with the Ras Al Khaimah Free Trade Zone (RAK FTZ).¹⁶³ The MoU hopes to provide investment opportunities for enterprises in both countries.

On 13 February 2014, Government of Turkey and Government of Russia have enhanced their bilateral trade by increasing the number of simplified customs entry points.¹⁶⁴ Both countries hope to conduct 10 per cent of their bilateral trade through these simplified customs routes.

On 9 May 2014, Government of Turkey has decided to incorporate energy efficiency projects in its investment incentive system.¹⁶⁵ The measure hopes to decrease Turkey's import dependency on energy resources and save Turkish industries approximately TRY15 billion annually in energy cost.

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to Turkey, the report noted that no investment policy measures or investment policy measures relating to national security were taken during the reporting period.¹⁶⁶

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries — including Turkey — in the period between November 2013 and February 2014.¹⁶⁷ No measures were reported for Turkey.

Turkey has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach.

Thus, it has been awarded a score of +1 for this commitment.

Analyst: Freda Zhang

United Kingdom: +1

The United Kingdom has fully complied with its macroeconomic commitment on improving investment conditions.

¹⁶² New Incentive System increases investments in Turkish economy, Ministry of Economy (Ankara) 1 October 2013. Access Date: 20 February 2014. <http://www.economy.gov.tr/index.cfm?sayfa=ulusticgudem&icerik=8B40324D-0611-8A2A-FF87DCE293821F2A>.

¹⁶³ Turkey's Economy Ministry Agrees to Free Trade Zone, Ministry of Economy (Ankara) 1 November 2013. Access Date: 20 February 2014. <http://www.economy.gov.tr/index.cfm?sayfa=ulusticgudem&icerik=62EF647D-E53E-D6A5-3F2C70F376DD1FCC>.

¹⁶⁴ Turkey and Russia Enhance Simplified Customs, Ministry of Economy (Ankara) 13 February 2014. Access Date: 20 February 2014. <http://www.economy.gov.tr/index.cfm?sayfa=ulusticgudem&icerik=B50A0510-B51B-EF6E-6E2757365E2A2369>

¹⁶⁵ Investment incentives expanded to cover energy efficiency projects, Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Turkey) 20 June 2014. Access Date: 2 October 2014. <http://www.invest.gov.tr/en-US/infocenter/news/Pages/200614-turkey-energy-saving-investment-incentives.aspx>

¹⁶⁶ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf.

¹⁶⁷ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf.

On 11 October 2013, HM Treasury updated their policy to make corporate taxes more competitive.¹⁶⁸ The policy stated that the United Kingdom's tax system should be an asset for the country, and aim to improve the business environment, help attract multinational businesses and help attract investment to the UK. The main rate of corporate tax was reduced from 28 per cent in 2010 to 23 per cent in 2013, and aims to be reduced to 20 per cent by 2015.

On 5 December 2013, the government made the "Autumn Statement" as an action in its overall plan to make the United Kingdom an easier place to set up and grow a business. The statement announced that the government will cap inflationary increase in business rates at 2 per cent in 2014 and 2015.¹⁶⁹ The government will also double tax reliefs for small businesses in the years 2014 to 2015 to allow for easier growth.

On 18 December 2013, the UK announced a policy to increasing exports and attracting inward investment.¹⁷⁰ The government stated that the country wished to remain one of the top countries for ease of doing business by supporting British businesses in exports and reducing corporate taxes. The government announced the goal of doubling its exports to GBP1 trillion by 2020 and in turn attract more inward investment.

On 18 December 2013, the Organisation for Economic Co-operation and Development and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to the United Kingdom, the report noted that no investment policy measures or investment policy measures relating to national security were taken during the reporting period.¹⁷¹

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries — including the United Kingdom — in the period between November 2013 and February 2014.¹⁷² No measures were reported for the United Kingdom.

On 28 March 2014, the UK Chancellor launched a consultation on measures to help small business lending.¹⁷³ The consultation asks the government to require lenders to release information of SMEs that they rejected for finance to allow these SMEs to be approached by other lenders.

¹⁶⁸ Making corporate taxes more competitive, HM Treasury (London) 11 October 2013. Date of Access: 28 February 2014 <https://www.gov.uk/government/policies/making-corporate-taxes-more-competitive>.

¹⁶⁹ Making it easier to set up and grow a business, Department for business, Innovation & Skills and HM Treasury (London) 3 February 2014. Date of Access: 28 February 2014.

¹⁷⁰ Increasing the UK's exports and attracting inward investment, Department for Business, Innovations & Skills, Foreign & Commonwealth Office, UK Trade & Investment and UK Export Finance (London) 18 December 2013. Date of Access: 28 February 2014.

¹⁷¹ Increasing the UK's exports and attracting inward investment, Department for Business, Innovations & Skills, Foreign & Commonwealth Office, UK Trade & Investment and UK Export Finance (London) 18 December 2013. Date of Access: 28 February 2014.

¹⁷² Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Date of Access: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf.

¹⁷³ Chancellor launches consultation on measures to help small business lending, UK Government (28 March 2014). Date accessed: 4 October 2014. <https://www.gov.uk/government/news/chancellor-launches-consultation-on-measures-to-help-small-business-lending>

On 6 April 2014, the UK government announced simplifications to employment, planning and environmental regulations.¹⁷⁴ These reforms are part of the drive to cut red tape that is saving UK firms GDP1.2 billion per year.

On 6 August 2014, the Consultation for SME finance concluded, and the government supported the proposal to improve access to finance for SMEs through a process where lenders must share details of SMEs that they rejected for finance so those business can be approached by other lenders.¹⁷⁵

The UK has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1.

Analyst: Alissa Xinbe Wang

United States: +1

The United States has fully complied with its macroeconomic commitment on improving investment conditions.

On 7 February 2014, the White House announced a new “Made in Rural America” Export and Investment initiative.¹⁷⁶ The initiative seeks to provide export counseling for rural businesses to connect with foreign buyers, convene a “invest in Rural America” conference later in 2014 to “connect major investors with rural business leaders, high-level government officials, economic development experts, and other partners,” and “Use the Business USA online platform to better connect rural businesses with export and investment resources and coordinate support from across the federal government.”

On 11 February 2014, the Department of Commerce and French Ministry of Economy and Finance established a U.S.-France Economic-Commercial Dialogue to enhance cooperation between the two countries and to expand trade and investment.¹⁷⁷ The dialogue discusses market access issues, potential benefits, encouragement of direct investments in both directions, etc.

On 19 February 2014, US leaders took part in the Joint Statement by North American Leaders, “Building the Most Competitive and Dynamic Region in the World.”¹⁷⁸ The government announced to focus on investment, innovation, and increased private sector engagement by setting new standards for global trade and promote further trade liberalization in the Asia-Pacific region.

¹⁷⁴ New cuts to red tape come into force, UK Government (London) 6 April 2014. Date accessed: 4 October 2014. <https://www.gov.uk/government/news/new-cuts-to-red-tape-come-into-force>

¹⁷⁵ SME Finance: help to match SMEs rejected for finance with alternative lenders, UK Government (London) 6 August 2014. Date accessed: 4 October 2014. <https://www.gov.uk/government/consultations/sme-finance-help-to-match-smes-rejected-for-finance-with-alternative-lenders>

¹⁷⁶ FACT SHEET: Opportunity For All: Establishing a New “Made In Rural America” Export and Investment Initiative, The White House Office of the Press Secretary (Washington) 7 February 2014. Date of Access: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/02/07/fact-sheet-opportunity-all-establishing-new-made-rural-america-export-an>

¹⁷⁷ FACT SHEET: United States-France Economic and Commercial Partnership, The White House Office of the Press Secretary (Washington) 11 February 2014. Date of Access: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/02/11/fact-sheet-united-states-france-economic-and-commercial-partnership>

¹⁷⁸ Joint Statement by North American Leaders - 21st Century North America: Building the Most Competitive and Dynamic Region in the World, Office of the Press Secretary (Washington) 19 February 2014. Date of Access: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/02/19/joint-statement-north-american-leaders-21st-century-north-america-buildi>

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to the United States, the report noted that no investment policy measures or investment policy measures relating to national security were taken during the reporting period.¹⁷⁹

On 10 March 2014, the UNCTAD Secretariat released its periodic report, the Investment Policy Monitor, reporting on investment policy measures taken by the UNCTAD member countries — including the United States — in the period between November 2013 and February 2014.¹⁸⁰ No measures were reported for the United States.

On 12 June 2014, the US Treasury announced the transfer of over USD4.3 million in State Small Business Credit Initiative funds to Wyoming to help businesses access the capital they need to expand and grow.¹⁸¹ The funds will also be used as leverage to generate higher levels of private lending and investments to small businesses.

On 30 July 2014, the US Treasury issued rules to enhance financial transparency to amend the existing Bank Secrecy Act.¹⁸²

On 20 August 2014, the US Department of the Treasury announced the provision of USD325 million in bond guarantees for investments in underserved communities.¹⁸³ The fund aims to fill a financing gap in underserved areas by providing long-term, fixed rate capital.

On 4 September 2014, Transportation Infrastructure Finance and Innovation ACT (TIFIA) worth USD950 million was signed by DOT. This investment was to build a roadway through Orlando, Florida.¹⁸⁴

On 9 September 2014, the Obama Administration hosted the Infrastructure Investment Summit, as part of the Build America Investment initiative. This was an effort made by the government in order to increase infrastructure investment and economic growth. The goals and objectives of the government are to develop the market for public-private partnerships (PPPs), encourage collaboration and put federal credit programs for betterment and greater use. It would achieve its goal by engaging with private sector investors along with state and local governments. The Summit is going to bring together many different firms in the U.S infrastructure market for the next five years. These firms include

¹⁷⁹ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Date of Access: 15 March 2014.

http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

¹⁸⁰ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Date of Access: 15 March 2014.

¹⁸¹ U.S. Treasury Awards More than \$4.3 Million to Wyoming Communities to Support Small Business Lending Programs, U.S. Department of the Treasury (Washington) 12 June 2014. Date accessed: 4 October 2014.

<http://www.treasury.gov/press-center/press-releases/Pages/jl2423.aspx>

¹⁸² Treasury Issues Proposed Rules to Enhance Financial Transparency, US Department of the Treasury (Washington) 30 July 2014. Date accessed: 4 October 2014. <http://www.treasury.gov/press-center/press-releases/Pages/jl2595.aspx>

¹⁸³ Treasury Provides \$325 Million in Bond Guarantees for Investment in Underserved Communities, U.S. Department of the Treasury (Washington) 20 August 2014. Date accessed: 4 October 2014. <http://www.treasury.gov/press-center/press-releases/Pages/jl2610.aspx>

¹⁸⁴ TIFIA loan announced for road development in Florida. 9 September. Access Date: 5 October 2014.

<http://www.dot.gov/briefing-room/us-transportation-secretary-foxx-announces-950-million-tifia-loan-rebuild-and-widen>

infrastructure investors, global investment and advisory firms, international asset managers and utilities and construction companies and so forth.¹⁸⁵

The US has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1.

Analyst: Alissa Xinbe Wang and Affan Bajwa

European Union: +1

The European Union has fully complied with its macroeconomic commitment on improving investment conditions.

On 13 November 2013, the formation of a European Structural and Investment Funds Commission was released in the press, providing “a new European multi-annual financial framework.” An implementation mechanism for the European 2020 strategy, the ESIFC treats national and regional funding and policy goals, and would allocate EUR400 billion toward long-term job growth. This organizational framework directs policy toward long-term investments in national and regional labour markets, pursuant to the St. Petersburg Summit recommendation.¹⁸⁶

On 11 December 2013, Regulation (EU) No. 1286/2013 of the European Parliament and of the Council of 11 December 2013 maintains the objective of improving taxation systems between 2014 and 2020, entitled *Fiscalis 2020*. By reinforcing the skill of tax administrators, sharing successful administrative strategies, and prescribing procedural reform, Regulation No. 1286/2013 fights tax fraud and evasion.¹⁸⁷ *Fiscalis 2020* also includes external “candidate countries and partner countries of the European Neighbourhood Policy” as members of the programme.

On 17 December 2013, the European Regional Development Fund was defined, under article 176 of the Treaty on the Functioning of the European Union, to treat regional disparities within the European Union. Provisions within Regulation (EU) No. 1301/2013 of the European Parliament and of the Council of 17 December 2013, however, details specific ERDF functions that establish investment priorities and objectives. Supplementing EU investments, a partnership between ERDF and Horizon 2020 (Framework Programme for Research and Innovation) pairs Union budgetary spending with innovation and research. This synergy is designed to promote sustainable development, through improvements to input quality.¹⁸⁸

On 17 December 2013, EU Regulation No 1301/2013 of both the European Parliament and the Council of 17 December 2013 on the European Regional Development Fund codify a commitment to rigorous competition legislation for small and medium sized businesses (SMEs). First, under subsection (b), the Regulation calls for restructuring within SME business models, to improve their international

¹⁸⁵ Build America gets go ahead. 9 September 2014. Access Date: 4 October 2014.

<http://insurancenet.com/oarticle/2014/09/09/build-america-infrastructure-investment-summit-a-553332.html#.VECLiCuSyyM>

¹⁸⁶ Communication from the Commission, Annual Growth Survey 2014, European Communities (Brussels) 13 November 2013. Access Date: 25 February 2014. http://ec.europa.eu/europe2020/pdf/2014/ags2014_en.pdf.

¹⁸⁷ Regulation (EU) No 1286/2013 of The European Parliament, European Communities (Brussels) 11 December 2013. Access Date: 26 February 2014. <http://new.eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1286&qid=1393555176491&from=EN>.

¹⁸⁸ Regulation (EU) No 1301/2013 Of The European Parliament, European Communities (Brussels) 17 December 2013. Access Date: 26 February 2014. <http://new.eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1301&qid=1393555176491&from=EN>.

competitiveness. By committing to broaden the capacity of product and service development, the Regulation favours national, regional and international SME growth.¹⁸⁹

On 18 December 2013, the Organisation for Economic Co-operation and Development and the United Nations Conference on Trade and Development released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. In relation to the European Union, the report noted that no investment policy measures or investment policy measures relating to national security were taken during the reporting period.¹⁹⁰

On 21-23 January 2014, China and the EU held a first round of negotiations for a bilateral investment agreement. The negotiations are a result of China's recent decision to open up its economy to foreign investors.¹⁹¹

On 29 September 2014, the seventh round of Transatlantic Trade and Investment Partnership (TTIP) talks began between the negotiators of European Union (EU) and United States (US). One of the goals of this meeting was to boost US-EU economic ties and establish investment and free trade zone. According to the Ambassador of EU, if the deal becomes successful then they will be able to influence other countries to set the highest standards for environmental protection, health protection and consumer protection across the globe. This would ultimately increase investment opportunities.¹⁹²

The EU has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic and regulatory approach. Thus, it has been awarded a score of +1 for this commitment.

Analyst: Daryna Kutsyna and Affan Bajwa

¹⁸⁹ Regulation (EU) No 1301/2013 Of The European Parliament, European Communities (Brussels) 17 December 2013. Access Date: 26 February 2014. <http://new.eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1301&qid=1393555176491&from=EN>.

¹⁹⁰ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

¹⁹¹ Investment Policy Monitor №12, United Nations Conference on Trade and Development (Geneva) 10 March 2014. Access Date: 15 March 2014. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf

¹⁹² US & EU engage in talks over trade deal. 30 September 2012. Access Date: 6 October 2014. <http://www.euronews.com/2014/09/30/us-and-eu-begin-seventh-round-of-trade-and-investment-talks/>

2. Macroeconomics: Credit Access

“[Members have committed to a wide range of reforms to strengthen the foundations for strong, sustainable and balanced growth over the long term by improving] credit access.”

G20 St. Petersburg Leaders’ Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia		0	
Brazil		0	
Canada		0	
China			+1
France		0	
Germany		0	
India			+1
Indonesia			+1
Italy	-1		
Japan		0	
Korea			+1
Mexico		0	
Russia		0	
Saudi Arabia		0	
South Africa		0	
Turkey	-1		
United Kingdom		0	
United States			+1
European Union		0	
Average		+0.10	

Background

The G20 first addressed financial inclusion at the Pittsburgh Summit in September 2009, where G20 members committed to “improving access to financial services for the poor.”¹⁹³ They created the Financial Inclusion Experts Group (FIEG) to increase access to financial services, such as credit, to the poor¹⁹⁴ and scaling-up models of small and medium enterprises financing.¹⁹⁵

On 11-12 November 2010, in Seoul, G20 members delivered the Financial Inclusion Action Plan, which provides a set of practical recommendations for policymakers worldwide, called the G20 Principles for Innovative Financial Inclusion (Principles).¹⁹⁶ Moreover, following the 2010 Seoul

¹⁹³ Leaders’ Statement, the Pittsburgh Summit (Pittsburgh). 24-25 September 2009. Date of Access: 3 February 2014.

¹⁹⁴ G-20 Financial Inclusion Initiative: SME Finance Challenge. US Department of the Treasury website (Washington). 2009. Date of Access: 2 February 2014. <http://www.treasury.gov/resource-center/international/g7-g20/Documents/G20%20Financial%20Inclusion%20Fact%20Sheet%20for%20posting.pdf>

¹⁹⁵ Scaling-Up SME Access to Financial Services in the Developing World, FIEG, SME Finance Sub-Group. GPFI Website. Date of Access: 5 February 2014. http://www.gpfi.org/sites/default/files/documents/G20_Stocktaking_Report_0.pdf

¹⁹⁶ G20 Principles for Innovative Financial Inclusion. GPFI. GPFI Website. Date of Access: 2 February 2014. <http://www.gpfi.org/sites/default/files/documents/G20%20Principles%20for%20Innovative%20Financial%20Inclusion%20-%20AFI%20brochure.pdf>

Summit, the Global Partnership for Financial Inclusion (GPFI) was launched. GPFI, a platform for G20 members and other stakeholders, while supporting financial inclusion generally, was also created to implement the Financial Inclusion Action Plan.¹⁹⁷ The lack of financial inclusion may contribute to slower economic growth and tenacious income inequality while economies with a better access to financial services tend to grow faster.¹⁹⁸

On 19 April 2012, the Organization for Economic Cooperation and Development (OECD) and the G20 organized a joint event to address and find solutions to tackle the major challenge of access to finance for Small and Medium-sized Enterprises.¹⁹⁹

On 5-6 September 2013, during the G20 Summit in St. Petersburg, G20 members recognized the need to “increase the momentum of the global recovery, generate higher growth and better jobs, while strengthening the foundations for long-term growth.”²⁰⁰

Commitment Features

For the purpose of this compliance report, credit access will be defined as “improving the degree to which financial services are available to all at a fair price ... Access essentially refers to the supply of services.”²⁰¹

These actions can include but are not limited to: (1) taking advantage of the technological advances in developing financial infrastructure to lower transaction costs, (2) encouraging transparency, openness and competition to incentivize current institutions to expand service coverage, (3) and enforcing prudential regulations in order to provide the private sector with the right incentives.²⁰²

Financial infrastructure supports every formal financial transaction from paying a bill, to buying a house, to saving for retirement. Credit bureaus, collateral registries, and payment, remittance, and securities settlement systems are all vital parts of a country’s financial infrastructure. Technological support for financing may be including leasing and factoring, electronic finance, and mobile finance. For instance, in the case of an automated payments system supported by a strong legal and regulatory framework, lower operating costs gained from reducing manual processes translates to lower transaction costs.²⁰³

¹⁹⁷ About GPFI, GPFI website. Date of Access: 2 February 2014. <http://www.gpfi.org/about>

¹⁹⁸ Why Financial Inclusion? GPFI. GPFI website. Date of Access: 2 February 2014. <http://www.gpfi.org/about/why-financial-inclusion>

¹⁹⁹ A Joint OECD / G20 GPFI Special Event on SME Finance. (Paris) 19 April 2012. OECD website. Date of Access: 4 February 2014. <http://www.oecd.org/cfe/smes/50105000.pdf>

²⁰⁰ G20 Leaders Declaration, St Petersburg Summit (St. Petersburg). 5-6 September 2013. Date of Access: 3 February 2014.

²⁰¹ Finance for All?: Policies and Pitfalls in Expanding Access. Demirgüç-Kunt, Beck and Honohan. (Washington DC) 2008. The World Bank website. Date of Access: 5 February 2014.

http://siteresources.worldbank.org/INTFINFORALL/Resources/4099583-1194373512632/FFA_book.pdf

²⁰² Finance for All?: Policies and Pitfalls in Expanding Access. Demirgüç-Kunt, Beck and Honohan. (Washington DC) 2008. The World Bank website. Date of Access: 5 February 2014

http://siteresources.worldbank.org/INTFINFORALL/Resources/4099583-1194373512632/FFA_book.pdf

²⁰³ Finance for All?: Policies and Pitfalls in Expanding Access. Demirgüç-Kunt, Beck and Honohan. (Washington DC) 2008. The World Bank website. Date of Access: 5 February 2014.

http://siteresources.worldbank.org/INTFINFORALL/Resources/4099583-1194373512632/FFA_book.pdf

Boosting openness and competition is also an important part of widening access, because they spur incumbent institutions to pursue profitable ways of providing services to beforehand excluded segments of the population and increase the speed with which access-improving new technologies are adopted.²⁰⁴

Finally, proper regulations and a supervisory framework are mandatory to avoid reckless or improper expansion of the private sector.

As the commitment does not specify a target population to increase credit access, for the purpose of this report, compliance will be based on the G20 member taking a wide range of reforms to increase credit access for individuals and for firms.

Scoring Guidelines

-1	Member does NOT (1) take advantage of the technological advances in developing financial infrastructure to lower transaction costs, NOR (2) encourage transparency, openness and competition to incentivize current institutions to expand service coverage, NOR (3) enforce prudential regulations in order to provide the private sector with the right incentives
0	Member does one or two of the following: (1) takes advantage of the technological advances in developing financial infrastructure to lower transaction costs; (2) encourages transparency, openness and competition to incentivize current institutions to expand service coverage; OR (3) enforces prudential regulations in order to provide the private sector with the right incentives
+1	Member does (1) take advantage of the technological advances in developing financial infrastructure to lower transaction costs, AND (2) encourage transparency, openness and competition to incentivize current institutions to expand service coverage, AND (3) enforce prudential regulations in order to provide the private sector with the right incentives

Lead Analyst: Melanie Wallace

Argentina: -1

Argentina has not complied with its commitment to undertake reforms to improve credit access.

In 2013, the use of electronic means of payment including transfers of funds through home banking, mobile banking, business e-banking, and ATMs had increased. From September 2012 to September 2013, instant transactions increased by 47 per cent in frequency and 78.5 per cent in total amount.²⁰⁵

There is no evidence that Argentina has taken steps to increase credit access since September 2013 and thus receives a score of -1.

Analyst: Jonathan F. Rybicki

Australia: 0

Australia has partially complied with its commitment to improve credit access.

²⁰⁴ Finance for All?: Policies and Pitfalls in Expanding Access. Demirgüç-Kunt, Beck and Honohan. (Washington DC) 2008. The World Bank website. Date of Access: 5 February 2014.

http://siteresources.worldbank.org/INTFINFORALL/Resources/4099583-1194373512632/FFA_book.pdf

²⁰⁵ Financial Stability Report, Central Bank of Argentina September 2013. Date of Access: 1 March 2014. <http://www.bcra.gov.ar/pdfs/polmon/bef0213i.pdf>

A broad range of programs aimed at financial literacy and provision of credit access exist in Australia. Many of these programs involve partnerships between The Commonwealth, state governments, national banks, and not-for-profit organizations working to ensure financial services are accessible to all.²⁰⁶

On 12 March 2014, Australia implemented Part IIIA of the Privacy Act 1988, which moves Australia away from ‘negative’ credit reporting and permits more comprehensive, ‘positive’ credit reporting.²⁰⁷ With this change, credit providers will be able to make more responsible and more equitable lending decisions, and ultimately to greater overall activity in the financial system. Recent immigrants and individuals with limited credit history, like young people, stand to benefit most from this new law.”²⁰⁸

On 26 May 2014, the Australian Secretary for the Department of Foreign Affairs and Trade, Peter Varghese, entered into a three-year agreement with the Pacific Financial Inclusion Programme (PFIP) worth AUD14.51 million. The programme is aimed at increasing financial services for disadvantaged households across the Pacific. The goal of the PFIP, established by the United Nations Development Program (UNDP) and the United Nations Capital Development Fund (UNCDF) is to add one million Pacific Islands to the formal financial sector by 2019. To do so, PFIP pledged to facilitate access to financial services, create national-level financial education initiatives and financial access policy.²⁰⁹

On 1 July 2014, Dun & Bradstreet published a report indicating positive outlook for commercial borrowing in Australia. The Australian Bureau of Statistics reported a “seasonally-adjusted” increase of 5.8 per cent in business lending for April. The report highlights the increase in overall optimism and improvement in business expectations as contributing factors. Moreover, interest rates are expected to remain at record lows, which create more incentive for businesses to take on debts.²¹⁰

Australia has taken some steps to improve credit access and has thus earned a score of 0.

Analysts: Jessica Coper and Kei Zamaninoor

Brazil: 0

Brazil has partially complied with its commitment to improve credit access.

On 24 September 2013, Brazilian Finance Minister Guido Mantega met with international investors during his visit to New York to discuss infrastructure projects in his country. The minister emphasized that Brazilian banks have shown interest in participating in financing investment opportunities in Brazil,

²⁰⁶ Measuring Financial Exclusion in Australia, The Centre for Social Impact for National Australia Bank (Sydney) June 2013. Date of Access: 22 March 2014.

²⁰⁷ Credit Reporting Reform, Office of the Australian Information Commissioner (Sydney) 12 March 2014. Date of Access: 22 March 2014. <http://www.oaic.gov.au/privacy/privacy-law-reform/credit-reporting-reform>

²⁰⁸ Financial inclusion to improve with new laws, Dun & Bradstreet (Sydney) 12 March 2014. Date of Access: 22 March 2014. http://dnb.com.au/Header/News/Financial_inclusion_to_improve_with_new_laws/indexdl_10767.aspx

²⁰⁹ Australia Supports Financial Inclusion in the Pacific, United Nations Capital Development Fund, 26 May 2014. Date of Access: 10 October 2014. <http://www.uncdf.org/en/content/australia-supports-financial-inclusion-pacific>

²¹⁰ Bright signs for credit growth, Dun & Bradstreet (Australia) 1 July 2014. Date of Access: 4 October 2014. http://dnb.com.au/Header/News/Bright_signs_for_credit_growth/indexdl_10914.aspx

noting that these steps are necessary in order to facilitate long-term investment by the private sector in the country.²¹¹

On 11 December 2013, Mantega announced that the Investment Support Programme (PSI) was extended into 2014 in order to maintain the evolution of investment in the country. Although the minister advised that rates would be adjusted slightly, they would remain competitive. He explained that the line rate of the PSI for capital goods will increase from 4 per cent to 6 per cent, and the rate of export financing line will increase from 5.5 per cent to 8 per cent.²¹²

On 4 June 2014, Mantega announced that the government has decided to reduce Tax on Financial Transactions (IOF) levied on foreign loans taken by companies and banks. Such actions will encourage borrowing abroad and the entry of foreign investment. The measures from 360 days to 180 days minimum average maturity of external funding that will have zero incidence rate of IOF. For an operation of less than six months, IOF will follow at 6 per cent according to Decree No. 8263. In his announcement the minister stated that “the measure is an additional credit opportunity,” as it is intended to help smaller banks and businesses with immediate liquidity problem by allowing them to access credit abroad with stabilized rates.²¹³

On 5 June 2014, Mantega defended the government’s decision to increase the amount of credit received by public banks. During a Council for Economic and Social Development (CDES), Mantega noted that “public banks are profitable, efficient, and have lower default levels than private banks [and] have quite reasonable yields.” The minister went on to say that Brazil has experienced a “true revolution in credit,” as the amount of credit in the country has nearly doubled in the last 14 years and now accounts for over 55 per cent of GDP. However, Finance Minister Mantega also stressed that the National Bank for Economic and Social Development (BNDES) remains important for the development of the country, as 75 per cent of companies have some sort of bank funding. He also discussed the PSI, which finances the acquisition of capital goods with lower interest rates.²¹⁴

As agreed to in the BRICS Sixth Summit of 14-16 July 2014, Brazil signed the Memorandum of Understanding on Cooperation among BRICS Export Credit and Guarantees Agencies with other BRIC members.²¹⁵ This aims to support increasing trade opportunities among the relevant nations. Moreover, with the inclusion of the Cooperation Agreement on Innovation within BRICS Interbank Cooperation Mechanism, Brazil has attempted to enhance and strengthen its financial ties with other BRICS countries.

²¹¹Modelo de Concessões é Atrativo e Lucrativo, Diz Mantega, Ministerio da Fazenda (New York) 24 September 2014. Date of Access: 10 June 2014. <http://www.fazenda.gov.br/divulgacao/noticias/2013/setembro/201cmodelo-de-concessoes-e-atrativo-e-lucrativo201d-diz-mantega>

²¹² Mantega Announces Extension of the Investment Support Program for 2014, Ministerio de Fazenda (Brasilia) 4 June 2014. Date of Access: 10 June 2014. <http://www.fazenda.gov.br/divulgacao/noticias/2013/dezembro/mantega-anuncia-prorrogação-do-programa-de-sustentação-do-investimento-para-2014>

²¹³ Government reduces IOF External Lending, Ministerio de Fazenda (Brasilia) 4 June 2014. Date of Access: 10 June 2014. <http://www.fazenda.gov.br/&prev=/search%3Fq%3Dbrazil%2Bministry%2Bof%2Bfinance%26espv%3D2%26biw%3D1280%26bih%3D899>.

²¹⁴ Mantega Highlights the Performance of Public Banks In Developing, Ministerio da Fazenda (Brasilia) 5 June 2014. Date of Access: 10 June 2014. <http://www.fazenda.gov.br/&prev=/search%3Fq=brazil+ministry+of+finance%26espv=2%26biw=1280%26bih=899>.

²¹⁵VI BRICS Summit, Ministry of External Relations. Date of Access: 7 October 2014.

<http://brics6.itamaraty.gov.br/category-english/21-documents/223-sixth-summit-declaration-and-action-plan>

Brazil has undertaken several measures to improve credit access, and has fulfilled two of the three requirements for this commitment. Brazil has therefore been awarded a score of 0 for improving credit access.

Analysts: Antonia Tsapralis and Tasneem Ara (Rea)

Canada: 0

Canada has partially complied with its commitment to improve credit access and financial inclusivity.

On 11 February 2014, Canadian Minister of Finance Jim Flaherty tabled the 2014 Budget in the House of Commons. The budget included several measures designed to expand financial services and credit access available to Canadians. As part of the 2014 Budget, the Canadian government announced that it would be increasing support to smaller banks by improving their access to funding and appointing advisors to help mentor newer financial institutions. The government expects this move to increase the competition in the financial services market for Canadians, resulting in lower borrowing rates and greater access to credit. The Government of Canada also announced that it would provide greater support for provincial credit unions, in order to expand or merge, or to enter nationwide credit markets. The government expects that the creation of several credit providers on a federal level will further improve Canadians' access to credit.²¹⁶

Thus, Canada receives a score of 0 for improving credit access.

Analysts: D. Reid Dobell and Arturo Sparks

China: +1

China has partially complied with its commitment to a wide range of reforms to strengthen the foundations for a strong, sustainable and balanced growth over the long term by improving credit access.

On 22 November 2013, the People's Bank of China (PBC) hosted the finance IC card public services application experience exchange and enhancement symposium. The symposium shed light on the success of finance IC card application in public services, communicated the pilot city program experience, analyzed current challenges, and proposed 2014's requirement of increasing application of finance IC cards. PBC Party committee member, PBC vice-governor Li Dongrong urged listeners to learn from the success of the pilot cities finance IC card program in public services areas, to enhance the usage rate and usability of finance IC cards, and to promote financial services development through the application of finance IC cards.²¹⁷

On 22 November 2013, the China Banking Regulatory Commission (CBRC) issued a presidential decree of revision on the "Pilot Administrative Measures for Consumer Finance Companies." The decree is intended to gradually expand the geographic regions that Consumer Finance Company could operate in and fulfill the requirement of pilot establishment of private sector consumer finance companies bearing

²¹⁶ Federal Budget 2014: Ottawa Plans Boost for Small Banks, Financial Post (Ottawa) 11 February 2014. Date of Access: 18 February 2014. <http://business.financialpost.com/2014/02/11/federal-budget-2014-ottawa-plans-boost-for-small-banks/>.

²¹⁷ PBC Hosted the Finance IC Card Public Services Application Experience Exchange and Enhancement Symposium, the People's Bank of China (Beijing) 22 November 2013. Date of Access: 27 February 2014. http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2013/20131122171309070533896/20131122171309070533896_.html

their own risks. The change includes a greater number of recognized shareholder's types and less restriction on geographic regions of operations.²¹⁸

On 28 November 2013, the PBC governor Zhou Xiaochuan announced that private capital supporting small and medium financial institutions could be established under certain qualifications. This allows the financial system to be more comprehensive and increase financial market openness through welcoming more competition from financial institutions of the private sector. According to the guidance of the Third Plenary Session of the 18th Communist Party of China (CPC) Central Committee, CPC enables private capital to enter financial services area in order to encourage an open and transparent market system. The governor also announced several measures taken to improve the modern financial enterprise mechanism, such as fewer restrictions on private capital and foreign capital into the financial services sector (more qualified private and foreign institutions investors and higher investment limit) and the encouragement of market-oriented delegation methods rather than government appointment of management. He also encouraged financial innovation to enrich the financial products offered and financial market depth.²¹⁹

On 4 December 2013, the Payment and Clearing Association of China hosted an Internet Finance Forum in Beijing on the future of Internet finance development. PBC governor Liu Shiyu emphasized that Internet finance is a form of innovative finance channel with prominent capability of small-amount, convenience and fast service, which solves many problems in the traditional finance systems. He proposed to combine Internet finance with traditional financing systems to create a broader and more complete financial system.²²⁰

In March 2014, the PBC together with six other departments issued the Guidelines on Improving Financial Services for Poverty Alleviation and Development. This initiative provides lower lending rates of agro-supporting central bank loans to poorer areas by one percent of the prevailing rates. On 30 March, PBC improved incentive mechanisms for central bank to support smaller businesses and enterprises at the Executive Meeting of the State Council. By the end of June, central bank loans to small and micro enterprises were 26.1 billion Yuan.²²¹

China has taken a variety of steps to improve credit access and has thus been awarded a score of +1.

Analysts: Xue (Snow) Yuan and Tasneem Ara (Rea)

France: 0

France has partially complied with its commitment to improve credit access and financial inclusion.

²¹⁸ CBRC Issued A Presidential Decree of Revision On the "Pilot Administrative Measures for Consumer Finance Companies", China Banking Regulatory Commission (Beijing) 22 November 2013. Date of Access: 26 February 2014. <http://www.cbrc.gov.cn/chinese/home/docView/6527B19E3ABF49D4861BFA1A3DACE04C.html>

²¹⁹ Zhou Xiaochuan: Enhance Financial Reform and Openness to Accelerate the Comprehensiveness of the Financial Market System, People's Bank of China. 28 November 2013. Date of Access: 28 February 2014. http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2013/20131128174634334873326/20131128174634334873326_.html

²²⁰ Innovation and Risk Management: Promoting the Healthy Sustainable Development of Internet Finance, the People's Bank of China (Beijing) 5 December 2013. Date of Access: 27 February 2014. http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2013/20131205162227322135899/20131205162227322135899_.html

²²¹ China's Monetary Policy Report, Quarter Two 1 August 2014. Date of Access: 7 October 2014. [http://www.pbc.gov.cn:8080/image_public/UserFiles/english/upload/File/2014MPRQ2\(after Nancy\)\(1\).pdf](http://www.pbc.gov.cn:8080/image_public/UserFiles/english/upload/File/2014MPRQ2(after Nancy)(1).pdf)

On 13 February 2014, the Ministry of Economics and Finances has adopted the “Loi Consommation” (Consumption Law).²²² It requires merchants to offer an alternative to revolving credit for all credit purchases over EUR1000.^{223,224}

On 5 March 2013, the Minister of Finance, Pierre Moscovici, the Minister Productive Recovery, Arnaud Montebourg, and the Minister of Small and Medium-Sized Enterprise, Innovation and Numeric Economy, Fleur Pellerin, signed the renewal of the Mediation du Credit (Credit Mediation). Mediation du Credit provides free and confidential support to businesses requiring financial solutions with respect to creditors and banks. Mr. Moscovici emphasized the criticality of expanding its role to help businesses secure additional funding.²²⁵

On 30 April 2014, the Bank of France and the Chamber of Commerce and Industry of Paris launched the Charter of Euro Private Placements (EPPs) to improve non-bank financing to mid-market businesses.²²⁶ The EPP market increased from EUR3.2 billion in 2012 to EUR3.9 billion in 2013 but a great deal of work remains, as European capital-expenditure funding needs for medium-sized businesses are forecasted to increase substantially in the next five years.²²⁷

On 11 September 2014, the European Council (EC) issued a memo on industrial competitiveness in the EU, indicating that access to finance was still limited across the Eurozone, including France. While large businesses are able to obtain finance, difficulties persist for small and medium-sized ones. The EC signalled the importance of facilitating credit access, in order to promote development and growth.²²⁸

It should be noted that French businesses, small or corporate, can already choose among a diverse set of financial institutions, private or public, to access credit.²²⁹ Also, according to the EU 2014 Winter Economic Forecast, favourable corporate lending conditions have led the French industrial sector to rebound on investment in equipment.²³⁰

²²² La loi relative à la consommation : un objectif, améliorer le quotidien des Français, Ministry of Economics and Finance (Paris) 19 March 2014. Date of Access: 20 March 2014. <http://www.gouvernement.fr/gouvernement/la-loi-relative-a-la-consommation-un-objectif-ameliorer-le-quotidien-des-francais>

²²³ Press Release about the Law Consumption, Ministry of Economics and Finance (Paris) 13 March 2014. Date of Access: 20 March 2014. http://www.economie.gouv.fr/files/files/directions_services/dgccrf/presse/communiquer/2014/validation_loi_conso1145.pdf.

²²⁴ Loi Consommation: lutte contre le surendettement, Ministry of Economics and Finance (Paris). Date of Access: 26 October 2014. <http://www.economie.gouv.fr/loi-consommation/mesure/lutte-contre-surendettement>

²²⁵ La médiation du crédit aux entreprises prolongée de deux ans, Trésor – Direction Générale (Paris) 5 March 2014. Date of Access: 15 March 2014. https://www.tresor.economie.gouv.fr/6930_la-mediation-du-credit-aux-entreprises-prolongee-de-deux-ans.

²²⁶ Lancement de la charte des Euro Private Placement, Ministère des Finances et des Comptes de Publics (Paris) 30 April 2014. Date of Access : 7 August 2014. <http://www.economie.gouv.fr/lancement-de-la-charte-des-euro-private-placements>.

²²⁷ High-Yield Bonds and Loans: Slow but Steady Progress (October 2014) Date of Access: 5 October.

<http://www.ipe.com/investment/investing-in/high-yield-bonds-and-loans-slow-but-steady-progress/10003295.article>

²²⁸ Progress in industrial competitiveness per EU country (Brussels) 11 September 2014. Date of Access: 6 October 2014. http://europa.eu/rapid/press-release_MEMO-14-526_en.htm

²²⁹ Rapport sur la situation économique et financière des entreprises, Observatoire du Financement des Entreprises (Paris) January 2014. Access Date: 15 March 2014. <https://www.tresor.economie.gouv.fr/File/398140>.

²³⁰ European Economic Forecast: Winter 2014 (Brussels) February 2014. Access date: 5 October. http://ec.europa.eu/economy_finance/publications/european_economy/2014/pdf/ee2_en.pdf

France has signalled its commitment to improving credit access, specifically to mid-market enterprises through non-traditional bank lending. Therefore, France has been awarded a score of 0.

Analysts: Jessica Coper and Peter Praizic

Germany: 0

Germany has partially complied with its commitment to improve credit access.

Recent surveys showed that credit constraints for German companies had dropped to a historical low, especially in manufacturing and construction industries. Only 19.2 per cent of firms surveyed indicated that their access to bank credit was restricted.^{231, 232}

On 28 February 2014, another survey showed German firms to have better access to credit than those in other Eurozone economies.²³³ In a profile of German industry by the European Commission, Germany was found to have a “very hospitable business and political environment for SME’s,” although the report also acknowledged Germany’s aging population as a threat to the future of German competitiveness.²³⁴

On 17 April 2014, the regulations for the Investment Grant for Business Angels (Invest Zuschuss für Wagniskapital) were amended to meet the requirements of both private investors (business angels) and young and innovative companies. This move should help improve access to finance for small technology companies seeking equity.²³⁵

On 29 April 2014 the ERP-Wirtschaftsplangesetz (KfW) 2014, a plan to support SME and start-up financing, was passed. The Ministry of Economic Affairs and Energy sponsors the loans using EPR funds.²³⁶

On 31 May 2014, the CES reported that credit constraints for German companies had dropped to a new historical low. Only 17.4 per cent of German companies reported having their access to bank loans restricted, down from 19.2 per cent at the end of 2013. In all four industries surveyed – manufacturing, construction, wholesaling, and retailing – measurements of credit constraint dropped.²³⁷

²³¹ Credit Constraints Drop to Historical Low, Ifo Institute (Munich) 20 December 2013. Date of Access: 6 October 2014. <http://www.cesifo-group.de/ifoHome/facts/Survey-Results/Konjunkturtest/Kredithuerde/Archiv/2013/Kredithuerde-20131220.html>

²³² Credit Constraints hit Record Low for German Firms -Survey, Reuters (Berlin) 28 February 2014. Date of Access: 2 March 2014. <http://uk.reuters.com/article/2014/02/28/germany-credit-ifo-idUKL6N0LX2MT20140228?feedType=RSS&feedName=rbsFinancialServicesAndRealEstateNews>.

²³³ Credit Constraints hit Record Low for German Firms -Survey, Reuters (Berlin) 28 February 2014. Access Date: 2 March 2014. <http://uk.reuters.com/article/2014/02/28/germany-credit-ifo-idUKL6N0LX2MT20140228?feedType=RSS&feedName=rbsFinancialServicesAndRealEstateNews>.

²³⁴ Enterprise and Industry, European Commission (Brussels) 31 January 2014. Access Date: 2 March 2014. http://ec.europa.eu/enterprise/policies/finance/data/enterprise-finance-index/situations-in-member-states/de/index_en.htm

²³⁵ Bundesministerium für Wirtschaft und Energie, Bundesanzeiger (Berlin) 17 April 2014. Date of Access: 7 August 2014. http://www.exist.de/imperia/md/content/pdf_sonstiges/investitionszuschuss-wagniskapital-richtlinie.pdf.

²³⁶ ERP-Wirtschaftsplangesetz 2014, Bundesanzeiger Verlag (Berlin) 23 April 2014. Date of Access: 7 August 2014. http://www.bgbl.de/banzxaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&jumpTo=bgbl114s0413.pdf#_bgbl__%2F%2F*%5B%40attr_id%3D'bgbl114s0413.pdf'%5D__1407426978271.

²³⁷ German Companies Enjoy Increasingly Easy Access to Bank Loans, Ifo Institute (Munich) 31 May 2014. Date of Access: 6 October 2014. <http://www.cesifo-group.de/ifoHome/facts/Survey-Results/Konjunkturtest/Kredithuerde/Archiv/2014/Kredithuerde-20140530.html>

Bloomsberg News reported in early July 2014, that small German shipping firms have started to face a “credit crunch.” The article reported that European banks, under the leadership of Germany’s HSH Nordbank AG, Commerzbank AG, and Norddeutsche Landesbank Girozentrale, have “curbed” lending or have stopped lending to shipping companies altogether. The reason cited by the banks for this decision was “vessel overcapacity” and “non-performing loans.” The article went on to report that private-equity firms and institutions like the Industrial & Commercial Bank of China Ltd. have increased their investments in the European shipping industry, to provide much-needed credit following the decision of Germany’s banks.²³⁸

On 30 September 2014, the CES released its most recent report on credit constraints on German firms. This report showed that credit constraints for German firms had risen slightly to 18.4 per cent. The Ifo Institute reported that small firms felt credit constraints more severely than larger firms, at least in the manufacturing sector. Nevertheless, the report concluded that German firms continue to enjoy very good access to bank loans overall.²³⁹

Germany has taken steps to promote increased funding to SMEs. Thus, Germany receives a score of 0.

Analysts: Liam Maloney and Timmy Shin

India: +1

India has complied with its commitment to improve credit access and financial inclusion.

On 28 October 2013, Deepali Pant Joshi, Executive Director of the Reserve Bank of India (RBI), announced plans to extend India’s Financial Inclusion Plan (FIP) for another three years from 2013 to 2016. Joshi reiterated RBI’s commitment to opening credit markets even further, targeting small businesses and individual households, and increasing financial literacy in the region. Joshi praised the role of technology in facilitating credit access to all.²⁴⁰

On 6 December 2013, the Finance Ministry requested that the country’s financial institutions extend a greater percentage of available credit to the nation’s most vulnerable, noting that 40% of the people in farming villages do not have adequate access to financial services.²⁴¹

According to the Consultative Group to Assist the Poor (CGAP), access to financial services have traditionally been hampered by language, documentation, and social barriers. The widespread adoption of Aadhaar, or a unique identification number, and biometric data would help circumvent these barriers. On 7 January 2014 RBI’s Committee on Comprehensive Financial Services for Small Businesses and Low Income Households cited Aadhaar, which has already been received by over 560 million people, as critical to the success of its goal to provide adults over the age of 18 with a bank account by 1 January

²³⁸ Small German Shipping Firms to Fade on Credit Crunch, PwC Says, Bloomberg (London) 3 July 2014. Date of Access: 6 October 2014. <http://www.bloomberg.com/news/2014-07-03/small-german-shipping-firms-to-fade-on-credit-crunch-pwc-says.html>

²³⁹ Credit Constraints Increase Slightly, But Financing Conditions for Germany Companies Remain Very Favourable, Ifo Institute (Munich) 30 September 2014. Date of Access: 6 October 2014. <http://www.cesifo-group.de/ifoHome/facts/Survey-Results/Konjunkturtest/Kredithuerde/Archiv/2014/Kredithuerde-20140930.html>

²⁴⁰ Speech on Financial Inclusion delivered by Dr. Deepali Pant Joshi, Executive Director, Reserve Bank of India at the Vun Dun and Bradstreet Conclave on Financial Inclusion, Reserve Bank of India (Kolkata) 28 October 2013. Date of Access: 6 August 2014. http://www.rbi.org.in/scripts/BS_SpeechesView.aspx?Id=853.

²⁴¹ Finance ministry asks FIs to provide more credit to farmers, Hindustan Times (New Delhi) 16 February 2014. Date of Access: 17 February 2014. <http://www.hindustantimes.com/business-news/finance-ministry-asks-fis-to-provide-more-credit-to-farmers/article1-1159699.aspx>.

2016.²⁴² This development should also help ensure access to sufficient, tailored, and affordable credit for all Indian households.²⁴³

In a speech delivered on 29 January 2014, RBI Executive Director Joshi discussed the second phase of its plan to establish banking services in poorer, unbanked villages throughout the country.²⁴⁴ RBI reported that in the first phase, nearly 74,000 villages with a population of more than 2000 people were provided with a banking outlet. Under the second FIP, the RBI has identified the remaining 490,000 unbanked villages with populations of less than 2000 people, which are on target for expansion by March 2016.

On 22 February 2014, RBI released the *Guidelines for Licenses of New Banks in the Private Sector*, whereby applications for setting up new banks in the private sectors were invited.²⁴⁵ This initiative is part of India's plan to increase financial inclusion in the country. On 2 April 2014, the RBI granted "in-principle" approval for banking licenses to infrastructure financing firm IDFC and Bandhan, among a pool of 25 applicants including large corporations such as ADAG Group, Aditya Birla, and Bajaj Group.²⁴⁶

On 1 April 2014, the First Bi-Monthly Monetary Statement 2014-2015 stated that "on financial inclusion, the fourth pillar, the recommendations of the Mor Committee on accelerating the flow of credit to those at the bottom of the pyramid and enlargement of catchment area of the Business Correspondents (BCs), including through possible inclusion of new entities as BCs, are under examination."²⁴⁷

On 6 May 2014, RBI outlined its plan for the opening of bank accounts in the names of minors as part of its financial inclusion policy. Furthermore, on 21 May 2014 RBI recommended to banks that more ATMs should be accessible to those with disabilities.²⁴⁸

On 9 June 2014, the RBI announced further simplification of Know Your Customer (KYC) rules for bank accounts. The new rules require a customer to submit only one proof of address when opening a bank account or undergoing periodic update. This could significantly boost financial inclusion for migrant workers and transfer employees in India.²⁴⁹

²⁴² India's Unique ID Could Generate Big Boost in Financial Access, Consultative Group to Assist the Poor (Washington) 30 January 2014. Date of Access: 17 February 2014. <http://www.cgap.org/blog/indias-unique-id-could-be-about-generate-big-boost-access>.

²⁴³ Report, Committee on Comprehensive Financial Services for Small Businesses and Low Income Households (India) 7 January 2014. Date of Access: 17 February 2014. <http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CFS070114RFL.pdf>.

²⁴⁴ Strategy adopted for Financial Inclusion, Speech delivered by Dr. Deepali Pant Joshi, Executive Director, Reserve Bank of India at a workshop organized by Government of Madhya Pradesh, Reserve Bank of India (New Delhi) 24 January 2014. Date of Access: 6 August 2014. http://www.rbi.org.in/scripts/BS_SpeechesView.aspx?Id=871.

²⁴⁵ RBI Releases Guidelines for Licensing of New Banks in the Private Sector, Reserve Bank of India (Mumbai) 22 February 2014. Date of Access: 6 August 2014. http://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=28191.

²⁴⁶ Bandhan first microfinance institution to get banking licence, The Economic Times (New Delhi) 2 April 2014. Date of Access: 6 August 2014. http://articles.economictimes.indiatimes.com/2014-04-02/news/48801146_1_bandhan-financial-services-chandra-shekhhar-ghosh-banking-licence.

²⁴⁷ First Bi-monthly Monetary Policy Statement, 2014-2015, Reserve Bank of India (Mumbai) 1 April 2014. Date of Access: 6 August 2014. http://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=30911.

²⁴⁸ Monetary and Credit Information Review: Opening Bank Accounts in the name of Minors. 29 May 2014. Date of Access: 4 October 2014. <http://rbi.org.in/Scripts/PublicationsView.aspx?Id=15760>

²⁴⁹ One Documentary Proof of Address – RBI further simplifies KYC Norms for Bank Accounts, Reserve Bank of India (Mumbai) 9 June 2014. Date of Access: 6 August 2014. <http://rbi.org.in/scripts/NotificationUser.aspx?Id=8931&Mode=0>.

On 21 August 2014, the RBI published its Annual Report on credit delivery and financial inclusion. Citing its improvements to banking infrastructure, RBI's report indicates that the next step in ensuring financial inclusion is to increase individual use of bank accounts. Banking literacy thus continues to be a top priority for the RBI. Additionally, credit delivery to various sectors of the economy has been increased through FIPs and improving credit delivery procedures, particularly in regards to small and micro-businesses, as well as communication technology solutions.²⁵⁰

On 17 September 2014, Union Minister Kalraj Mishra announced that he was engaged with public sector banks to improve credit access flows, and to help small-, micro-, and medium-sized businesses access capital quicker and at a lower cost. Union Minister Mishra also announced a plan to open incubation centers for entrepreneurs in 500 districts across the country.²⁵¹

On 29 September 2014, the Confederation of Indian Industry (CII) announced the implementation of an Online Finance Facilitation centre for SMEs, with the goal of providing advisory and credit facilitation support. The objective is to aggregate financing options from various financial institutions to promote transparency and facilitate financing decisions.²⁵²

India has instituted a number of reforms to improve credit access, has provided incentives for expansion of coverage, has taken steps to promote transparency, and has taken advantage of technological advances. India has therefore earned a score of +1.

Analysts: D. Reid Dobell and Peter Praizic

Indonesia: +1

Indonesia has complied with its commitment to undertake reforms to improve credit access.

In its 2013 Annual Report, the Indonesian Financial Services Authority (OJK) stated that guarantee activities have increased by 6.7 per cent to RP98.4 billion in Indonesia. Guarantee companies are highly important for Indonesia's credit market as they help promote government programs intended to broaden credit access to MSMEs.²⁵³

In April 2014, the Bank of Indonesia issued regulation No. 16/8/PBI/2014.²⁵⁴ This initiative is intended to promote Indonesia's Digital Financial Services Program, which enables customers to access financial services and payment systems via technological means, such as mobile-based devices or web-based tools. This initiative will significantly increase access to financial services for financially illiterate Indonesians.²⁵⁵

²⁵⁰ IV: Credit Delivery and Financial Conclusion. 21 August 2014. Date of Access: 3 October. <http://rbi.org.in/Scripts/AnnualReportPublications.aspx?id=1122>

²⁵¹ Govt to help MSMEs access bank loans at cheaper rates: Mishra - Says govt plans to open 500 district-level incubation centres across the country to train youth to become entrepreneurs (New Delhi) 17 September 2014. Date of Access: 1 October 2014. http://www.business-standard.com/article/pti-stories/govt-to-help-msmes-access-bank-loans-at-cheaper-rates-mishra-114091700659_1.html

²⁵² Credit access facility for SMEs in HP (Chandigarh) 29 September 2014. Date of Access: 1 October 2014. http://www.business-standard.com/article/sme/credit-access-facility-for-smes-in-hp-114092901194_1.html

²⁵³ Annual Report 2013, Indonesia Financial Services Authority (Jakarta) 25 July 2014. Date of Access: 11 October 2014 http://ojk.go.id/Files/201407/LaporanTahunanOJK2013_1406197747.pdf

²⁵⁴ Peraturan Bank Indonesia Nomor 16/8/PBI/2014 tentang Perubahan Atas Peraturan Bank Indonesia Nomor 11/12/PBI/2009 tentang Uang Elektronik (Electronic Money), Bank Indonesia (Jakarta) 8 April 2014. Date of Access: 6 August 2014. http://www.bi.go.id/id/peraturan/sistem-pembayaran/Pages/PBI_16814.aspx

²⁵⁵ New rule means more players in e-money, the Jakarta Post. April 17 2014. Date of Access: 12 October 2014. <http://www.thejakartapost.com/news/2014/04/17/new-rule-means-more-players-e-money.html>

On 8 April 2014, the Indonesian Financial Services Authority (OJK) issued Regulation No. 5/POJK.05/2014, which establishes a credit guarantee company. The company serves as a key policy tool to expand credit markets and to improve financial inclusion, particularly in regional areas. Indonesia now has 16 regional credit guarantee companies, which have provided incentives to increase financial intermediation in regional areas.²⁵⁶

On 14 August 2014, the Governor of Bank Indonesia launched the “National Non-Cash Movement in Jakarta.” The aim of this initiative is to increase the public’s literacy and promote widespread use of non-cash payment instruments in Indonesia, which are intended to be more efficient, secure and reliable. Bank Indonesia believes that this movement and continued buy-in by other state banks will increase access to the electronic payment system for the Indonesian population.²⁵⁷

On 30 September 2014, the OJK announced that it would impose limits on the interest rates that banks can offer. This follows increased competition between Indonesian banks to attract funds from investors, which led to an increase in credit interest rates. The OJK’s efforts are intended to prevent negative impacts of current competition in interest rates of banking funds.²⁵⁸

On 13 August 2014, PT Pemeringkat Efek Indonesia (Pefindo) announced its plan to set up a credit bureau in Indonesia. The new bureau will be the first institution in Indonesia that will provide information about individuals’ credit history to lenders. The service provided by the bureau will allow lenders to adjust their interest rates for debtors with different creditworthiness.²⁵⁹

On 10 September 2014, OJK’s Chairman of Board of Commissioners, Muliaman D. Hadad, stated that OJK, in cooperation with Bank Indonesia, will increase its efforts to improve financial access for micro-, small- and medium- sized enterprises and regional development banks. The main purpose of this policy is to expand the business activity of finance companies in economically disadvantaged regions. The program will also include easier access to insurance for Indonesia’s low to middle class population.²⁶⁰

Indonesia has taken a variety of steps toward the improvement of credit access and therefore receives a score of +1.

Analysts: Jessica Coper and Kei Zamaninoor

Italy: -1

Italy has not complied with its commitment to improve credit access and financial inclusion.

Italian institutions have signalled a strong commitment to the implementation of the Risk Sharing Instruments (RSI) guarantee scheme, managed by the European Investment Fund (EIF) and supported

²⁵⁶ Peraturan Otoritas Jasa Keuangan tentang Perizinan Usaha dan Kelembagaan Lembaga Penjaminan, Otoritas Jasa Keuangan (Jakarta) 8 April 2014. Date of Access: 6 August 2014. <http://ojk.go.id/peraturan-otoritas-jasa-keuangan-tentang-perizinan-usaha-dan-kelembagaan-lembaga-penjaminan>.

²⁵⁷ Bank Indonesia Launches National Non-Cash Movement, Bank Indonesia (Jakarta) 14 August 2014. Date of Access: 3 October 2014. http://www.bi.go.id/en/ruang-media/siaran-pers/Pages/sp_165814.aspx

²⁵⁸ Press Release: OJK Stipulates Maximum Interest Rate for Banking Fund, Indonesia Financial Services Authority (Jakarta) 1 October 2014. Date of Access: 3 October 2014. <http://ojk.go.id/en/press-release-ijk-stipulates-maximum-interest-rate-for-banking-fund>

²⁵⁹ Pefindo aims to launch Indonesia’s first credit bureau, Jakarta Post (Jakarta) 13 August 2014. Date of Access: 11 October 2014. <http://www.thejakartapost.com/news/2014/08/13/pefindo-aims-launch-indonesia-s-first-credit-bureau.html>

²⁶⁰ OJK Stimulates Financial Access for UMKM and BPD Development, Indonesia Financial Services Authority (Jakarta) 11 September 2014. Date of Access: 11 October 2014. <http://ojk.go.id/en/ojk-stimulates-financial-access-for-umkm-and-bpd-development>

by the European Investment Bank (EIB) and the EU. Financial institutions that sign agreements under the RSI serve as intermediaries of the EIF to provide credit to research-based and innovative SMEs and Small Mid-Caps.²⁶¹ Since September 2013, six Italian financial institutions have signed agreements with the EIF under the RSI scheme: Alba Leasing (October 2013), Banco Popolare (December 2013), Credito Valtellinese (July 2013), ICCREA Bancalmpresa (January 2014), Credem Group (February 2014), and Deutsche Bank Italy (May 2014).^{262, 263, 264, 265, 266, 267} These agreements support lending of up to EUR7.5 million with total agreements ranging from EUR40 million to EUR120 million per financial institution.

There is no evidence that Italy has taken steps to improve credit access and is therefore awarded a score of -1.

Analysts: Justice Durland and Digvijay Mebra

Japan: 0

Japan has partially complied with the commitment to improve credit access.

On 7 November 2013, the FSA announced a request for enhancement of securing bridge loans in relation to the support program for small and medium enterprises and small business owners.²⁶⁸

On 26 November 2013, the FSA requested facilitation of financing for small and medium enterprises and small business owners for the year-end.²⁶⁹

On 25 December 2013, the FSA announced their participation in the International Conference on Financial System Stability, Regulation and Financial Inclusion to be held on 27 January 2014. The conference would be co-hosted by the Asian Development Bank Institute (ADBI) and the International Monetary Fund (IMF) to examine challenges facing financial authorities, specifically with respect to

²⁶¹ Risk Sharing Instrument for Innovative Research oriented SMEs & Small Mid-Caps, European Investment Fund (Luxembourg) Accessed 13 October 2014. http://www.eif.org/what_we_do/guarantees/RSI/index.htm

²⁶² First RSI leasing deal in Italy following signature with EIF and Alba Leasing for innovative SMEs, European Investment Fund (Luxembourg) 17 October 2013. Accessed 13 October 2014. http://www.eif.org/what_we_do/guarantees/RSI/news/2013/alba-leasing.htm

²⁶³ EIF and Banco Popolare sign RSI guarantee agreement in Italy, European Investment Fund (Luxembourg) 7 December 2012. Accessed 13 October 2014. http://www.eif.org/what_we_do/guarantees/RSI/news/2012/rsi_Banco_Popolare.htm

²⁶⁴ EIF and Credito Valtellinese Group sign a EUR 100m agreement to support innovative businesses in Italy, European Investment Fund (Luxembourg) 24 July 2013. Accessed 13 October 2014. http://www.eif.org/what_we_do/guarantees/RSI/news/2013/credito_valtellinese.htm

²⁶⁵ Additional RSI guarantee agreement in Italy for innovative businesses, European Investment Fund (Luxembourg) 31 January 2014. Accessed 13 October 2014. http://www.eif.org/what_we_do/guarantees/RSI/news/2014/iccrea.htm

²⁶⁶ EIF and Credem Group sign a EUR 80m agreement to support SMEs, European Investment Fund (Luxembourg) 7 February 2014. Accessed 13 October 2014. http://www.eif.org/what_we_do/guarantees/RSI/news/2014/credem.htm

²⁶⁷ RSI guarantee agreement in Italy for innovative businesses, European Investment Fund (Luxembourg) 26 May 2014. Accessed 13 October 2014. http://www.eif.org/what_we_do/guarantees/RSI/news/2014/DB-Italy.htm

²⁶⁸ FSA's Request for Enhancement of Bridge Loans in Relation to the Support Program for Small and Medium Enterprises and Small Business Owners, Japan Financial Services Agency (Tokyo) 7 November 2013. Date of Access: 28 February 2014. <http://www.fsa.go.jp/news/25/ginkou/20131107-1.html>

²⁶⁹ FSA requested facilitation of financing for small and medium enterprises and small business owners for the year-end, Japan Financial Services Agency (Tokyo) 26 November 2013. Date of Access: 28 February 2014. <http://www.fsa.go.jp/news/25/ginkou/20131126-3.html>

financial stability, competitiveness of the financial industry, and measures to promote financial inclusion to promote financing for SMEs.²⁷⁰

On 4 March 2014, the FSA requested and encouraged heads of local and national banking associations to facilitate loans and financing for SMEs.²⁷¹

On 27 June 2014, the FSA implemented minor changes to the 2009 Act on Temporary Measures to Facilitate Financing for SMEs by relaxing eligibility requirements.²⁷²

Japan has taken some actions to encourage credit access for SMEs and is therefore awarded a score of 0.

Analysts: Justice Durland and Digvijay Mehra

Korea: +1

Korea has complied with its commitment to improve credit access.

On 11 November 2013, the Korean Ministry of Strategy and Finance announced a decision to ease foreign exchange transaction regulations. This action is intended to expand the scope of foreign exchange transaction-related business by nonbank financial institutions, and to promote the use of the won in foreign exchange related settlements.²⁷³

On 27 November 2013, Korea's Financial Services Commission (FSC) announced a plan to strengthen competitiveness of Korea's Financial Industry, "10-10 Value-Up Plan," intended to raise the added value that the financial industry generates up to 10 per cent of the gross domestic product over the next 10 years. The plan includes diversifying funding channels for SMEs and establishing a 'tech credit bureau'.²⁷⁴ On 20 February 2014, the FSC published the Financial Policy Direction for 2014, which specified the Korean government's intention to establish the technology credit bureau to aggregate data in disparate institutions to be used in technology evaluation and loan application reviews. The aim is to facilitate lending to technology firms by allowing ideas or technology to be used as collateral.²⁷⁵

On 15 January 2014, the Korean government announced directions for its three-year Plan for Economic Innovation. The plan focuses on reforming the public sector, promoting a creative economy

²⁷⁰ FSA announced the notice of International Conference on Financial System Stability, Regulation and Financial Inclusion on 27 January 2014, Japan Financial Services Agency (Tokyo) 25 December 2013. Date of Access: 28 February 2014. <http://www.fsa.go.jp/en/news/2013/20131225.html>

²⁷¹ Regarding Facilitation of Finance for Small and Medium Enterprise, Japan Financial Services Agency (Tokyo) 4 March 2014. Date of Access: 6 October 2014. <http://www.fsa.go.jp/news/25/ginkou/20140304-1.html>

²⁷² Conditions of Changes to the 2009 Act on Temporary Measures to Facilitate financing for SMEs, Japan Financial Services Agency (Tokyo) 4 March 2014. Date of Access: 6 October 2014. <http://www.fsa.go.jp/news/25/ginkou/20140627-9.html>

²⁷³ Government to Ease Foreign Exchange Transaction Regulations, Korean Ministry of Strategy and Finance (Seoul) 11 November 2013. Date of Access: 28 February 2014. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3434&bPage=6>

²⁷⁴ Plan to Strengthen Competitiveness of Korea's Financial Industry, Korean Financial Services Commission (Seoul) 27 November 2013. Date of Access: 28 February 2014. <http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=87518>

²⁷⁵ Financial Policy Direction for the Year of 2014, Korean Financial Services Commission (Seoul) 20 February 2014. Date of Access: 28 February 2014. <http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=89223>

and overseas market exploration, boosting domestic demand, and fostering small business.²⁷⁶ The plan aims to improve the economy through economic innovation and domestic demand stimulation.²⁷⁷

On 22 January 2014, in the Third Ministerial meeting on the Economy, Deputy Prime Minister Hyun Oh-seok indicated that the Korean government would increase financial support to SMEs and to the working class by contributing an additional 16.7 trillion into the market.²⁷⁸

On 26 August 2014, the FSC released its action plan to further promote creative finance. Creative finance refers specifically to efforts to facilitate technology finance, foster venture capital markets to finance start-ups and venture businesses; and cultivate innovation-friendly culture in the financial sector.²⁷⁹

Through the FSC, Korea has initiated multiple policy reforms to strengthen the foundations for sustainable and balanced growth over the long term by improving credit access.

Thus, Korea is awarded a score of +1.

Analysts: Xue (Snow) Yuan and Digvijay Mehra

Mexico: 0

Mexico has partially complied with its commitment to improve credit access.

On 31 October 2013, Fideicomisos Instituidos en Relación con la Agricultura (FIRA) launched an online web tool that allows producers to more easily establish credit standing and identify financial intermediaries with financing capacity.²⁸⁰

On 30 May 2014, Agriculture Trust Funds, FIRA, and the National Savings Bank and Financial Services (BANSEFI), signed a cooperation agreement to facilitate access to financial services for quality producers with small-scale units. This agreement would formalize coordination actions through specific work programs, such as training support, technical assistance, and consulting on cooperative savings and loans, in order to adopt best practices in credit processes and risk management.²⁸¹

On 4 June 2014, FIRA Director General, Rafael Gamboa and President of INEGI, Eduardo Sojo Garza-Aldape, signed a collaboration agreement whereby FIRA will gain access to INEGI, statistics, systems and reporting tools.²⁸² The agreement will allow FIRA to expand their coverage of financial services to technology-based medium enterprises and the rural agri-food sector. Director General

²⁷⁶ 3-Year Plan for Economic Innovation Directed Towards Reform, Growth and Balance, Korean Ministry of Strategy and Finance (Seoul) 15 January 2014. Date of Access: 28 February 2014.

<http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3502&bPage=3>

²⁷⁷ Deputy Prime Minister Highlights Key Parts of “3 Year Plan for Economic Innovation” in Anticipation of Formal Announcement, Korean Ministry of Strategy and Finance (Seoul) 19 February 2014. Date of Access: 28 February 2014.

<http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3535&bPage=1>

²⁷⁸ Government to Unveil Measures to Prevent Data Theft Recurrence, Korean Ministry of Strategy and Finance (Seoul) 22 January 2014. Date of Access: 28 February 2014. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3506&bPage=2>

²⁷⁹ Action Plan to Promote Creative Finance, Korean Financial Services Commission (Seoul) 26 August 2014. Date of Access: 6 October 2014. <http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=92516>

²⁸⁰ Podrán identificar productores oportunidades de acceso al crédito a través de portal de FIRA en internet, FIRA (Mexico) 31 October 2013. Date of Access : 11 June 2014. <http://www.fira.gob.mx/SalaPrensaXml/Pdf?pdfNum=178>.

²⁸¹ Firman BANSEFI y FIRA Convenio para Fortalecer Cooperativas de Ahorro y Prestamo, FIRA (Mexico) 30 May 2014. Date of Access: 11 June 2014. <http://www.fira.gob.mx/SalaPrensaXml/Pdf?pdfNum=189>

²⁸² Impulsara FIRA cobertura y acceso al crédito para Pymes Rurales con herramientas y sistemas digitales del INEGI, FIRA (Mexico) 4 June 2014. Date of Access : 11 June 2014. <http://www.fira.gob.mx/SalaPrensaXml/Pdf?pdfNum=190>.

Gamboa noted that signing this agreement will help promote access to finance in the field, which is the main objective of FIRA.²⁸³

On 26 June 2014, Mexico hosted the International Forum of Financial Inclusion in Mexico City.²⁸⁴ Mexico's efforts to host events that foster knowledge sharing and best practices in financial inclusion signal its partial commitment to expanding access to credit through technological advances and policy innovations.

Mexico has taken advantage of some technological advances in developing financial infrastructure and made progress towards improving access to credit for segments of the population.

Therefore, Mexico receives a score of 0.

Analysts: Antonia Tsapralis and Emma Stanton

Russia: 0

Russia has partially complied with its commitment to improve credit access.

On 23 December 2013, Russian President Vladimir Putin signed the Federal Law on Consumer Credit Loan. The law provides for the new requirements to consumer loan agreements, measures to protect creditors' and borrowers' interests and introduces methods to calculate the total cost of a loan and procedures for the recovery of arrears.²⁸⁵

On 3 February 2014, Russian Prime Minister Dmitry Medvedev revealed plans to establish the Loan Guarantee Agency in Russia. The new agency is meant to act as a coordination centre for national guarantee institutions. It would provide counter guarantees to a system of regional guarantee organizations and thus enhance the ability of banks to provide loans to small and medium-sized enterprises (SMEs).²⁸⁶

On 5 May 2014, Dmitry Medvedev signed a regulation on the establishment of the Loan Guarantee Agency. The authorized capital of the Agency is RUB50 billion (USD1.3 billion). According to the Agency's five-year business plan, its aggregate amount of guaranteed loans to SMEs will reach RUB440 billion (about USD11.5 billion).²⁸⁷ On 30 June 2014, the Agency, acting as a complement to the existing system of regional loan guarantee agencies, started its operations. The Agency also signed cooperation agreements aimed at improving the conditions of bank lending to SMEs with the biggest Russian banks, including Sberbank, VTB24, Gazprombank and Rosselkhozbank.²⁸⁸

Russia has taken measures to improve credit access by encouraging transparency, openness and competition to incentivize current institutions to expand service coverage and enforce prudential

²⁸³ Impulsara FIRA cobertura y acceso al credito para Pymes Rurales con herramientas y sistemas digitales del INEGI, FIRA (Mexico) 4 June 2014. Date of Access : 11 June 2014. <http://www.fira.gob.mx/SalaPrensaXml/Pdf?pdfNum=190>.

²⁸⁴ International Forum for International Inclusion, Alliance for Financial Inclusion (Bangkok), 26 July 2014. Date of Access: 5 October 2014. <http://www.afi-global.org/library/photo-galleries/international-forum-financial-inclusion-mexico>.

²⁸⁵ The Law on Consumer Credit is Signed, President of Russia. 23 December 2013. Date of Access: 19 September 2014. <http://kremlin.ru/news/19875>.

²⁸⁶ Meeting on measures to support small and medium-sized business, Government of Russia 3 February 2014. Date of Access: 19 September 2014. <http://government.ru/en/news/10207>.

²⁸⁷ A decree establishing Loan Guarantee Agency signed, Federal Web Portal for Small and Medium Sized Enterprises 6 May 2014. Date of Access: 19 September 2014. <http://en.smb.gov.ru/sme/news/219.html>.

²⁸⁸ Working meeting with Economic Development Minister Alexei Ulyukayev, President of Russia (Moscow) 7 July 2014. Date of Access: 19 September 2014. <http://eng.kremlin.ru/news/22625>.

regulations in order to provide the private sector with the right incentives. However, no actions to use the technological advances in developing financial infrastructure to lower transaction costs have been registered.

Thus, it receives a score of 0.

Analyst: Andrey Shelepov

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitments to improve credit access in the country.

On 22 January 2014, global rating agency Fitch Ratings reported that Saudi banks continue to see strong performances due to high oil prices and mass government spending on infrastructural projects and non-oil private sectors. Business growth and reduced loan impairment charges have led to strong financial performances for Saudi banks. Banks are expected to continue expanding their loan portfolios throughout 2014.²⁸⁹

On 5 February 2014, Kafalah, an SME financing guarantee program developed by the Ministry of Finance and Saudi banks, announced the launch of its sixth campaign for SME financing. The program is intended to bridge the gap in the financing resources available to SMEs, to expand entrepreneurialism, and to create job opportunities for Saudi youth. The campaign involves collaboration with the World Bank, the Institute of Banking, and the Media and Banking Awareness Committee to increase financial literacy of Saudi participants.²⁹⁰

On 23 February 2014, the Saudi Industrial Development Fund (SIDF) released data on the success of Kafalah in driving SME lending. According to the SIDF, Kafalah provided guarantees worth SAR3.59 billion by the end of 2013, and extended financing by SAR7.18 billion. This reduces the risk incurred by the banks, and therefore encourages them to loan more to entrepreneurs. The head of Kafalah's research unit, Ahmed Yehya, stated that "the plan focuses on the importance of removing the barriers limiting the development of SMEs and intensifying the government and private initiatives to support it."²⁹¹

Thus, Saudi Arabia has been awarded a score of 0 for collaborating with the banking sector to increase lending to SMEs.

Analyst: Monica Khosravi

South Africa: 0

South Africa has partially complied with its commitment to improve credit access and financial inclusion.

On 10 October 2013 the South African Government presented its National Credit Amendment Bill. The Bill addressed several key policy issues in the South African credit system, including strengthening the National Credit Regulator, predatory or reckless lending, resolving credit disputes, the certification of debt counselors, and the unconstitutional nature of several provisions in the previous National Credit

²⁸⁹ Saudi banks' performance to remain strong in 2014, Arab News 22 January 2014. Date of Access: 4 October 2014. <http://www.arabnews.com/news/513021>

²⁹⁰ Kafalah loans to Saudi SME's total SR7.2b, Saudi Gazette (Jeddah) 5 February 2014. Date of Access: 26 February 2014. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20140206194904>

²⁹¹ Saudi Arabia sees potential in SME growth, Zawya (Dubai) 23 February 2014. Date of Access: 26 February 2014. http://www.zawya.com/story/Saudi_Arabia_sees_potential_in_SME_growth-ZAWYA20140223050551/

Bill.²⁹² The South African Government intended for the Bill to clarify existing regulations while strengthening others in order to stabilize the credit market in the country.²⁹³

The South African Government's Department of Trade and Industry and the National Credit Regulator also recommended automatically erasing poor credit records on loans of fewer than ZAR10,000. The Cabinet stated that they intended for this amendment to allow financially stable South Africans who could afford to borrow to access credit when it would have otherwise been impossible.²⁹⁴

On 19 August 2014, Moody's Investors Service downgraded the long-term local-currency deposit ratings of the four largest South African banks from A3 to Baa1. Moody's believes that there is lower likelihood for South African authorities to support creditors if need arises. Weak economic growth and the continuum of "high consumer indebtedness" are cited as important factors that will result in increased costs to banks.²⁹⁵ In this regard, Bloomberg reported that this downgrade may result in a sovereign-debt reduction as the cost of borrowing will rise for banks. The downgrade is considered to be a "response to the central bank's decision to impose losses on holders of African Bank's debt."²⁹⁶

South Africa has increased the clarity of the regulations that govern the credit market, and increased access to credit for poorer South Africans but did so by denying lenders important information on borrowers' credit histories.

South Africa therefore receives a score of 0.

Analysts: D. Reid Dobell and Kei Zamaninoor

Turkey: -1

Turkey has not complied with its commitment to undertake reforms to strengthen the foundations for strong, sustainable, and balanced growth over the long term by improving credit access.

In a November 2013 report, the Central Bank of the Republic of Turkey (CBRT) posted loan growth figures that had strengthened and converged toward previous years' averages following a fluctuation in financial markets. The improvements in loan growth were attributed to the CBRT's supportive liquidity policies and a surge in domestic demand. Total loan growth was initially driven by retail loans, however since June 2013 the primary driver of loan growth has been corporate loans. The growth of corporate loans is partially a result of increases in lira-denominated SME loans and foreign exchange denominated corporate loans.²⁹⁷

²⁹² Presentation on the National Credit Amendment Bill, Department of Trade and Industry, Republic of South Africa (Johannesburg) 10 October 2013. Date of Access: 17 February 2014. http://www.mpuleg.gov.za/assets/b_47b_-_2013_1-%28from-dti%29.pdf

²⁹³ Presentation on the National Credit Amendment Bill, Department of Trade and Industry, Republic of South Africa (Johannesburg) 10 October 2013. Date of Access: 17 February 2014. http://www.mpuleg.gov.za/assets/b_47b_-_2013_1-%28from-dti%29.pdf

²⁹⁴ Who Needs Credit Amnesty?, iafrica.com (Cape Town) 5 November 2013. Date of Access: 17 February 2014. <http://business.iafrica.com/personal-finance/885917.html>.

²⁹⁵ Moody's downgrades four South African bank; on review for further downgrade, Moody's Investors Service (Global) 19 August 2014. Date of Access: 5 October 2014.

https://www.moody.com/research/Moodys-downgrades-four-South-African-banks-on-review-for-further--PR_306571

²⁹⁶ African Bank Contagion Sweeps From Lenders to Sovereign, Bloomberg (NYC) 21 August 2014. Date of Access: 5 October 2014. <http://www.bloomberg.com/news/2014-08-20/african-bank-contagion-sweeps-from-lenders-to-sovereign.html>

²⁹⁷ Financial Stability Report, Central Bank of the Republic of Turkey November 2013. Date of Access: 2 March 2014. <http://www.tcmb.gov.tr/yeni/eng/>

The Second Turkey Access to Finance for Small and Medium Enterprises Project facilitated by the World Bank continues to expand the access for Turkish small and medium enterprises to medium and long-term financing. In a report published on 28 October 2013 on the implementation status and results of the program, USD383.6 million has been successfully distributed to 518 beneficiary enterprises.²⁹⁸

On 7 January 2014, a press release from the Turkish Banking Regulation and Supervision Agency, reported that loans have increased by 27.1 per cent from the same period last year. Increasing asset sizes in the Turkish banking sector have been leading to the highest recorded rises in banking sector assets among emerging economies.²⁹⁹

On 27 February 2014, the New York Times published a report, stating that credit card debt is endangering millions of low-income Turks who have been awarded extensive credit lines. The boom in consumer credit is viewed as a serious risk for Turkish lenders who are operating in an environment experiencing slowing economic growth, political turmoil, and a decreasing willingness of foreign investors to provide financing. However, in a presentation made to the IMF-World Bank in October 2014, the Governor of the CBRT showed how a tight monetary policy stance and macroprudential measures have been keeping loan growth rates (including deposits and credit card loans) at reasonable levels over recent months.³⁰⁰

As a destination for emerging market capital, Turkey has been using the influx of capital on consumer goods and real estate rather than on new businesses that would support long-term growth. Even though the Turkish Central Bank raised official interest rates to reduce the strains of high debt levels and encourage further investment from foreign entities, the higher cost of borrowing is likely to slow the economy.³⁰¹

Even though Turkey has seen recent successes in easing volatile loan growth rates, it has not implemented new policies to increase credit access for individuals or SMEs since September 2013.

Thus, Turkey has been awarded a score of -1.

Analyst: Jonathan F. Rybicki

United Kingdom: 0

The United Kingdom has partially complied with the commitment to improve credit access.

On 20 December 2013, the British government published a consultative paper entitled “Competition in banking: improving access to SME credit data.” The paper outlined proposed changes to existing legislature to assist lenders in assessing applications for loans to SMEs to improve the cost and quality of services offered. The government recognizes the importance of responsible lending to small

²⁹⁸ Implementation Status and Results for the Second Turkey Access to Finance for Small and Medium Enterprises Project, The World Bank 28 October 2013. Date of Access: 2 March 2014. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/ECA/2013/10/28/090224b081fef44a/1_0/Rendered/PDF/Turkey000Secon0Report000Sequence005.pdf

²⁹⁹ Turkish Banking Sector Non-Consolidated Main Indicators, Banking Regulation and Supervision Agency November 2013. Date of Access: 2 March 2014. http://www.bddk.org.tr/websitesi/english/Announcements/Press_Releases/1277711_basin_aciklamasi__kasim_2013_.pdf

³⁰⁰ Balanced Growth Prospects in Turkey, Central Bank of the Republic of Turkey, IMF-World Bank Autumn Meetings October 2014. Date of Access: 14 October 2014. <http://www.tcmb.gov.tr/wps/wcm/connect/7a85ae54-0b91-49cf-bac7-b36699837d88/IMF+W.pdf?MOD=AJPERES>.

³⁰¹ Credit Card Debt Threatens Turkey's Economy, The New York Times, 27 February 2014. Date of Access: 2 March 2014. http://www.nytimes.com/2014/02/28/business/international/credit-card-debt-threatens-turkeys-economy.html?_r=0

businesses and intends to enact these amendments through the Small Business, Enterprise and Employment Bill.³⁰²

The most recent “Doing Business” report from the World Bank noted that the United Kingdom ranks on top in terms of access to credit.³⁰³

The UK was found to have proposed regulation for P2P lending platforms, which would increase confidence in this alternate source of credit.^{304,305}

The Bank of England reported in its 2014 Q1 Credit Conditions Survey that both “the availability of secured credit to households” and the “overall availability of credit to the corporate sector” increased in the first quarter of 2014. According to the report, this was the sixth consecutive quarter that respondents to the survey reported an increase in the availability of credit. It was also reported that small businesses, medium-sized companies, and large corporations alike had bigger demands for lending in the first quarter of 2014, which was expected to grow in the second quarter.³⁰⁶

The Bank of England reported in its 2014 Q2 Credit Conditions Survey that while the “availability of secured credit to households” increased slightly in the second quarter of 2014, the “overall availability of credit to the corporate sector” remained unchanged.³⁰⁷

On 26 June 2014, in its half-yearly report on the risks facing the financial system, the Bank of England announced a policy that would “restrict the amount that homeowners can borrow relative to their income.” This policy also stipulated that affordability tests for those applying for mortgages would be tightened as well.³⁰⁸

On 18 September 2014, the Council of Mortgage Lenders (CML) indicated that British lending to homeowners and potential homeowners fell from GBP19.7 billion in July to GBP8.6 billion in August. Additional regulations on mortgage lending announced by the government and the central bank are cited as having contributed to this. Experts estimate that this drop in lending indicates a tightening of the UK housing market.³⁰⁹

³⁰² Competition in Banking Improving Access to SME credit data, gov.uk (London) 20 December 2013. Date of Access: 2 March 2014. <https://www.gov.uk/government/consultations/competition-in-banking-improving-access-to-sme-credit-data>

³⁰³ Doing Business 2014, World Bank/IFC (Washington DC) Date of Access: 2 March 2014.

<http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-reports/English/DB14-Full-Report.pdf>

³⁰⁴ Banking Without banks, The Economist (London) 1 March 2014. Date of Access: 2 March 2014.

<http://www.economist.com/news/finance-and-economics/21597932-offering-both-borrowers-and-lenders-better-deal-websites-put-two?zid=310&ah=4326ea44f22236ea534e2010ccce1932>

³⁰⁵ The Financial Conduct Authority outlines how it will regulate crowdfunding (London) 24 October 2013. Date of Access: 24 October 2014. <http://www.fca.org.uk/news/the-financial-conduct-authority-outlines-how-it-will-regulate-crowdfunding>

³⁰⁶ Credit Conditions Survey 2014 Q1, Bank of England (London) 3 April 2014. Date of Access: 6 October 2014

<http://www.bankofengland.co.uk/publications/Pages/other/monetary/ccs/ccs1404.aspx>

³⁰⁷ Credit Conditions Survey 2014 Q2, Bank of England (London) 23 June 2014. Date of Access: 6 October 2014.

<http://www.bankofengland.co.uk/publications/Pages/other/monetary/ccs/ccs1406.aspx>

³⁰⁸ Bank will not act on house prices yet, says Carney, The Guardian (London) 26 June 2014. Date of Access: 6 October 2014. <http://www.theguardian.com/business/2014/jun/26/bank-of-england-limit-large-loans-housebuyers-mortgage-lenders>

³⁰⁹ Mortgage lending slows, is this the tipping point for the UK housing market?, The Telegraph (London) 18 September 2014. Date of Access: 6 October 2014. <http://www.telegraph.co.uk/finance/economics/11103959/Mortgage-lending-slows-is-this-the-tipping-point-for-the-UK-housing-market.html>

The UK has taken some steps to ensure that credit access be improved and diversified. While restricting access to credit, regulations on mortgage lending are aimed at improving confidence in credit markets.

The United Kingdom has been awarded a score of 0 on its commitment to improve access to credit for firms and individuals.

Analysts: Liam Maloney and Timmy Shin

United States: +1

The United States has fully complied with its commitment to improving credit access and financial inclusion. It has encouraged technological innovation to support small businesses, created greater transparency to empower market participants, and increased the number of loans issued to startups.

On 25 September 2013, Overseas Private Investment Corporation (OPIC) – a governmental development finance institution – announced it would collaborate with Citi Financing to deliver up to USD200 million in financing for small businesses in Africa, Middle East, Asia, Eastern Europe, and Latin America. This expansion of microfinance will connect SMEs from the developing world to mainstream financial systems and increase their access to funding. It will also facilitate relationships between overseas SMEs and existing domestic Citi clients.³¹⁰ This collaboration will broaden the service coverage of Citi Financing, but also stimulate competition amongst foreign banking institutions by encouraging new entrants into the market.

On 14 November 2013, Small Business Administration (SBA) signed a strategic alliance memorandum with Operation HOPE, Inc., the first non-profit social investment bank in the United States. This partnership aims to drive economic development through financial education, fostering entrepreneurial empowerment, and improving access to capital for small businesses.³¹¹

On 27 January 2014, SBA amended its policies to lower barriers for SME owners to access credit by changing program eligibility and administration criteria. The SBA also took steps to ensure that participants thoroughly understand program requirements before and after acquiring funding.³¹²

On 7 February 2014, the President instructed his Rural Council, in coordination with various other departments, to commit to connecting rural businesses to export and investment information. This is in relation to the “Made In Rural America” initiative and includes introducing businesses to an online

³¹⁰ OPIC and Citi to Leverage up to \$200 Million in Financing to Connect Micro and Small Enterprises with Corporate and Financial Institutions, OPIC (Washington) 25 September 2013. Date of Access: 27 February 2014. <http://www.opic.gov/press-releases/2013/opic-and-citi-leverage-200-million-financing-connect-micro-and-small-enterprises-corporate-and-financial-ins>

³¹¹ SBA Signs Strategic Alliance with Operation HOPE to Foster Entrepreneurship and Economic Empowerment, US Small Business Administration (Washington) 14 November 2013. Date of Access: 26 February 2014. <http://www.sba.gov/content/sba-signs-strategic-alliance-operation-hope-foster-entrepreneurship-and-economic-empowerment>

³¹² SBA Amends Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program Policy Directives, US Small Business Administration (Washington) 27 January 2014. Date of Access: 26 February 2014. <http://www.sba.gov/content/sba-amends-small-business-innovation-research-sbir-and-small-business-technology-transfer-sttr-program-policy-directives>

platform to “connect [them] with export and investment resources and coordinate support from across the federal government.”³¹³

Thus, the US has been awarded a score of +1 for its efforts to improve financial literacy, support for technological advancement, and investment in financial collaborations that decrease barriers to financing for entrepreneurs.

Analyst: Monica Khosravi

European Union: 0

The European Union has partially complied with its commitment to improve credit access.

On 18 October 2013, a European Commission memo stated that the European Commission is taking action to rapidly bridge the market gap in the provision of financing for small and medium-sized enterprises (SMEs) by providing EUR3.5 billion of additional funding each year from 2014 to 2020.³¹⁴ The memo named two recent proposals: a proposal for the Markets in Financial Instrument Directive (MiFID) to sustain the development of stock markets specialized in SMEs, and a proposal for a modification of the Transparency Directive to give better information on listed SMEs.

On 16 December 2013, the European Commission announced a EUR15 billion investment in job-creating projects in the first two years at the launch of the new Horizon 2020 program.³¹⁵ Under Horizon 2020, a single or group of SMEs will be able to apply for funds to finance a project of economic and preferably also societal relevance. Horizon will focus on creating competitive industries, focusing on leadership in enabling and industrial technologies; access to risk finance; and innovation in SMEs.³¹⁶

On 17 December 2013, the European Union adopted the legislative package for cohesion policy for 2014-2020, a continuation of the special support instruments 2007-2013 program. The Cohesion Policy emphasizes support for small and medium-size enterprises with the objective of doubling support from EUR70 to EUR140 billion over seven years.³¹⁷ The memo again named the MiFID proposal to sustain the development of stock markets specialized in SMEs and the proposal to modify the Transparency Directive to give better information on listed SMEs.³¹⁸

In April 2014, the European Central Bank assessed the financial situation of SMEs during the period of October 2013 to March 2014. The report showed that accessibility to financial services is one of the main concerns for many SMEs. Forty-two per cent of SMEs in Greece and 23 per cent in Ireland

³¹³ FACT SHEET: Opportunity For All: Establishing a New “Made In Rural America” Export and Investment Initiative, The White House, Office of the Press Secretary (Washington) 7 February 2014. Date of Access: 8 November 2014. <http://www.whitehouse.gov/the-press-office/2014/02/07/fact-sheet-opportunity-all-establishing-new-made-rural-america-export-an>

³¹⁴ EU Access to Finance Days – helping to shape an SME-friendly financing market, European Commission (Brussels) 18 October 2013. Date of Access: 26 February 2014. http://europa.eu/rapid/press-release_MEMO-13-909_en.htm

³¹⁵ Horizon 2020 launched with €15 billion over first two years, European Commission (Brussels) 11 December 2013. Date of Access: 28 February 2014. http://europa.eu/rapid/press-release_IP-13-1232_en.htm

³¹⁶ BILAT USA 2.0, SME opportunities in Horizon 2020, 25 November 2013. Date of Access: 26 February 2014. <http://www.euussciencetechnology.eu/sites/default/files/SME%20opportunities%20in%20H2020.pdf>

³¹⁷ One trillion euro to invest in Europe’s future – the EU’s budget framework 2014-2020, European Commission (Brussels) 19 November 2013. Accessed 26 February 2014. http://europa.eu/rapid/press-release_IP-13-1096_en.htm

³¹⁸ EU Access to Finance Days – helping to shape an SME-friendly financing market, European Commission (Brussels) 18 October 2013. Date of Access: 26 February 2014. http://europa.eu/rapid/press-release_MEMO-13-909_en.htm

believed 'access to finance' was a major issue that obstructed them to develop a better financial infrastructure.³¹⁹

The European Union obtained a score of 0 for improving credit access.

Analysts: Justice Durland and Arturo Sparks

³¹⁹ Survey on the Access to Finance of Small and Medium-Sized Enterprises in the Euro Area. European Central Bank (Frankfurt am Main) April 2014. Date of Access: 6 October 2014.
<http://www.ecb.europa.eu/pub/pdf/other/accesstofinancesmallmediumsizedenterprises201404en.pdf?da920468528300ff549d8cc95522eb81>

3. Trade

“We recognize the risks of economic slowdown and trade weakening posed by protectionism. We extend until the end of 2016 our standstill commitment.”

G20 St. Petersburg Leaders’ Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia			+1
Brazil		0	
Canada		0	
China	-1		
France	-1		
Germany	-1		
India		0	
Indonesia		0	
Italy	-1		
Japan		0	
Korea	-1		
Mexico			+1
Russia	-1		
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom	-1		
United States		0	
European Union	-1		
Average		-0.35	

Background

The G20 has previously committed to reducing barriers to international trade in the form of protectionist measures. The commitment to reduce protectionist barriers has featured in G20 summit documents since the Washington Summit of 2008. This commitment was part of the response by the G20 to the 2008 financial crisis and has previously been extended three times: at the 2009 London Summit, at the 2010 Toronto Summit, and at the Los Cabos Summit until the end of 2014. That this commitment has featured in past summits and remains important to this day is a reflection of its significance — not only as a measure following the financial crisis, but also as a long-term goal for a healthy global economy.

Most recently, at the St. Petersburg Summit the commitment was once again extended until the end of 2016, again with the goal of ensuring a more robust recovery and a healthier global economy by reducing barriers to trade posed by protectionist policies.³²⁰

³²⁰ G20 St. Petersburg Leaders’ Declaration, G20 Information Centre (Toronto) 6 September 2013. Date of Access: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>

Commitment Features

The trade commitment asks G20 members to combat protectionist policies, specifically breaking them down into three relevant categories. First, G20 members must cease from implementing new barriers to trade or investment in goods and services. Essentially, this refers to the implementation of barriers — so defined by the World Trade Organization (WTO) as tariffs, subsidies, burdensome administrative procedures, and non-tariff measures regarding imports — that ultimately impedes global trade.³²¹

Second, members have committed to refrain from implementing new export restrictions. This refers to voluntary or imposed restrictions on a state's exports, which often have the goal of preventing the exportation of goods due to a shortage or other factors, or of manipulating current account balances.³²²

Last, G20 members have committed to refrain from imposing any export-stimulating measures inconsistent with the WTO. In effect, this refers to five general measures, outlined in the WTO Agreement on Subsidies and Countervailing Measures, that unfairly stimulate exports: (1) domestic subsidies with required export targets; (2) subsidies that require recipients to use domestic over imported goods; (3) any subsidy that hurts an industry in an importing country; (4) subsidies in one state that harm exporters competing in the subsidizing state's market; (5) domestic subsidies that hurt competing foreign exporters when both parties compete in the same market.³²³

In sum, all tariffs, export and investment restrictions, and WTO-inconsistent subsidies are considered instances of protectionism as per the WTO's methodology, and are thus counter to the standstill commitment. To achieve full compliance with the standstill commitment, a G20 member must not establish any new measures that fall within the aforementioned categories. Partial compliance will be determined and distinguished from noncompliance by calculating the median number of new protectionist measures as recorded by analysts. Should a member implement policies equal to or less than the median, then that member will receive a partial compliance score of 0. Should a member have more new policies than the median, then it will receive a score of -1 for noncompliance.

The above methodology determines compliance based on policy actions rather than outcomes. As such, compliance is determined by the number of new policies imposed by a G20 member in relation to the median number imposed by all members. The measure is internally valid and can be used to determine compliance across summits without establishing an arbitrary threshold of what constitutes partial compliance and noncompliance. Analysts are aware that the measure depends heavily on the completeness of data and the absence of relevant information can change scores.

The procedure used to determine compliance varies from those employed by the WTO, the Organisation for Economic Co-operation and Development (OECD), and the United Nations Conference on Trade and Development (UNCTAD). The WTO ascertains levels of protectionism among G20 states by calculating the group's important restrictions as a share of total imports, creating an internally valid statistic that can be used to determine broad trends. However, it measures policy outcomes rather than the policies themselves. The OECD/UNCTAD method does not directly measure aggregate investment measures across the G20 — it notes changes in flows of foreign direct investment to G20 members as an indicator of global investment activity, which is partially affected by

³²¹ G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 5 February 2014.

http://www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm

³²² Report on G20 Trade Measures (Mid-October 2010 to April 2011), World Trade Organization (Geneva) 11 May 2011. Date of Access: 5 February 2014. http://www.wto.org/english/news_e/news11_e/igo_24may11_e.htm.

³²³ Understanding the WTO – Anti-dumping, subsidies, safeguards: contingencies, etc, World Trade Organization (Geneva) Date of Access: 5 February 2014. http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm8_e.htm

barriers in G20 members. Reports by all three organizations count and categorize new trade and investment policies in their respective annexes — something that this report considers in its assessment of the number of protectionist measures implemented by G20 members.

Scoring Guidelines

-1	G20 member imposes protectionist measures and the total number is above the median of measures imposed by all G20 members.
0	G20 member imposes protectionist measures and the total number is equal to or below the median of measures imposed by all G20 members.
+1	G20 member does not impose any new protectionist measures.

Table 3-1: Protectionist Measures by G20 Members

Member	Number of protectionist measures	Compliance Score
Argentina	6	-1
Australia	0	+1
Brazil	1	0
Canada	5	0
China	9	-1
France	13	-1
Germany	15	-1
India	2	0
Indonesia	5	0
Italy	14	-1
Japan	1	0
Korea	7	-1
Mexico	0	+1
Russia	13	-1
Saudi Arabia	1	0
South Africa	4	0
Turkey	1	0
United Kingdom	14	-1
United States	2	0
European Union	13	-1
Total	74	
Median	5	0.40

Lead Analyst: David Gelles

Argentina: -1

Argentina has been awarded a score of -1 for not complying with the standstill trade commitment to refrain from implement new protectionist policies.

On 12 September 2013, the Government of Argentina imposed a requirement that applicants for short-term work permits apply in-person to the Argentine immigration agency, with appointments made in

advance. This move effectively bars immigration and visa service providers from submitting requests on behalf of applicants, and is thus seen as a burdensome administrative procedure.³²⁴

On 20 November 2013, the Government of Argentina adopted reference prices applicable to the importation of microphones from China, Korea, Malaysia and other countries. According to the legislation, goods coming in at lower costs than the reference prices will be subject to the new price, with importers expected to make up the difference.³²⁵

On 20 November 2013, Argentina also adopted legislation regarding reference prices on inflatable swimming pools from certain countries. As per the legislation, goods imported at a price lower than the reference point will be subject to the new price, with importers having to cover the difference.³²⁶

On 21 November 2013, the Government of Argentina also adopted reference prices applicable to the importation of computer keyboards and mice from China, Korea, Taiwan, India, and other countries. According to the legislation, goods imported at lower cost than the reference price will be subject to the reference price, with importers required to make up the difference.³²⁷

On 3 December 2013, the Federal Administration of Public Revenue of Argentina imposed a sales tax of 35% applicable to purchases of foreign currency intended for travel and tourism. This legislation is thus seen as a non-tariff measure regarding imports.³²⁸

On 29 January 2014, the Federal Administration of Public Revenue increased reference prices on imports of synthetic fabrics from various Asian countries. According to the legislation, goods imported at lower declared costs than the reference prices will be subject to the new price, with importers required to make up the difference.³²⁹

Having imposed six protectionist policies, which is above the G20 median of five, Argentina receives a score of -1.

Analyst: Alison Dillman

Australia: +1

Australia has fully complied with the standstill commitment to cease implementing new barriers to trade. It has not imposed new protectionist policies and it has pursued initiatives with various states to stimulate trade.

³²⁴ Argentina: Request for in-person applicants for short-term work permits, Global Trade Alert (London) 3 October 2013. Date of Access: 3 March 2014. <http://www.globaltradealert.org/measure/argentina-request-person-applications-short-term-work-permits>

³²⁵ Argentina: Reference prices on imports of microphones from certain Asian countries, Global Trade Alert (London) 4 December 2013. Date of Access: 3 March 2014. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-microphones-certain-asian-countries>

³²⁶ Argentina: Reference prices on imports of inflatable swimming pools from certain countries, Global Trade Alert (London) 4 December 2013. Date of Access: 31 March 2014. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-inflatable-swimming-pools-certain-countries>

³²⁷ Argentina: Reference prices on imports of computer keyboards and mice from certain Asian countries, Global Trade Alert (London) 3 December. Date of Access: 31 March 2014. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-computer-keyboards-mice-and-trackballs-certain-asian-coun>

³²⁸ Argentina: Sales tax on foreign currency purchases, Global Trade Alert (London) 17 January 2014. Date of Access: October 5 2014. <http://www.globaltradealert.org/measure/argentina-sales-tax-foreign-currency-purchases>

³²⁹ Argentina: Reference prices on imports of synthetic fabrics from various Asian countries, Global Trade Alert (London) 14 April 2014. Date of Access: October 5 2014. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-synthetic-fabrics-various-asian-countries-7-february-2014>

On 5 December 2013, Australia and Korea finalized a bilateral free trade agreement (FTA), one of many being negotiated by Australia in the Asia-Pacific region. The agreement will stimulate trade through reducing current barriers by immediately removing tariffs across various Australian industries.³³⁰

On 7 December 2013, Australia welcomed the historic trade reform package reached at the ninth ministerial meeting of the World Trade Organization (WTO). The trade package, agreed to by Australia and other WTO members, has the goal of stimulating global trade to create millions of jobs. To that end, the members agreed to streamline international trade by reducing the cost of engaging in trade and by removing barriers such as agricultural subsidies.³³¹

On 6 February 2014, Australia's Trade Minister Andrew Robb gave a speech in which he affirmed Australia's commitment to robust growth driven by the private sector. Robb stated that a key part of this approach revolves around reducing barriers to trade and in turn encouraging increased trade and investment. Furthermore, Robb cited Australia's ongoing negotiations for FTAs with key Asian partners as key pillars of Australia's new trade policy, which focuses on stimulating trade in key Australian industries.³³²

On 3 March 2014, Australia's Prime Minister Tony Abbott stressed the importance of Australia's FTA negotiations with partners such as China and Japan, stating that he hopes to make good progress on these deals as they represent Australia's efforts to liberalize trade. Abbott also reiterated Australia's position on trade as part of its broader economic policy, stating that trade is a key component for future economic growth.³³³

Thus, Australia has been awarded as score of +1 for not implementing any new barriers to trade and for its commitment to stimulate trade.

Analyst: David Gelles

Brazil: 0

Brazil has not complied with the standstill commitment to refrain from implementing new protectionist policies.

On 27 August 2014, Brazil imposed an antidumping duty on imports of PVC resin from China and Korea in the range of \$2.7 and \$21.6 per tonne.³³⁴

Although Brazil's protectionist policies, mainly its taxes on imported cars, continue to draw the ire of foreign trading partners, the country has taken a softer stance on protectionist policies.³³⁵ EU-Mercosur trade talks have stalled because of European concerns over agriculture.³³⁶

³³⁰ Australia concludes FTA negotiations with the Republic of Korea, Minister for Trade and Investment (Canberra) 5 December 2013. Date of Access: 20 March 2014. http://trademinister.gov.au/releases/Pages/2013/ar_mr_131205.aspx?ministerid=3

³³¹ Australia welcomes historic trade reform package, Minister for Trade and Investment (Canberra) 7 December 2013. Date of Access: 20 March 2014. http://trademinister.gov.au/releases/Pages/2013/ar_mr_131207.aspx?ministerid=3

³³² Australia-India Roundtable Dialogue, Minister for Trade and Investment (Canberra) 6 February 2014. Date of Access: 20 March 2014. http://www.trademinister.gov.au/speeches/Pages/2014/ar_sp_140206.aspx

³³³ Joint press conference with Prime Minister the Hon. Tony Abbott MP, Minister for Trade and Investment (Canberra) 3 March 2014. Date of Access: 20 March 2014. http://www.trademinister.gov.au/transcripts/Pages/2014/ar_tr_140303.aspx

³³⁴ Brazil imposes anti dumping duty on imports of PVC resin from China and S Korea, Indian Plastics Industry Updates & Insights (Matunga) 27 August 2014. Accessed 6 October 2014. <http://www.mpponline.in/brazil-imposes-anti-dumping-duty-on-imports-of-pvc-resin-from-china-and-s-korea/>

Thus, having implemented one protectionist policy, which is equal to or below the G20 median of five, Brazil has been awarded as score of 0.

Analyst: Justice Durland

Canada: 0

Canada has not complied with the standstill commitment to refrain from implementing new protectionist policies.

On 19 September 2013, Canada's federal government granted CAD71.6 million to Ford Motor's Canadian subsidiary under the Auto Innovation Fund initiative. The Government of Ontario also granted the automaker CAD70.9 million in provincial funds. The government subsidy is on top of hundreds of millions in private investment meant for the Ford plant in Oakville, Ontario.³³⁷ As defined by the standstill commitment, the subsidy is harmful to other car manufacturers as it favours Canadian manufacturing.

On 18 October 2013, EU and Canada have reached a political agreement on the key elements of a trade agreement (CETA). CETA will eliminate tariffs for Canadian goods entering the EU market, providing them preferential access not enjoyed by competitors in other countries, which still face tariffs. CETA will also guarantee Canadian service suppliers secure preferential market access. These changes to Canada's trading relationship with the EU will give Canadian businesses—from farms to engineering consultancies—new opportunities to increase their exports of goods and services.³³⁸

On 9 December 2013, Canada renewed the existing anti-dumping and countervailing duty order against imports of thermoelectric containers for cooling or warming from China. The renewal puts Canada in a position in which it is exceeding the WTO's standards for implementing these measures.³³⁹

On 20 December 2013, Canada renewed the existing anti-dumping order against imports of "hollow structural sections made of carbon and alloy steel" from the following countries: Korea, South Africa, and Turkey. The renewal makes the order exceed the five year "sunset" standard set by the WTO and thus puts Canada at risk of violating WTO guidelines on trade-remedy measures.³⁴⁰

³³⁵ The hidden persuaders, *The Economist* (London) 12 October 2013. Date of Access: 6 March 2014.

<http://www.economist.com/news/special-report/21587381-protectionism-can-take-many-forms-not-all-them-obvious-hidden-persuaders>

³³⁶ Brazil admits EU/Mercosur deal stalled because of European concerns about agriculture, *MercoPress* (Montevideo) 13 August 2014. Accessed 6 October 2014. <http://en.mercopress.com/2014/08/13/brazil-admits-eu-mercosur-deal-stalled-because-of-european-concerns-about-agriculture>

³³⁷ Canada: Federal and provincial subsidies for Ford motor plant in Ontario, *Global Trade Alert* (London) 16 January 2014. Date of Access: 31 March 2014. <http://www.globaltradealert.org/measure/canada-federal-and-provincial-subsidies-ford-motor-plant-ontario>

³³⁸ Canada-European Union: Comprehensive Economic and Trade Agreement (CETA), Foreign Affairs, Trade and Development Canada, 23 September 2014. Date of Access: 1 October 2014. <http://international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/understanding-comprendre/overview-apercu.aspx?lang=eng#p1>

³³⁹ Canada: Renewal of the existing antidumping and countervailing duty order against imports of thermoelectric containers that provide cooling and/or warming from China, *Global Trade Alert* (London) 19 August 2014. Date of Access: 18 October 2014. <http://www.globaltradealert.org/measure/canada-renewal-existing-antidumping-and-countervailing-duty-order-against-imports-thermoelec>

³⁴⁰ Canada: Second renewal of the existing antidumping order against imports of hollow structural sections made of carbon and alloy steel from Korea, South Africa and Turkey, *Global Trade Alert* (London) 19 August 2014. Date of Access: 18 October 2014. <http://www.globaltradealert.org/measure/canada-second-renewal-existing-antidumping-order-against-imports-hollow-structural-sections->

On 17 March 2014, Canada renewed existing anti-dumping measures against aluminum extrusion imports from China. The renewal means the existing measure will exceed the five-year “sunset” standard period under WTO agreements and thus puts Canada at risk of imposing a WTO-inconsistent measure.³⁴¹

On 21 August 2014, Canada extended the existing anti-dumping and countervailing duty order against imports of some kinds of fasteners from China and Taiwan. The measure has been in place since 2005 and has already been renewed once before. With the current renewal, Canada is at risk of exceeding the WTO’s “sunset” standard as per the WTO agreements on anti-dumping measures, putting it at risk of violating WTO standards.³⁴²

On 1 October 2014, the Canada-Honduras Free Trade Agreement and parallel agreements on labour and environmental cooperation entered into force. The free trade agreement with Honduras will strengthen the commercial relationship between Canada and Honduras. It will benefit Canadian businesses and workers in many sectors of the Canadian economy, including agriculture, professional services, value-added food processing and manufacturing, as well as commodity- and resource-based industries.³⁴³

Thus, Canada has implemented five protectionist policies, which is the G20 median. It has thus received a score of 0.

Analysts: Ifath Fatima and Nabiba Chowdhury

China: -1

China has not complied with its commitment to refrain from imposing new protectionist policies.

On 18 September 2013, China’s Commerce Ministry said that it would impose a 6.5 per cent tariff on raw materials from United States polysilicon suppliers.³⁴⁴ It was revealed that the tariffs could reach as high as 57 per cent for U.S. suppliers and as high as 48.7 per cent for Korean suppliers.³⁴⁵

On 6 November 2013, China imposed anti-dumping duties on cellulose pulp from the United States, Canada and Brazil.^{346,347} On 15 October 2014, Canada filed a dispute with the World Trade Organisation (WTO).³⁴⁸

³⁴¹ Canada: Renewal of existing antidumping order against imports of aluminum extrusions from China, Global Trade Alert (London) 19 August 2014. Date of Access: 18 October 2014. <http://www.globaltradealert.org/measure/canada-renewal-existing-antidumping-order-against-imports-aluminum-extrusions-china>

³⁴² Canada: Second renewal of existing AD/CVD orders against importers of fasteners from China and Taiwan, Global Trade Alert (London) 18 September 2014. Date of Access: 18 October 2014. <http://www.globaltradealert.org/measure/canada-second-renewal-existing-adcvt-orders-against-imports-fasteners-china-and-taiwan>

³⁴³ Canada-Honduras Free Trade Agreement, Foreign Affairs, Trade and Development Canada, 1st October 2014. Date of Access: 1 October 2014. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/honduras/index.aspx?lang=eng>

³⁴⁴ China Levies 6.5 per cent Tariff on U.S. Solar-Panel Materials (New York) 18 September 2013. Date of Access: 25 February 2014. <http://online.wsj.com/news/articles/SB10001424127887323527004579079070572200630>

³⁴⁵ China Upholds Tariff on Raw Material for Solar Panels From U.S., South Korea (New York) 20 January 2014. Date of Access: 25 February 2014. <http://online.wsj.com/article/BT-CO-20140120-702665.html>

³⁴⁶ China imposes anti-dumping duties on cellulose pulp imports, Xinhua (Beijing) 6 November 2013. Date of Access: 1 November 2014. <http://english.people.com.cn/business/8448685.html>

³⁴⁷ China’s Ministry of Commerce Announces Final Determination in Anti-Dumping Investigation, Market Wired (Vancouver) 4 April 2014. Date of Access: 1 November 2014. <http://www.marketwired.com/press-release/chinas-ministry-commerce-announces-final-determination-anti-dumping-investigation-tsx-ftp-1896088.htm>

Since 18 February 2014, EU and the U.S. companies exporting perchlorethylene to China have to pay corresponding security deposits to the Customs of the People's Republic of China in light of the dumping margin determined by the provisions of the Regulations of the People's Republic of China on Anti-dumping, and the Ministry of Commerce.³⁴⁹

On 26 February 2014, China's government pledged subsidies for the sale of BYD Auto's e6 electric cars of up to CNY 60,000, each while municipal governments provided subsidies to green carmakers with local production facilities.³⁵⁰ The American electric carmaker Tesla Motors did not qualify as a US import.³⁵¹ However, China's electric car subsidy will receive a cut of 5 per cent in 2014, and a 10 per cent cut in 2015.³⁵²

On 20 March 2014, the National Development and Reform Commission (NDRC), Ministry of Finance (MOF), and Ministry of Commerce (MOFCOM) released the Catalogue of Encouraged Technology and Product Imports, announcing to provide interest subsidies for the import of "encouraged" equipment products and materials. The Central Government sets special funds to provide the subsidy to importers to promote advanced technologies, equipment, and raw material imports. Compared to the 45 encouraged industries in the 2011 Catalogue, 75 encouraged industries are listed in the 2014 Catalogue. Industries related to energy saving and environment protection are some of the encouraged industries. Furthermore, 18 kinds of raw materials are listed in the 2014 Catalogue as encouraged items for import. This includes nickel, chromium, titanium, manganese, zirconium, tin, niobium, tantalum, copper, lead, zinc, cobalt, molybdenum, antimony, iridium, ferronickel, natural uranium, and ferrochrome.³⁵³

On 10 April 2014, the National Development and Reform Commission released the Administrative Measures on Approval of Overseas Investment Projects, lowering the approval threshold for overseas investment of Chinese enterprises. In accordance with these Measures, Chinese overseas investment projects amounting for more than USD1 billion are subject to NDRC's approval.³⁵⁴

On 29 April 2014, the Ministry of Commerce (MOFCOM) of the People's Republic of China released the Notice NO.28, announcing the preliminary determination of antidumping duties on tert-Butylhydroquinone (TBHQ). In accordance with this Notice, the affected Indian companies will be

³⁴⁸ Canada files dispute against China over anti-dumping measures on cellulose pulp. 15 October 2014. Date of Access: 1 November 2014. http://www.wto.org/english/news_e/news14_e/ds483rfc_15oct14_e.htm

³⁴⁹ MOFCOM Releases its Preliminary Ruling on Anti-dumping Investigation against Imports of Perchlorethylene Originated in EU and U.S, Ministry of Commerce People's Republic of China (Beijing) 20 February 2014. Date of Access: 25 February 2014. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201402/20140200493188.shtml>

³⁵⁰ China's BYD Get 'Green-Car' Approval in Two Cities – Update (New York) 26 February 2014. Date of Access: 25 February 2014. <http://online.wsj.com/article/BT-CO-20140226-702898.html>

³⁵¹ Tesla Targets China Subsidies (Abu Dhabi) 12 February 2014. Date of Access: 25 February 2014. <http://www.thenational.ae/business/retail/tesla-targets-china-subsidies>

³⁵² China Extends Electric-Car Subsidies to Fight Air Pollution (New York) 9 February 2014. Date of Access: 25 February 2014. <http://www.bloomberg.com/news/2014-02-09/china-reduces-electric-car-subsidy-cuts-in-air-quality-campaign.html>

³⁵³ China: Catalogue of encouraged technology and product imports, Global Trade Alert (London) 21 May 2014. Date of Access: 1 October 2014. <http://www.globaltradealert.org/measure/china-catalogue-encouraged-technology-and-product-imports>

³⁵⁴ China: Lowered approval threshold for overseas investment of Chinese enterprises, Global Trade Alert (London) 20 May 2014. Date of Access: 1 October 2014. <http://www.globaltradealert.org/measure/china-lowered-approval-threshold-overseas-investments-chinese-enterprises>

levied on antidumping duties by means of cash deposits, with the deposit rate ranging from 37.6 per cent to 56.9 per cent.³⁵⁵

On 13 May 2014, the MOFCOM released the Notice NO.33, announcing provisional antidumping duties on Single-mode Optical Fiber originating from India. In accordance with this Notice, from 14 May 2014, Indian importers will be levied with antidumping duty ranging from 13.6 per cent to 51.0 per cent.³⁵⁶

On 16 May 2014, the General Administration of Customs issued the “Announcement on Adjusting the Tariff Line and Provisional Import Tariff Rate for ATM Cash Dispenser Products,” replacing the import tariff rate on ATM Cash Dispensers from 1 per cent to 5 per cent.³⁵⁷

On 11 June 2014, the Centre of Public Procurement of the Central Government issued the result of the public tender for central government procurement of electronic information products of 2014 (Vol.21, GG-HJ140283). This removes security providers from the Russian Federation and the US like Kaspersky and Symantec from the Central Government Procurement List. Only five Chinese providers including 360, Jiangmin, Rising, Kingsoft, and KILL, are listed for the consideration of national security.³⁵⁸

On 26 August 2014, the Ministry of Commerce announced that it would stop imposing antidumping measures on catechol imported from the European Union. The Ministry said there were no expiry review requests made from Chinese industries to extend the antidumping measures.³⁵⁹

On 22 September 2014, Chinese officials announced that China would slash its cotton import quotas for 2015 to increase demand for domestic fibre. It is expected that this will lower the future cotton prices in China and the United States. An NDRC official also stated that China will offer subsidies to domestic producers.³⁶⁰

Thus, China has implemented nine protectionist policies, above the G20 median of five. It receives a score of -1.

Analyst: Daniel Chan Park

France: -1

France has not implemented any unilateral barriers to trade. The European Union, however, has implemented 13.

³⁵⁵ China: Preliminary determination of an antidumping duty on TBHQ originating in India, Global Trade Alert (London) 19 May 2014. Date of Access: 1 October 2014. <http://www.globaltradealert.org/measure/china-determination-provisional-anti-dumping-duties-single-mode-optical-fiber-originating-in>

³⁵⁶ China: Determination of provisional anti-dumping duties on single-mode optical fiber originating from India, Global Trade Alert (London) 21 May 2014. Date of Access: 1 October 2014. <http://www.globaltradealert.org/measure/china-determination-provisional-anti-dumping-duties-single-mode-optical-fiber-originating-in>

³⁵⁷ China: Tariff Rate increase for ATM Cash Dispensers, Global Trade Alert (London) 21 August 2014. Date of Access: 1 October 2014. <http://www.globaltradealert.org/measure/china-tariff-rate-increase-atm-cash-dispensers>

³⁵⁸ China: Foreign Providers of Antivirus Software removed from the Central Government Procurement List, Global Trade Alert (London) 6 August 2014. Date of Access: 1 October 2014. <http://www.globaltradealert.org/measure/china-foreign-providers-antivirus-software-removed-central-government-procurement-list>

³⁵⁹ China waives anti-dumping measures on EU catechol, ECNS (Beijing) 25 August 2014. Date of Access: 1 October 2014. <http://www.ecns.cn/business/economy/2014/08-25/131327.shtml>

³⁶⁰ China to cut cotton import quotas to boost demand for domestic fiber, Reuters (Paris) 22 September 2014. Date of Access: 1 October 2014. <http://www.reuters.com/article/2014/09/23/us-china-cotton-idUSKCN0HI01Q20140923>

On 14 May 2014, France instituted a new law that permits the government to veto foreign takeovers of French companies in industries deemed “strategic.” The measure was aimed primarily at a friendly buyout of French firm Alstom by America’s General Electric.³⁶¹ This does not constitute a protectionist measure as the veto has not been exercised.

France has implemented zero unilateral protectionist policies. France is, however, part of the EU Customs Union and has a seat on the European Council. The EU has implemented 13 protectionist measures, which is above the G20 median of five. France has thus been assigned a score of -1.

Analyst: Hayden Rodenkirchen

Germany: -1

Germany has not complied with its commitment to refrain from implementing new barriers to trade or investment in goods and services.

On 1 January 2014, Germany decided to support firms in the agricultural sector in the form of tax benefits: EUR214.8 per 1000 litres of diesel or a total of approx. EUR400 million per year. The eligible quantity per producer is limited to 10,000 litres per year. The measure expires on 31 December 2016.³⁶²

On 23 July 2014, the European Commission allowed German authorities to grant investment aid worth EUR255.6 million to the Leipzig-Halle Airport. The aid involves capital injections to the Mitteldeutsche Flughafen AG and the Flughafen Leipzig-Halle GmbH for the costs incurred during infrastructure projects conducted at the freight airport. According to the Commission, there is competition between freight airports, as the Leipzig-Halle Airport competes with the Brussels and Vatry (France) airports. The Commission further concluded that the aid does “affect trade between EU Member States” (paragraph 107, letter from the EC to Germany, Brussels 15.5.2011; own translation).³⁶³

Germany has unilaterally implemented two protectionist policies, while the EU has implemented 13. With a total of 15 protectionist measures, above the G20 median of five, Germany receives a score of -1.

Analyst: Daniel Chan Park

India: 0

India has not complied with the standstill commitment.

On 12 February 2014, India’s Cabinet Committee on Economic Affairs (CCEA) agreed to implement an export subsidy on raw sugar. The subsidy is for USD53.52 per metric ton of raw sugar. The new subsidy was made available immediately and will be in effect for at least until the end of March 2014, pending further review by the CCEA.³⁶⁴

On 21 February 2014, India’s aviation authority, the Directorate General for Civil Aviation, amended the rules pertaining to foreign control over the management of domestic airlines. According to the amendment, domestic airlines shall no longer enter into agreements that allow foreign investors the

³⁶¹ France Issues Law to Block Foreign Takeovers of Strategic Firms, Reuters (New York) 14 May 2014. Date of Access: 1 October 2014. <http://www.reuters.com/article/2014/05/14/us-france-takeovers-idUSBREA4D0WG20140514>

³⁶² European Commission (EC) State Aid/Germany (Brussels) 2 May 2013. Date of Access: 25 February 2014. http://ec.europa.eu/competition/state_aid/cases/247952/247952_1439945_67_2.pdf

³⁶³ Germany: Investment aid for Leipzig/Halle Airport, Global Trade Alert (London) 5 August 2014. Date of Access: 2 October 2014. <http://www.globaltradealert.org/measure/germany-investment-aid-leipzighalle-airport>

³⁶⁴ India: Export subsidy for raw sugar, Global Trade Alert (London) 20 February 2014. Date of Access: 30 March 2014. <http://www.globaltradealert.org/measure/india-export-subsidy-raw-sugar>

right to control the management of any domestic airline.³⁶⁵ The amended rule constitutes a barrier to foreign investment, which is against the standstill trade commitment.

Having implemented two protectionist policies, less than the G20 median of five, India thus receives a score of 0.

Analyst: Jose Isla

Indonesia: 0

Indonesia has not complied with the standstill commitment.

On 6 December 2013, Indonesia increased the import-tax on imported goods from 2.5 to 7.5 per cent. Affected goods include “motor vehicles, household appliances, cellular phones, clothes, footwear, and jewelry.”³⁶⁶

On 17 December 2013, Indonesia introduced new import requirements for used machinery and equipment. The requirements stipulate that importers must conduct a technical examination before their product leaves the exporting country. The new law also prohibits the import of used goods older than 20 years.³⁶⁷

On 11 January 2014, Indonesia tightened export controls for raw mineral ores, stipulating new processing and refining criteria. The measure is designed to support in-country processing and refinement.³⁶⁸

On 11 January 2014, Indonesia increased export duty levels for ten different raw minerals from 20 per cent in January 2014 to 60 percent by July 2016. Exports of the specified minerals will be banned altogether in 2017.³⁶⁹

On 11 February 2014, the Indonesian government passed a bill that enables the government to restrict exports and imports of commodities to ensure that local demand for those commodities is met.³⁷⁰

On 17 April 2014, Indonesia increased the luxury-goods sales tax on cars and motorcycles (LCT) from 75 per cent to 125 per cent. All so-called luxury cars are subject to the tax increase. Though the measure does not discriminate explicitly between domestic and international producers, the products that it

³⁶⁵ India: Restrictions on control of domestic airlines by foreign investors, Global Trade Alert (London) 25 February 2014. Date of Access: 30 March 2014. <http://www.globaltradealert.org/measure/india-restrictions-control-domestic-airlines-foreign-investors>

³⁶⁶ Indonesia: “Income Tax” Increase for Certain Imported Goods, Global Trade Alert (London) 17 April 2014. Date of Access: 3 October 2014. <http://www.globaltradealert.org/measure/indonesia-income-tax-increase-certain-imported-goods>

³⁶⁷ Indonesia: Additional Import Requirements for Machinery Products, Global Trade Alert (London) 24 January 2014. Date of Access: 3 October 2014. <http://www.globaltradealert.org/measure/indonesia-additional-import-requirements-machinery-products>

³⁶⁸ Indonesia: Export Provisions on Mineral Ores Tightened, Global Trade Alert (London) 17 April 2014. Date of Access: 3 October 2014. <http://www.globaltradealert.org/measure/indonesia-export-provisions-mineral-ores-tightened>

³⁶⁹ Indonesia: Increased Export Tax on Certain Mineral Ores, Global Trade Alert (London) 17 April 2014. Date of Access: 3 October 2014. <http://www.globaltradealert.org/measure/indonesia-increased-export-tax-certain-mineral-ores>

³⁷⁰ New Indonesia Trade Law Allows Export Limits to Protect Industry, Bloomberg (New York) 11 February 2014. Date of Access: 3 October 2014. <http://www.bloomberg.com/news/2014-02-11/new-indonesia-trade-law-allows-export-limits-to-protect-industry.html>

affects are disproportionately produced by international brands.³⁷¹ Indonesian government officials stated: “the tax is intended to curb import consumption as means to lower the country’s trade deficit.”³⁷²

Having instituted five protectionist policies, the G20 median, Indonesia has receives a score of 0.

Analyst: Hayden Rodenkirchen

Italy: -1

Italy has not complied with its commitment to refrain from implementing new protectionist policies.

On 15 October 2013, the shareholders of Alitalia approved a EUR300 million recapitalization that indirectly involves the state, as the state-owned postal service is providing EUR75 million. The European Commission states that this would “affect trade between member states ... it threatens to distort competition within the common market.” This recapitalization falls under the category of undue subsidy as, according to the European Commission, it negatively affects trade between members and also harms other airlines not receiving such a subsidy.³⁷³

Italy has unilaterally implemented one protectionist measure, while the EU has implemented 13. With a total of 14, above the G20 median of five, Italy receives a score of -1.

Analyst: Ifath Fatima and Matthew Gumley

Japan: 0

Japan has not complied with the standstill trade commitment to refrain from establishing barriers to trade.

Toshimitsu Motegi, Japan’s Minister of Economy, Trade and Industry, asserted Japan’s commitment to trade liberalization in the New Year Greetings statement. Minister Motegi hailed Japan’s Global Outreach Strategy as an important pillar of economic growth and further stated Japan’s intentions to develop a global “network of economic partnerships” by pursuing agreements such as the Trans-Pacific Partnership (TPP). Moreover, he reiterated Japan’s commitment to the World Trade Organization Agreement on Trade Facilitation and noted that Japan would simplify customs procedures and push on with trade liberalization.³⁷⁴

On 5 March 2014, Japan decided to continue anti-dumping duties imposed on imports of electrolytic manganese dioxide from China, South Africa, and Spain. The duty amount varies, on imports from China; it ranges from 34.3 per cent to 46.5 per cent. The rate of the duty on imports from South Africa is 14.5 per cent, and the rate on imports from Spain is 14 per cent. The duty entered into force on 6 March 2014.³⁷⁵

³⁷¹ Indonesia: Increased Tax on Luxury Cars, Global Trade Alert (London) 11 May 2014. Date of Access: 3 October 2014. <http://www.globaltradealert.org/measure/indonesia-restricted-import-periods-horticultural-products>

³⁷² Tax Hike Makes Luxury Cars in Indonesia Even More of a Luxury, ASEAN Briefing (Jakarta) 1 May 2014. Date of Access: 3 October 2014. <http://www.aseanbriefing.com/news/2014/05/01/tax-hike-makes-luxury-cars-indonesia-even-luxury.html>

³⁷³ Italy: Recapitalisation of the Italian airline Alitalia, Global Trade Alert (London) 29 November 2013. Date of Access: 28 February 2014. <http://www.globaltradealert.org/measure/italy-recapitalisation-italian-airline-alitalia>

³⁷⁴ New Year Greetings 2014, Minister of Economy, Trade and Industry (Tokyo) 1 January 2014. Date of Access: 30 March 2014. <http://www.meti.go.jp/english/speeches/2014newyeargreetings.html>

³⁷⁵ Japan: Extension of antidumping duty of imports of electrolytic manganese dioxide from China, South Africa and Spain. Global Trade Alert (London) 28 July 2014. Date of Access: 19 October 2014.

Japan has implemented one protectionist policy, below the G20 median of five. It has thus received a score of 0.

Analyst: Jose Isla

Korea: -1

Korea has not complied with its commitment to refrain from imposing new barriers on trade or investment in goods and services and to refrain from imposing new export stimulating measures.

On 30 October 2013, the Korea Trade Commission announced that it would impose antidumping duties on oriented polypropylene (OPP) films from China, Indonesia, and Thailand. The tariffs would range from 3.89 per cent to 25.05 per cent on Chinese products, 4.23 per cent to 5.98 per cent on imports from Indonesia, and Thai products will be subjected to a tariff of 3.48 per cent to 10.55 per cent. In addition, the tariff of 2.22 per cent to 8.69 per cent on polyester filament drawn textured yarn from the three countries is likely to continue for another three years according to the Finance Ministry.³⁷⁶

On 6 December 2013, Korea and Australia reached a deal on a bilateral free trade agreement in Bali, Indonesia between Korean Trade Minister Yoon Sang-Jick and his counterpart from Australia, Andrew Robb. Based on the deal, Korea will eliminate tariffs of up to 300 per cent on Australia's major exports.³⁷⁷ This includes up to 555 per cent on oats for seed, 547 per cent on southern blue-fin tuna over three years, 513 per cent on malting barley over 15 years, 467 per cent on soya beans over five years, 304 per cent on potatoes, 176 per cent on dairy products, 22.5 per cent on sheep, goat and pork meat, 40-72 per cent on beef over 15 years, and 15 per cent on wine. In addition, tariffs on non-agricultural products like pharmaceuticals, car engines and gearboxes, crude petroleum, natural gas and unwrought aluminum will be eliminated.³⁷⁸

On 26 February 2014, the Korean government passed a new subsidy bill to entice Korean companies that have set up manufacturing operations in China and elsewhere to relocate back to Korea.³⁷⁹

The Ministry of Trade, Industry and Energy will provide subsidy on location for the equivalent of 15 per cent to 45 per cent of land sale price and subsidize between 3 per cent and 22 per cent of equipment investment. The Ministry of Employment and Labor will provide preferential treatment for foreign employee and employment subsidy of KRW 7.2 million per person within 1 year (up to 20 people).³⁸⁰

<http://www.globaltradealert.org/measure/japan-extension-antidumping-duty-imports-electrolytic-manganese-dioxide-china-south-africa-a>

³⁷⁶ S. Korea Moves to Impose Antidumping Duties on OPP Film from China (Seoul) 30 October 2013. Date of Access: 25 February 2014. <http://english.yonhapnews.co.kr/search1/2603000000.html?cid=AEN20131030001000320>

³⁷⁷ Korea, Australia Reach Deal on Free Trade Agreement (Seoul) 6 December 2013. Date of Access: 25 February 2014. <http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=2981615>

³⁷⁸ South Korea FTA Promises \$650 Million Win (Surry Hills) 17 February 2014. Date of Access: 25 February 2014. <http://www.theaustralian.com.au/national-affairs/policy/south-korea-fta-promises-650m-win/story-fn59nm2j-1226828857611#>

³⁷⁹ Customs agency aims to collect 2.6 tln won more in taxes this year, The Korea Observer (Seoul) 18 February 2014. Date of Access: 18 October 2014. <http://www.koreaobserver.com/customs-agency-aims-collect-2-6-tln-won-taxes-year-20142?pnum=4>

³⁸⁰ First 20 Businesses Selected for Tax Credit Support (Seoul) 26 February 2014. Date of Access: 26 February 2014. <http://www.asiae.co.kr/news/view.htm?idxno=2014022611053789199>

On 29 August 2014, the Korea Trade Commission (KTC) announced that it has decided to impose antidumping duties on Chinese plate glass for three years. This is intended to protect local manufacturers from price-cutting practices. Furthermore, the antidumping duties will be kept at the rate of 15.22 per cent to 36.01 per cent.³⁸¹

On 5 September 2014, the Korea Trade Commission (KTC) announced that it will impose antidumping tariffs on polyethylene terephthalate (PET) film imports from Japan. The duty will be imposed for the next five years at the rate of 5.95 per cent. This is intended to protect local manufactures from being undercut by cheaper imports.³⁸²

On 18 September 2014, the Korean government proposed an initial 513 per cent tariff on foreign rice to protect its domestic rice market.³⁸³

On 26 September 2014, the Korea Trade Commission (KTC) announced that it has decided to impose punitive duties of up to 21.79 per cent on ethanalamine imports from four countries, including the United States, Japan, Malaysia, and Thailand.³⁸⁴

Having implemented seven protectionist policies, more than the G20 median of five, Korea receives a score of -1.

Analyst: Daniel Chan Park

Mexico: +1

Mexico has fully complied with its commitment to refrain from imposing any new barriers to trade.

On 26 December 2013, Mexico's Secretary of Economy stated it has reduced its border import tariff from 12.2 per cent to 0.85 per cent.³⁸⁵

On 19 February 2014, President Enrique Peña-Nieto met with President Barack Obama of the United States and Prime Minister Stephen Harper of Canada in Toluca, Mexico for the trilateral North American leaders' summit, further demonstrating Mexico's commitment to trade. The leaders announced the development of the North American Transportation Plan, designed to make movement of goods across the continent more efficient and cheaper by improving infrastructure.³⁸⁶

³⁸¹ S. Korea extends anti-dumping duties on Chinese plate glass, Yonhap (Seoul) 29 August 2014. Date of Access: 3 October 2014. <http://english.yonhapnews.co.kr/business/2014/08/29/0503000000AEN20140829001900320.html>

³⁸² South Korea to impose 6% antidumping duty on polyethylene terephthalate film from Japan, PLATTS McGraw Financial (New York) 5 September 2014. Date of Access: 3 October 2014. <http://www.platts.com/latest-news/petrochemicals/seoul/south-korea-to-impose-6-antidumping-duty-on-polyethylene-27603424>

³⁸³ South Korea proposes 513% on foreign rice, AFP (Paris) 18 September 2014. Date of Access: 3 October 2014. <http://www.afp.com/en/node/2847043>

³⁸⁴ S. Korea moves to levy anti-dumping duties on ethanalamine imports, Yonhap (Seoul) 26 September 2014. Date of Access: 3 October 2014. <http://english.yonhapnews.co.kr/business/2014/09/26/0502000000AEN20140926002100320.html>

³⁸⁵ The tariff benefit for the border region and the northern border is extended, Secretaria de Economia (Mexico City) 26 December 2013. Date of Access: 31 March 2014. <http://www.economia.gob.mx/news--and--events/press-room/headlines/10051--boletin182--14--en>

³⁸⁶ The State of North America After the Trilateral Summit, Forbes (Washington), 24 February 2014. Access Date: 5 October 2014. <http://www.forbes.com/sites/themexicoinstitute/2014/02/24/the-state-of-north-america-after-the-trilateral/>

In the first quarter of 2014, FDI amounted to USD7.4 billion, up from USD6.5 billion in the fourth quarter of 2013.³⁸⁷ Results were not as robust in the second quarter, in which FDI amounted to USD2.3 billion; however, Mexico has maintained high-levels of FDI over the past year, consistent with a low level of protectionist measures.

Mexico has been awarded a score of +1 for complying with the commitment to refrain from imposing new barriers to trade.

Analysts: Akshay Sharma and Emma Stanton

Russia: -1

Russia has not complied with the standstill commitment to refrain from imposing new trade barriers.

On 9 October 2013, the Collegium of the Eurasian Economic Commission of the Customs Union (Russia, Belarus and Kazakhstan) approved the Decision No. 70 amending the Commodity Nomenclature for Foreign Economic Activity. A 8.3 per cent import duty was levied on the goods under the code 8428-10-200-2 (miscellaneous elevators). The measure entered into force on 19 October 2013.³⁸⁸

On 9 October 2013, the Council of the Eurasian Economic Commission of the Customs Union approved the Decision No. 60 introducing new import tariffs varying from 10 per cent to 13.5 per cent on several types of goods under heading 20 (preparations of vegetables, fruit, nuts or other parts of plants).³⁸⁹

On 15 October 2013, the Collegium of the Eurasian Economic Commission of the Customs Union approved the Decision No. 222 introducing a temporary import duty of 5 per cent on certain electric motors. The decision entered into force on 1 January 2014, and is to remain in place until 31 December 2015.³⁹⁰

On 22 October 2013, the Collegium of the Eurasian Economic Commission of the Customs Union approved the Decision No. 233, raising import tariffs from 5 per cent to 11.7 per cent on certain types of compressors used in refrigerating equipment.³⁹¹

On 18 December 2013, the Collegium of the Eurasian Economic Commission of the Customs Union approved Decision N. 300 introducing import duty of 5 per cent on licorice root under the codes 1211-90-850-1, 1211-90-850-9.³⁹²

³⁸⁷ Estadísticas oficial de los flujos de IED hacia México, Secretaría de Economía (Mexico City). Access Date: 5 October 2014. <http://www.economia.gob.mx/comunidad-negocios/competitividad-normatividad/inversion-extranjera-directa/estadistica-oficial-de-ied-en-mexico>

³⁸⁸ The Decision of the Eurasian Economic Commission No. 70, Eurasian Commission 9 October 2013. Access Date: 17 April 2014. <http://www.eurasiancommission.org/docs/Download.aspx?IsDlg=0&ID=4960&print=1>.

³⁸⁹ The Decision of the Eurasian Economic Commission No. 60, Eurasian Commission 9 October 2013. Access Date: 17 April 2014. <http://www.eurasiancommission.org/docs/Download.aspx?IsDlg=0&ID=4777&print=1>.

³⁹⁰ The Decision of the Eurasian Economic Commission No. 222, Eurasian Commission 15 October 2013. Access Date: 17 April 2014. <http://www.eurasiancommission.org/ru/Lists/EECDocs/635175435106457870.pdf>.

³⁹¹ The Decision of the Eurasian Economic Commission No. 233, Eurasian Commission 22 October 2013. Access Date: 17 April 2014. <http://www.eurasiancommission.org/ru/Lists/EECDocs/635180583807897603.pdf>.

³⁹² The Decision of the Eurasian Economic Commission No. 300. Eurasian Commission 17 December 2013. Access Date: 22 September 2014. <http://www.eurasiancommission.org/ru/Lists/EECDocs/635229634533471352.pdf>.

On 21 December 2013, the Russian Government approved the Resolution No. 1202 establishing an export duty of 10 per cent of the customs value on tungsten ores and concentrates. The decree came into force on 25 December 2013.³⁹³

On 25 December 2013, the Collegium of the Eurasian Economic Commission of the Customs Union approved the Decision No. 307 making certain pork, cattle and equine hides and skins, under the codes 4103-30-000-0, 4104, 4106-31-000-0, and 4106-32-000-0, subject to export restrictions or bans in cases of domestic scarcity of these goods in the Customs Union's member states.³⁹⁴

On 25 January, Russia imposed a restriction on live pigs and related products on Lithuania, following detection of the African Swine Fever (ASF) virus in that country.³⁹⁵ On 27 February, similar emergency measures were issued against Poland.³⁹⁶

On 31 January 2014, the Council of the Eurasian Economic Commission of the Customs Union approved the Decision No. 3 introducing a 5 per cent import duty on certain types of alternative current motors under code 8501-52-300-0. The measure entered into force on 10 February 2014 and is to remain in force until 31 December 2015.³⁹⁷

On 31 January 2014, the Council of the Eurasian Economic Commission of the Customs Union approved Decision No. 4 adding certain types of wagons, under the codes 8605-00-000-4, 8605-00-000-7, to the Commodity Nomenclature for Foreign Economic Activity, and introducing a 10 per cent import duty on these types of goods.³⁹⁸

On 25 February 2014, the Collegium of the Eurasian Economic Commission of the Customs Union approved Decision No. 25 introducing an import duty of 4 per cent on lead ores and concentrates under the code 2607-00-000-9.³⁹⁹

On 28 March 2014, the Council of the Eurasian Economic Commission of the Customs Union approved Decision No.16 introducing an 8.3 per cent import duty on miscellaneous types of mill rollers.⁴⁰⁰

³⁹³ Resolution No. 1202 of 21 December 2013 "On establishing a permanent fixed rate of export duties on tungsten products", Government of Russia 21 December 2013. Access Date: 22 September 2014. <http://government.ru/docs/9281/>.

³⁹⁴ The Decision of the Eurasian Economic Commission No. 307 Eurasian Commission 25 December 2013 Access Date: 22 September 2014.

<http://www.eurasiancommission.org/ru/Lists/EECDocs/635236549271623941635236549271533932.zip>.

³⁹⁵ Notification of Emergency Measures G/SPS/N/RUS/48. 10 February 2014. Date of Access: 1 November 2014.

<http://www.sfs.fi/files/4773/GSPSNRUS48.pdf>

³⁹⁶ Notification of Emergency Measure G/SPS/N/RUS/49. 4 March 2014. Date of Access: 1 November 2014.

<http://www.sfs.fi/files/4916/GSPSNRUS49.pdf>

³⁹⁷ Decision of the Council of the Eurasian Economic Commission No. 3, Eurasian Commission 31 January 2014. Access Date: 22 September 2014.

<http://www.eurasiancommission.org/ru/Lists/EECDocs/635273005346382727635273005346226727.zip>.

³⁹⁸ Decision of the Council of the Eurasian Economic Commission No. 4, Eurasian Commission 31 January 2014. Access Date: 22 September 2014.

<http://www.eurasiancommission.org/ru/Lists/EECDocs/635273006597502727635273006597346727.zip>.

³⁹⁹ Decision of the Collegium of the Eurasian Economic Commission No. 25, Eurasian Commission 25 February 2014. Access Date: 22 September 2014.

<http://www.eurasiancommission.org/ru/Lists/EECDocs/635290087968171356635290087967991356.zip>

⁴⁰⁰ Decision of the Council of the Eurasian Economic Commission No. 16, Eurasian Commission 28 March 2014. Access Date: 24 September 2014. <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=161311;fld=134;dst=100018;rnd=0.6255815592594445>.

On 7 April 2014, Russia instituted a pork ban for the European Union, the United States, Australia and Canada.^{401,402} On 8 April, the European Union filed a dispute with the WTO.⁴⁰³

On 16 June 2014, the Council of the Eurasian Economic Commission of the Customs Union approved Decision No. 51 adding several types of motor gasoline to the Commodity Nomenclature for Foreign Economic Activity of the Customs Union and introducing a 5 per cent import duty on them.⁴⁰⁴

Having announced 13 protectionist policies, above the G20 median of five, Russia receives a score of -1.

Analyst: Andrei Sakharov

Saudi Arabia: 0

Saudi Arabia has not complied with the standstill commitment to refrain from establishing new trade barriers.

On 14 January 2014, the Saudi Trademarks Office increased fees on e-publications. The new fee that foreign companies must pay is twice as big as that imposed on local companies.^{405,406}

On 19 January 2014, in a meeting with the US Secretary of Energy, Saudi Minister of Petroleum and Mineral Resources Ali Al-Naimi welcomed the production of shale oil in the United States.⁴⁰⁷ This comes amid rising concerns that production of shale oil in the United States, which has accelerated in the past decade, may threaten output and profits from the Organization for Petroleum Exporting Countries.^{408,409}

On 8 September 2014, the Council of Ministers approved the Open Skies Air Transport agreement that was signed on 27 May 2013 in Jeddah by the United States ambassador, James B. Smith and Saudi Arabia's Deputy Director of the General Authority of Civil Aviation, Dr. Faisal Al-Sugair. The agreement will allow air service without interruption by the airlines of both countries. It will open greater access to foreign markets and promote travel and trade between two countries.⁴¹⁰

⁴⁰¹ Notification of Emergency Measures G/SPS/N/RUS/48/Add.2. 4 April 2014. Date of Access: 1 November 2014. <http://www.wtocommerce.org/tw/SmartKMS/fileviewer?id=140694>

⁴⁰² Russia's Pork Ban: What's the Global Impact?, National Hog Farmer. 18 August 2014., Date of Access: 1 November 2014. <http://nationalhogfarmer.com/business/russia-s-pork-import-ban-what-s-global-impact>

⁴⁰³ Russian Federation – Measures on the Importation of Live Pigs, Pork and Other Pig Products from the European Union. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds475_e.htm

⁴⁰⁴ Decision of the Council of the Eurasian Economic Commission No. 51, Eurasian Commission 16 July 2014. Access Date: 24 September 2014. <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=165717;fld=134;dst=100017;rnd=0.09022500668652356>.

⁴⁰⁵ Saudi Arabia Increases Official Fees for E-Trademark Publication, Abu-Ghazaleh Intellectual Property (Amman) 25 January 2014. Date of access: 21 March 2014. <http://agip.com/news.aspx?id=4770&lang=en>

⁴⁰⁶ E-Trademark Publication Fees Increase in Saudi Arabia , ST&P Attorneys (Dubai) 1 march 2014. Date of access: 21 march 2014. <http://www.stplegal.com/Latest-News-and-Postings/saudi-arabia-etrademark-publication-fee-increase>

⁴⁰⁷ Al-Naimi welcomes use of shale oil, Saudi Gazette (Jeddah) 19 January 2014. Date of access: 21 March 2014. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20140120193109>

⁴⁰⁸ Saudi Arabia: Gaslands, Emerging Markets (London) 11 October 2013. Date of access: 21 march 2014. <http://www.emergingmarkets.org/Article/3266173/SAUDIARABIA-Gaslands.html>

⁴⁰⁹ Should Saudi Arabia be concerned about the USA's growing oil shale output?, Albawaba (Dubai) 21 November 2013. Date of access: 21 March 2014. <http://www.albawaba.com/business/ksa-us-oil-output-535265>

⁴¹⁰ Recent News, Royal Embassy of Saudi Arabia. (Washington DC) 8 September 2014. Date of Access: 5 October 2014. http://www.saudiembassy.net/latest_news/news09081402.aspx

Saudi Arabia has been awarded as score of 0 for implementing one new measure, below the G20 median of five.

Analysts: Theodora Mladenova and Julia Kochneva

South Africa: 0

South Africa has not complied with its commitment to refrain from imposing new barriers to investment, or trade in goods and services.

On 30 September 2013, the Southern African Customs Union (SACU), a coalition of Botswana, Lesotho, Namibia, South Africa and Swaziland, increased import tariffs on poultry meat and edible offal, except for imports from the EU, and the South African Development Community. The aim was to protect local producers.^{411,412}

On 27 November 2013, South Africa's International Trade Administration Commission (ITAC) established a policy directive on exports of ferrous and non-ferrous waste and scrap metal. These products have first to be offered to domestic users of waste and scrap and at a price discount determined by ITAC.⁴¹³

SACU initiated a number of antidumping investigations in late 2013, including an investigation on imports of frozen potato chips from Belgium and Netherlands and on imports of "soda ash" disodium carbonate from the US.⁴¹⁴

On 21 January 2014, the Department of Agriculture, Forestry and Fisheries announced a new concession under the Trade, Development and Co-operation Agreement between the EU and South

Africa whereby the EU is granted tariff preference on limited quantities of select products in the form of tariff quotas.⁴¹⁵

On 8 April 2014, South Africa raised the dollar-based reference price of sugar by 58 per cent, instituting a de facto tariff on the product.⁴¹⁶

⁴¹¹ Reports on G20 Trade and Investment Measures, World Trade Organization Director--General, Organization for Economic Cooperation and Development Secretary--General, and UN Conference on Trade and Development Secretary--General (Geneva) 18 December 2013. Accessed 26 February 2014.

<http://www.oecd.org/investment/10thG20TradeInvestment.pdf>

⁴¹² South Africa Raises tariffs on chicken imports, Reuters (Cape Town) 30 September 2013. Date of Access: 30 October 2014. <http://www.reuters.com/article/2013/09/30/safrica-chickens-idUSL6N0HQ1I20130930>

⁴¹³ Reports on G20 Trade and Investment Measures, World Trade Organization Director--General, Organization for Economic Cooperation and Development Secretary--General, and UN Conference on Trade and Development Secretary--General (Geneva) 18 December 2013. Accessed 26 February 2014.

<http://www.oecd.org/investment/10thG20TradeInvestment.pdf>

⁴¹⁴ Reports on G20 Trade and Investment Measures, World Trade Organization Director--General, Organization for Economic Cooperation and Development Secretary--General, and UN Conference on Trade and Development Secretary--General (Geneva) 18 December 2013. Accessed 26 February 2014.

<http://www.oecd.org/investment/10thG20TradeInvestment.pdf>

⁴¹⁵ Reports on G20 Trade and Investment Measures, World Trade Organization Director--General, Organization for Economic Cooperation and Development Secretary--General, and UN Conference on Trade and Development Secretary--General (Geneva) 18 December 2013. Accessed 26 February 2014.

<http://www.oecd.org/investment/10thG20TradeInvestment.pdf>

On 4 July 2014, South Africa imposed anti-dumping duties of 22 per cent to 73 per cent on imports of frozen chicken from Germany, the Netherlands and the U.K.⁴¹⁷

Although South Africa has implemented four protectionist measures, below the G20 median of five. Therefore South Africa receives a score of 0.

Analyst: Justice Durland

Turkey: 0

Turkey has failed to comply with the standstill commitment.

On 30 October 2013, Turkey announced increased import duty on stainless steel cold rolled flats products from 2 per cent to 8 per cent, excluding products from European Union and Korea.⁴¹⁸

Thus, having implemented one protectionist policy, below the G20 median of five, Turkey receives the score of 0.

Analyst: Justice Durland

United Kingdom: -1

The United Kingdom has failed to comply with the standstill trade commitment.

On 27 March, 2014 UK authorities introduced tax relief measures providing benefit to domestic videogame developers that incorporate specific cultural content into their products. The European Commission has noted that this will provide an economic advantage for domestic videogame producers at the disadvantage of international trading partners.⁴¹⁹

The United Kingdom has unilaterally imposed one protectionist policy, while the EU has imposed 13. With a total of 14, above the G20 median of five, the UK receives a score of -1.

Analyst: Ifath Fatima and Matthew Gumley

United States: 0

The United States has failed to comply with the standstill trade commitment to refrain from imposing new protectionist policies.

⁴¹⁶ South Africa Sugar-Free Raise Means First Import Duty in 4 Years, Bloomberg (New York) 8 April 2014. Accessed 6 October 2014. <http://www.bloomberg.com/news/2014-04-08/south-africa-sugar-fee-raise-means-first-import-duty-in-4-years.html>

⁴¹⁷ South Africa imposes chicken import duties on three EU countries, Bloomberg (New York) 4 July 2014. Accessed 6 October 2014. <http://www.bloomberg.com/news/2014-07-04/south-africa-imposes-chicken-import-duties-on-three-eu-countries.html>

⁴¹⁸ Turkey: Tariff increase on stainless steel cold flat products, Global Trade Alert 8 November 2013. Accessed 26 February 2014. <http://www.globaltradealert.org/measure/turkey-tariff-increase-stainless-steel-cold-rolled-flat-products>

⁴¹⁹ UK: Tax relief for videogames with cultural content, Global Trade Alert (London) 24 July 2014. Date of access: 6 October 2014. <http://www.globaltradealert.org/measure/uk-tax-relief-video-games-cultural-content>

On 28 January 2014, in the State of the Union address, President Barack Obama noted that the US would continue to forge new bilateral trade partnerships with the goal of stimulating economic growth.⁴²⁰

On 25 July 2014 the US Department of Commerce imposed a preliminary anti-dumping duty on solar photovoltaic modules from China and Taiwan.⁴²¹ This comes after a WTO finding that previous US duties on Chinese solar panels were in violation WTO rules.⁴²²

On 5 September 2014, the US Department of Commerce renewed an existing countervailing duty order on imports of sodium nitrate from China. Originally imposed on 27 August 2008, the renewal puts the measure past the five-year standard set by the WTO for trade-remedy measures.⁴²³

Thus, the US has received a score of 0 for implementing two protectionist policies, below the G20 median of five.

Analyst: Jose Isla

European Union: -1

The European Union has failed to comply with the standstill commitment to refrain from imposing new trade barriers.

On 5 November 2013, under Implementing Regulation (EU) No 1106/2013, the European Commission imposed a definitive antidumping duty and collecting definitively the provisional duty imposed on imports of certain stainless steel wires originating in India.⁴²⁴

On 26 November 2013, under Implementing Regulation (EU) No 1194/2013, the European Commission imposed a definitive antidumping duty and collected the provisional duty imposed on imports of biodiesel originating in Argentina and Indonesia, as pertains to the regulation. The duty rates range from 8.8 per cent to 25.7 per cent. The measures were implemented subsequent to a review of existing provisional measures enacted in May 2013, and on the grounds that production costs of biodiesel continued to be distorted in Argentina and Indonesia.⁴²⁵ In response, on 19 December 2013, Argentina filed a dispute against the European Union regarding antidumping measures on biodiesel from Argentina. On 9 January 2014, Russia asked to join the consultations, and on 15 January,

⁴²⁰ President Barack Obama's State of the Union Address, Office of the Press Secretary (Washington) 28 January 2014. Date of Access: 30 March 2014. <http://www.whitehouse.gov/the-press-office/2014/01/28/president-barack-obamas-state-union-address>

⁴²¹ Solar trade war: US imposes preliminary anti-dumping tariffs of 26-165% on solar PV from China, Taiwan, PV Magazine. 25 July 2014. Date of Access: 1 November 2014. http://www.pv-magazine.com/news/details/beitrag/solar-trade-war--us-imposes-preliminary-anti-dumping-tariffs-of-26-165-on-solar-pv-from-china--taiwan_100015851/#axzz3Hs19HJOb

⁴²² US solar duty violated trade rules, WTO finds. 15 July 2014. Date of Access: 1 November 2014. http://www.pv-magazine.com/news/details/beitrag/us-solar-duty-violated-trade-rules--wto-finds_100015741/#axzz3Hs19HJOb

⁴²³ United States of America: Continuation of the countervailing duty order against sodium nitrate from China, Global Trade Alert (London) 17 September 2014. Date of Access: 19 October 2014. <http://www.globaltradealert.org/measure/united-states-america-continuation-countervailing-duty-order-against-sodium-nitrite-china>

⁴²⁴ Council Implementing Regulation (EU) No 1106/2013. Official Journal of the European Union (Brussels) 5 November 2013. Date of Access: 4 March 2014. <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:298:0001:0016:EN:PDF>

⁴²⁵ Council Implementing Regulation (EU) No 1194/2013. Official Journal of the European Union (Brussels) 19 November 2013. Date of Access: 4 March 2014.

<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:315:0002:0026:EN:PDF>

Indonesia also requested to join the consultations.⁴²⁶ On 10 June 2014, Indonesia launched a dispute at the World Trade Organisation.⁴²⁷ On 10 July, the European Commission launched expiry reviews of countervailing and anti-dumping measures on US imports of biodiesel.^{428,429}

On 26 November 2013, under Commission Regulation (EU) No. 1205/2013, the European Commission imposed a provisional antidumping duty on imports of solar glass from China. Provisional antidumping duties range from 17.1 per cent to 42.1 per cent. The duty was implemented following an investigation that revealed a link between material injury sustained by EU producers and dumped imports from China.⁴³⁰ On 13 May 2014, under Commission Implementing Regulation (EU) No 470/2014, the European Union imposed an anti-dumping duty and collected the provisional duty imposed on imports of solar glass from the People's Republic of China. The complaint was filed on behalf of producers who represent more than 25 per cent of the total Union production of solar glass.⁴³¹

On 5 December 2013, the European Commission decided to impose an antidumping duty on the imports of crystalline silicon photovoltaic modules and key components (i.e., cells and wafers) originating in China. The rate of the duty ranges from 27.3 per cent to 64.9 per cent depending on the company. The definitive duty entered into force on 6 December 2013 and will expire on 7 December 2015.⁴³²

On 12 December 2013, under Implementing Regulation (EU) No 1343/2013, the European Commission imposed an antidumping duty on imports of peroxosulphates (persulphates) originating in China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009.⁴³³

On 16 December 2013, under Implementing Regulation (EU) No. 1371/2013, the European Commission extended the antidumping duty imposed by Implementing Regulation (EU) No. 791/2011 on imports of certain open mesh fabrics of glass fibres originating in China to imports of certain open mesh fabrics of glass fibres consigned from India and Indonesia, whether declared as originating in

⁴²⁶ DISPUTE SETTLEMENT: DISPUTE DS473, World Trade Organization, (Geneva) 2013. Date of Access: 14 May 2014. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds473_e.htm

⁴²⁷ European Union – Anti-Dumping Measures on Biodiesel from Indonesia. 10 June 2014. Date of Access: 1 November 2014. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds480_e.htm

⁴²⁸ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of biodiesel originating in the United States of America (2014/C 217/10), Official Journal of the European Union (Brussels) 10 July 2014. Date of Access: 4 November 2014. <http://www.ebb-eu.org/EBBpressreleases/NOI%20antidumping.pdf>

⁴²⁹ Notice of initiation of an expiry review of the countervailing measures applicable to imports of biodiesel in the United States of America (2014/C 217/11), Official Journal of the European Union (Brussels) 10 July 2014. Date of Access: 4 November 2014. <http://www.ebb-eu.org/EBBpressreleases/NOI%20countervailing.pdf>

⁴³⁰ Commission Regulation (EU) No 1205/2013. Official Journal of the European Union (Brussels) 26 November 2013. Date of Access: 4 March 2014. <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:316:0008:0028:EN:PDF>

⁴³¹ Commission Implementing Regulation (EU) No 470/2014. Official Journal of the European Union (Brussels) 13 May 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/may/tradoc_152500.def.en.L142-2014.pdf

⁴³² Commission Regulation (EU) No 1238/2013, Official Journal of the European Union (Brussels) 2 December 2013. Date of Access: 25 February 2014. <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:325:0001:0065:EN:PDF>

⁴³³ Council Implementing Regulation (EU) No 1343/2013. Official Journal of the European Union (Brussels) 12 December 2013. Date of Access: 4 March 2014 <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:338:0011:0022:EN:PDF>

India or Indonesia or not. The measure was enacted in response to Commission findings that Chinese manufacturers actively redirected exports through India and Indonesia to avoid the original duties.⁴³⁴

On 17 December 2013, under Implementing Regulation (EU) No. 1355/2013, the European Commission amended Annex I to Regulation (EC) No 669/2009 Implementing Regulation (EC) No. 882/2004 of the European Parliament and of the Council regarding the increased official controls on imports of certain feed and food of non-animal origin.⁴³⁵

On 17 February 2014, under Implementing Regulation (EU) No. 166/2014, the European Commission amended Regulation (EC) No. 798/2008, which pertains to imports of poultry products, regarding certification requirements for imports of meat of farmed ratites for human consumption and the entries for Israel and South Africa in the list of third countries or territories.⁴³⁶

On 24 February 2014, under Implementing Regulation (EU) No. 191/2014, the European Commission imposed an antidumping duty on imports of certain manganese dioxides originating in South Africa following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009.⁴³⁷

On 11 March 2014, the European Commission adopted a proposal to temporarily remove customs duties on Ukrainian exports to the EU as a way to help stabilize Ukraine's economy. The measure represents an economic benefit to Ukraine of about EUR500 million per year.⁴³⁸

On 9 April 2014, under Commission Implementing Regulation (EU) No 360/2014, the European Union imposed a definitive anti-dumping duty on imports of ferro-silicon originating in the People's Republic of China and Russia, following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009.⁴³⁹

On 12 May 2014, under Commission Implementing Decision, the European Union terminated the anti-dumping proceeding concerning imports of agglomerated stone originating in the People's Republic of China. The proceeding originated because of a complaint of A.St.A Europe that represents more than 25 per cent of the total Union production of agglomerated stone.⁴⁴⁰

On 13 May 2014, under Commission Implementing Regulation (EU) No 493/2014, the European Union amended Council Implementing Regulation (EU) No 102/2012 imposing a definitive anti-dumping duty on imports of steel ropes and cables originating, inter alia, in the People's Republic of

⁴³⁴ Council Implementing Regulation (EU) No 1371/2013. Official Journal of the European Union (Brussels) 16 December 2013. Date of Access: 4 March 2014.

<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:346:0020:0026:EN:PDF>

⁴³⁵ Council Implementing Regulation (EU) No 1355/2013. Official Journal of the European Union (Brussels) 17 December 2013. Date of Access: 2 November 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:341:0035:0042:EN:PDF>

⁴³⁶ Commission Implementing Regulation (EU) No 166/2014. Official Journal of the European Union (Brussels) 17 February 2014. Date of Access: 14 May 2014. <http://faolex.fao.org/docs/pdf/eur131355.pdf>

⁴³⁷ Council Implementing Regulation (EU) No 191/2014. Official Journal of the European Union (Brussels) 24 February 2014. Date of Access: 4 March 2014.

<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:059:0007:0019:EN:PDF>

⁴³⁸ European Commission. Official Press Release of the European Union (Brussels) 11 March 2014. Date access: 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/april/tradoc_152442.pdf

⁴³⁹ Commission Implementing Regulation (EU) No 360/2014. Official Journal of the European Union (Brussels) 9 April 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/april/tradoc_152347.def.en.L107-2014.pdf

⁴⁴⁰ Commission Implementing Decision. Official Journal of the European Union (Brussels) 12 May 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/may/tradoc_152499.term.en.L138-2014.pdf

China, as extended to imports of steel ropes and cables consigned from, inter alia, the Republic of Korea, whether declared as originating in the Republic of Korea or not.⁴⁴¹

On 23 May 2014, under Commission Implementing Regulation (EU) No 569/2014, the European Union amended Council Implementing Regulation (EU) No 1389/2011 imposing a definitive anti-dumping duty on imports of trichloroisocyanuric acid originating in the People's Republic of China following a 'new exporter' review pursuant to Article 11(4) of Council Regulation (EC) No 1225/2009.⁴⁴²

On 14 April 2014, under Council Implementing Regulation (EU) No 392/2014, the European Union terminated the partial interim review concerning the anti-dumping measures on imports of biodiesel originating in the United States of America, as extended to imports consigned from Canada, whether declared as originating in Canada or not.⁴⁴³

On 30 June 2014, under Commission Implementing Regulation (EU) No 727/2014, the European Union initiated a 'new exporter' review of Council Implementing Regulation (EU) No 1389/2011 imposing a definitive anti-dumping duty on imports of trichloroisocyanuric acid originating in the People's Republic of China, repealing the duty with regard to imports from one exporter in this country and making these imports subject to registration.⁴⁴⁴

On 22 July 2014, under Commission Delegated Regulation (EU) No 1016/2014, the European Union amended Annex II to Regulation (EU) No 978/2012 of the European Parliament and of the Council applying a scheme of generalised tariff preferences. Botswana and Namibia were removed from the list of the Generalised Scheme of Preferences, effective as from 1 January 2016.⁴⁴⁵

On 25 July 2014, under Commission Delegated Regulation (EU) No 1025/2014, the European Union amended Annex I to Council Regulation (EC) No 1528/2007 (the Market Access Regulation) applying the arrangements for products originating in certain states which are part of the African, Caribbean and Pacific (ACP) Group of States provided for in agreements establishing, or leading to the establishment of, Economic Partnership Agreements, as amended by Regulation (EU) No 38/2014 of the European Parliament and of the Council amending certain regulations relating to the common commercial policy as regards the granting of delegated and implementing powers for the adoption of certain measures.

⁴⁴¹ Commission Implementing Regulation (EU) No 493/2014. Official Journal of the European Union (Brussels) 13 May 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/may/tradoc_152496.amend-Goodwire.en.L139-2014.pdf

⁴⁴² Commission Implementing Regulation (EU) No 569/2014. Official Journal of the European Union (Brussels) 23 May 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/may/tradoc_152519.amend.en.L157-2014.pdf

⁴⁴³ Commission Implementing Regulation (EU) No 392/2014. Official Journal of the European Union (Brussels) 14 April 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/april/tradoc_152439.term.en.L115-2014.pdf

⁴⁴⁴ Commission Implementing Regulation (EU) No 727/2014. Official Journal of the European Union (Brussels) 30 June 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/july/tradoc_152630.init-newcR.en.L192-2014.pdf

⁴⁴⁵ Commission Delegated Regulation (EU) No 1025/2014. Official Journal of the European Union (Brussels) 22 July 2014. Date of Access 30 September 2014. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L1025_2014_283_R_0007&rid=34

Botswana, Cameroon, Côte d'Ivoire, Fiji, Ghana, Kenya, Namibia and Swaziland had not taken the necessary steps towards ratification of their respective Agreement.⁴⁴⁶

On 11 August 2014, the European Union's Agriculture and Rural Development Commission introduced a support measure for the peach and nectarine sectors of agriculture. This comes as a response to ongoing Russian import bans. The move involves financial aid in the form of free distribution for certain volumes of the fruits, giving EU farmers a slight edge over their competitors and constituting a protectionist trade policy.⁴⁴⁷

On 18 August 2014, The EU's Agriculture and Rural Development commission introduced another support measure for the fruit and vegetable sector, again in response to Russian import restrictions. The measure came into effect immediately and will last until 30 November 2014. Many agricultural products, including tomatoes, cabbage, peppers, cauliflower, cucumbers, mushrooms, apples, among others, will be eligible for compensation for non-harvesting and green harvesting, with a overall budget of EUR125 million for the new policy. Since this gives EU farmers an advantage over their peers outside of the EU, it constitutes a protectionist trade policy.⁴⁴⁸

On 18 August 2014, under Commission Implementing Regulation (EU) No 898/2014, the European Union repealed the definitive anti-dumping duty on imports of powdered activated carbon originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009.⁴⁴⁹

On 19 August 2014, under Commission Decision C(2014)1269, the European Union adopted the 2014 work programme serving as a financing decision for the financing of projects in the area of external trade relations, including access to the markets of non-European Union countries and initiatives in the field of trade related assistance with the maximum contribution of EUR15.43 million.⁴⁵⁰

On 18 September 2014, under Commission Implementing Regulation (EU) No 988/2014, the European Union opened and provided for the management of Union tariff quotas for agricultural products originating in the Republic of Moldova.⁴⁵¹

On 19 September 2014, under Commission Implementing Regulation (EU) No 989/2014, the European Union opened and provided for the management of Union tariff quotas for agricultural products originating in Georgia.⁴⁵²

⁴⁴⁶ Commission Delegated Regulation (EU) No 1025/2014. Official Journal of the European Union (Brussels) 25 July 2014. Date of Access 30 September 2014. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_284_R_0001&rid=16

⁴⁴⁷ EC: Support measure for peaches and nectarines, Global Trade Alert (London) 29 August 2014. Date of Access: 18 October 2014. <http://www.globaltradealert.org/measure/ec-support-measure-peaches-and-nectarines>

⁴⁴⁸ EC: Compensation scheme for perishable fruits and vegetables, Global Trade Alert (London) 29 August 2014. Date of Access: 18 October 2014. <http://www.globaltradealert.org/measure/ec-compensation-scheme-perishable-fruits-and-vegetables>

⁴⁴⁹ Commission Implementing Regulation (EU) No 898/2014. Official Journal of the European Union (Brussels) 18 August 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/august/tradoc_152724.repeal.en.L244-2014.pdf

⁴⁵⁰ European Commission Decision C(2014)1269. (Brussels) 19 August 2014. Date of Access 30 September 2014. http://trade.ec.europa.eu/doclib/docs/2014/august/tradoc_152728.pdf

⁴⁵¹ Commission Implementing Regulation (EU) No 988/2014. Official Journal of the European Union (Brussels) 18 September 2014. Date of Access 30 September 2014. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0988&rid=62>

On 23 September 2014, under Commission Implementing Regulation (EU) No 999/2014, the European Union imposed a definitive anti-dumping duty on imports of ammonium nitrate in solid fertilisers exceeding 80 per cent by weight originating in Russia following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009. The cost of the duty is ranging between EUR 41.42 to EUR 47.07.⁴⁵³

On 26 September 2014, at the Canada-EU Summit, the Presidents of the European Council and the European Commission and the Prime Minister of Canada have ended negotiations of Comprehensive Economic and Trade Agreement (CETA). The agreement will stimulate commercial exchanges through lowering trade barriers and opening new markets. Visa-free travel options will be open to all Canadian and EU citizens.⁴⁵⁴

On 29 September 2014, under Commission Delegated Regulation (EU) No 1031/2014, the European Union laid down further temporary exceptional support measures for producers of certain fruit and vegetables. The rule was enacted in response to a ban on imports of certain products from European Union by Russia on 7 August that caused significant price fall for the European Union. The measure was adopted for tomatoes, carrots, cabbages, sweet peppers, cauliflowers and headed broccoli, cucumbers and gherkins, mushrooms, apples, pears, plums, soft fruit, fresh table grapes, kiwifruit, sweet oranges, clementines, and mandarins.⁴⁵⁵

Thus, having implemented 13 protectionist policies, above the G20 median of five, the European Union receives a score of -1.

Analysts: Madeleine Wood and Julia Kochneva

⁴⁵² Commission Implementing Regulation (EU) No 989/2014. Official Journal of the European Union (Brussels) 19 September 2014. Date of Access 30 September 2014. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0989&rid=97>

⁴⁵³ Commission Implementing Regulation (EU) No 999/2014. Official Journal of the European Union (Brussels) 23 September 2014. Date of Access 30 September 2014. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0999&rid=79>

⁴⁵⁴ European Commission Statement. Press Release 14/288. (Ottawa) 26 September 2014. Date of Access 30 September 2014. http://europa.eu/rapid/press-release_STATEMENT-14-288_en.htm

⁴⁵⁵ Commission Delegated Regulation (EU) No 1031/2014. Official Journal of the European Union (Brussels) 29 September 2014. Date of Access 30 September 2014. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_284_R_0007&rid=11

4. Financial Regulation: Tax Avoidance

“We are committed to take steps to change our rules to tackle tax avoidance, harmful practices, and aggressive tax planning.”

G20 St. Petersburg Leaders Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina		0	
Australia			+1
Brazil	-1		
Canada			+1
China		0	
France		0	
Germany			+1
India		0	
Indonesia		0	
Italy			+1
Japan		0	
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia	-1		
South Africa			+1
Turkey		0	
United Kingdom		0	
United States			+1
European Union			+1
Average		+0.25	

Background

The G20 has consistently demonstrated its support for transparency and exchange of information for tax purposes, but the explicit focus in the G20 commitment towards tackling tax base erosion and profit shifting was a recent development in the 2012 Los Cabos Summit.

At the 2008 Washington Summit, the Action Plan to Implement Principles for Reform, drawing upon the work of the Organisation for Economic Co-operation and Development (OECD), outlined G20 leaders’ support for short-term actions to strengthen surveillance of cross-border firms and medium-term actions to promote tax information exchange and transparency.⁴⁵⁶

G20 leaders’ call for transparency and information exchange was reiterated in the 2009 London Summit. Countries were urged to “adopt the international standard for information exchange endorsed by the G20 in 2004 and reflected in the United Nations Model Tax Convention.”⁴⁵⁷

⁴⁵⁶ Declaration of the Summit on Financial Markets and the World Economy, G20 Information Center 15 November 2008. Access Date: 1 March 2014. <http://www.g20.utoronto.ca/2008/2008declaration1115.html>

⁴⁵⁷ Global Plan Annex: Declaration on Strengthening the Financial System, G20 Information Center 2 April 2009. Access Date: 1 March 2014. <http://www.g20.utoronto.ca/2009/2009ifi.html>

At the 2009 Pittsburgh Summit, G20 leaders supported the expansion of the Global Forum on Transparency and Exchange of Information, and called for the initiation of a peer review process of international cooperation by February 2010. The Forum focused on improving tax transparency and facilitating the exchange of information to help countries enforce their tax laws and protect their tax base.⁴⁵⁸ The support was re-emphasized in the 2010 Toronto Summit.⁴⁵⁹

In the 2010 Seoul Summit, the issue of tax evasion was framed in a developmental context. As part of the Multi-Year Action Plan on Development, G20 leaders asked the OECD, UN, International Monetary Fund, the World Bank and regional organizations to make recommendations to developing countries for strengthening tax policies to broaden tax base and combat tax avoidance and evasion.⁴⁶⁰

The increasing emphasis on growth, especially private sector growth, amongst the G20 nations in the post-crisis summits has raised concerns that substantial tax revenue are lost due to “schemes aimed at eroding the taxable base or at shifting profits to locations where they are subject to a more favourable tax treatment.”⁴⁶¹ The growing gap between multinational enterprises’ effective tax rate and statutory rate of the countries in which the multinational enterprise operate prompted two major OECD releases.

On 1 February 2011, the OECD released its Tackling Aggressive Tax Planning through Improved Transparency and Disclosure. This document outlined strategies and approaches to deal with aggressive tax planning. It was approved by all OECD members and gave a definitive framework to the issue of tax avoidance.⁴⁶²

On 5 March 2012, OECD issued Hybrid Mismatch Arrangements: Tax Policy and Compliance Issues, which recommended action regarding international tax loopholes. The report pointed out that “aggressive tax planning — untaxed income, multiple deductions and other forms of international tax arbitrage — is a growing concern for all governments.”⁴⁶³

At the 2012 Los Cabos Summit, G20 leaders affirmed their support for the ongoing work of the OECD. For the first time, as part of an official summit commitment, the focus on tax issues was expanded beyond tax evasion to also include the need to prevent base erosion and profit shifting.⁴⁷⁷ The G20 committed to enhance interagency cooperation to tackle illicit flows and to implement an automatic information exchange.

On 19 July 2013, the OECD issued the Action Plan on Base Erosion and Profit Shifting at the request of the G20. This report was later formalized in the St. Petersburg Summit by G20 leaders as the present commitment.⁴⁶⁴

⁴⁵⁸ G20 Leaders Statement: The Pittsburgh Summit, G20 Information Center 24 September 2009. Access Date: 1 March 2014. <http://www.g20.utoronto.ca/2009/2009communique0925.html>

⁴⁵⁹ The G20 Toronto Summit Declaration, G20 Information center 27 June 2010. Access Date: 1 March 2014. <http://www.g20.utoronto.ca/2010/to-communicue.html>

⁴⁶⁰ Annex II: Multi-Year Action Plan on Development, G20 Information Center 12 November 2010. Access Date: 1 March 2014. <http://www.g20.utoronto.ca/2010/g20seoul-development.html>

⁴⁶¹ Base erosion and profit shifting, World Commerce Review, June 2012. Access Date: 1 March 2014. http://www.oecd.org/ctp/WCRVol6Issue2_BEPS.pdf

⁴⁶² Tackling Aggressive Tax Planning through Improved Transparency and Disclosure, OECD 1 February 2011. Access Date: 1 March 2014. <http://www.oecd.org/ctp/exchange-of-tax-information/48322860.pdf>

⁴⁶³ Hybrid Mismatch Arrangements: Tax Policy and Compliance Issues, OECD 5 March 2012. Access Date: 1 March 2014. <http://www.oecd.org/ctp/exchange-of-tax-information/hybridmismatcharrangementstaxpolicyandcomplianceissues.htm>

⁴⁶⁴ BEPS Reports, OECD 19 July 2013. Access Date: 1 March 2014. <http://www.oecd.org/ctp/beps-reports.htm>

Commitment Features

This commitment refers to a change in the taxation framework towards multinational enterprises.

Tax avoidance, harmful practices, and aggressive tax planning are defined as actions of multinational enterprises to avoid bearing their fair share of the tax burden through eroding the taxable base or shifting profits to locations where they are subject to a more favourable tax treatment.⁴⁶⁵

To tackle tax avoidance, harmful practices, and aggressive tax planning, G20 members have agreed to work on initiatives aligned with the OECD's Action Plan on Base Erosion and Profit Shifting (BEPS).⁴⁶⁶

The BEPS Action Plan identified 15 issues that need to be addressed:

- Address tax challenges of the digital economy
- Neutralise the effects of hybrid mismatch arrangements
- Strengthen controlled foreign company rules
- Limit base erosion via interest deductions and other financial payments
- Counter harmful tax practices more effectively, taking into account transparency and substance
- Prevent treaty abuse
- Prevent the artificial avoidance of permanent establishment status
- Assure that transfer pricing outcomes are in line with value creation for intangibles, risks and capital, and other high-risk transactions
- Establish methodologies to collect and analyse data on BEPS and actions to address it
- Require taxpayers to disclose their aggressive tax planning arrangements
- Re-examine transfer pricing documentation
- Make dispute resolution mechanisms more effective
- Develop a multilateral instrument.⁴⁶⁷

To achieve the objectives, the BEPS Action Plan operates on two broad philosophies that pertain to this commitment:

To align taxation with substance, thus preventing cases of no or low taxation associated with artificial separation of taxable profits from the value-creating activities that created those profits

To take steps to ensure existing domestic and international tax rules do not allow or encourage multinational enterprises to reduce overall taxes paid by artificially shifting profits to low-tax jurisdictions.⁴⁶⁸

To achieve full compliance, the G20 member must 1) take individual action to tackle the 15 issues identified in the Action Plan; 2) cooperate with other governments to prevent double non-taxation due to gaps that exist between countries' tax rules.

⁴⁶⁵ Base erosion and profit shifting, World Commerce Review June 2012. Access Date: 2 February 2014.

http://www.oecd.org/ctp/WCRVol6Issue2_BEPS.pdf

⁴⁶⁶ G20 Leaders' Declaration, G20 St Petersburg Summit (St Petersburg) 6 September 2013. Access Date: 11 February 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html#beeps>

⁴⁶⁷ Action Plan on Base Erosion and Profit Shifting, OECD (Paris) 19 July 2013. Access Date: 4 February 2014. <http://www.oecd.org/ctp/BEPSActionPlan.pdf>

⁴⁶⁸ OECD Secretary-General Report to the G20 Leaders (page 36-37), OECD (St Petersburg) 5 September 2013. Access Date: 11 February 2014. <http://www.oecd.org/ctp/SG-report-G20-Leaders-StPetersburg.pdf>

Scoring Guidelines

-1	The G20 member did not work in conjunction with the BEPS Action Plan, AND did not cooperate with other governments in taking collective action to tackle tax avoidance, harmful practices, and aggressive tax planning.
0	The G20 member worked on tackling BEPS within the framework of its domestic tax laws, but made no efforts to cooperate with other governments OR the G20 member cooperated with foreign governments, but did not work on tackling BEPS within the framework of its domestic tax laws.
+1	The G20 member fully endorsed the BEPS Action Plan and took active steps to address any of the 15 issues identified in the plan and to cooperate with foreign governments.

Lead Analyst: Jessica Coper

Argentina: 0

Argentina has partially complied with its commitment.

Although Argentina is not a member of the Organisation for Economic Co-operation and Development (OECD), it does participate in the OECD's forum on tax issues. Though Argentina has made no public statements about the OECD report, its Ministry of Finance is working on a project that proposes provisions regarding local income tax law to prevent base erosion and profit shifting.⁴⁶⁹ It has also cooperated with other governments to terminate tax treaties.⁴⁷⁰

On 10 January 2014, Argentina's tax authority (AFIP) published a "white list" of jurisdictions or countries for which Argentina's transfer pricing rules will not apply. The white list recognizes the countries or territories that are cooperative for exchanging tax information with Argentina, thus, they are considered to receive tax transparency.⁴⁷¹ Countries not on the list would receive undesirable tax treatment under Argentine domestic law. The main purpose of the white list is to encourage effective exchange of tax information.⁴⁷²

Until the end of 2013, Argentina has terminated tax treaties with Chile, Spain and Switzerland. The termination agreements impact existing cross-border structures and/or ongoing planning by multinationals with operations and investments.⁴⁷³

On 20 March 2014, Argentina and Switzerland signed a new tax treaty for the Avoidance of Double Taxation with respect to Taxes on Income and on Capital. The purpose of the new treaty is to provide reduced withholding rates on dividends, interest, royalties, and capital gains. The new treaty will also allow for the exchange of information in accordance with the international standard for mutual

⁴⁶⁹ Tax Management International Forum, Bloomberg BNA (London) September 2013. Date of Access: April 7 2014. http://www.pbklaw.ch/files/TAX_FORUM_0913.pdf

⁴⁷⁰ Argentina terminates three tax treaties, EY T Magazine 2 January 2013. Date of Access: April 8 2014. <http://tmagazine.ey.com/insights/argentina-terminates-three-tax-treaties/>

⁴⁷¹ Argentina - "White list" is published; transfer pricing implications, KPMG Global 10 January 2014. Date of Access: April 7 2014. <http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Pages/2014-1/argentina-white-list-is-published-transfer-pricing-implications.aspx>

⁴⁷² Argentina's White List Now Available, Tax News 17 January 2014. Date of Access: April 8 2014. http://www.tax-news.com/news/Argentinas_White_List_Now_Available____63370.html

⁴⁷³ Argentina terminates tax treaties with Chile and Spain, PwC 16 July 2012. Date of Access: April 8 2014. <http://www.pwc.com/us/en/tax-services-multinationals/newsletters/latin-american-tax/argentina-tax-treaties-with-chile-spain.jhtml>

administrative assistance. The treaty still requires ratification by both the Argentina congress and parliament in Switzerland before it can enter into force.⁴⁷⁴

Argentina was awarded a score of 0 for working together with other governments to tackle tax avoidance.

Analysts: Pei Zhao and Eddie Kawooya

Australia: +1

Australia has fully complied with the commitment to take actions in some of the 15 BEPS issues and by cooperating with other governments.

The Australian Taxation Office (ATO) coordinates international efforts to tackle local and multinational tax evasion. It also investigates corporate tax avoidance issues at local companies.⁴⁷⁵

On 16 April 2014, the ATO released two new draft transfer pricing Taxation Rulings and two new draft Practice Statements, which represents the ATO's first documented view on how the new transfer pricing laws (subdivisions 815-B and 815-C).⁴⁷⁶

The Australian 2013-2014 budget outlined how the government will address profit shifting by multinationals through a number of actions. Firstly by tightening and improving the integrity of several aspects of Australia's international tax arrangements, particularly by tightening and improving the effectiveness of the thin capitalisation rules including changing all safe harbour limits and extending a worldwide gearing test to inbound investors. By increasing the *de minimis* threshold from \$250,000 to \$2 million of debt deductions which will reduce compliance costs for small business. By better targeting the exemption for foreign non-portfolio dividends received by Australian companies; and by removing the provision allowing a tax deduction for interest expenses incurred in deriving certain exempt foreign income. The Government will consult with industry on the implementation of this measure and the Australian Taxation Office will commence consultation with taxpayers and industry to progress any guidance material.⁴⁷⁷

The budget also outlined that the Government will improve the integrity of the corporate tax system by addressing a number of issues relating to consolidated groups that were identified by the Board of Taxation. The law will be amended to ensure that, non-residents are not able to buy and sell assets between consolidated groups to allow the same ultimate owner to claim double deductions, that certain deductible liabilities are not taken into account twice; and that consolidated groups cannot access double deductions by shifting the value of assets between entities. The Government will consult on the development of the legislation.⁴⁷⁸

⁴⁷⁴ Argentina, Switzerland sign new tax treaty, EY 27 March 2014. Date of Access: September 3 2014.

[http://www.ey.com/Publication/vwLUAssets/Argentina,_Switzerland_sign_new_tax_treaty/\\$FILE/2014G_CM4303_Argentina,_Switzerland_sign_new_tax_treaty.pdf](http://www.ey.com/Publication/vwLUAssets/Argentina,_Switzerland_sign_new_tax_treaty/$FILE/2014G_CM4303_Argentina,_Switzerland_sign_new_tax_treaty.pdf)

⁴⁷⁵ Australia targets tax avoidance by multinational tech groups, Financial Times 5 May 2014. Date of Access: May 8 2014. <http://www.ft.com/cms/s/0/acf60e02-d42e-11e3-a122-00144feabdc0.html> - axzz31bdRqBe8

⁴⁷⁶ Australia issues draft tax guidelines regarding transfer pricing documentation, penalties and reconstruction, Ernst and Young 17 April 2014. Date of Access: 14 November 2014. <http://www.ey.com/GL/en/Services/Tax/International-Tax/Alert--Australia-issues-draft-tax-guidelines-regarding-transfer-pricing-documentation--penalties-and-reconstruction>.

⁴⁷⁷ Australian Government, Budget Measures 2013-2014, Part1 Review Measures, Date of Access: 11 November 2014. http://www.budget.gov.au/2013-14/content/bp2/html/bp2_revenue-10.htm

⁴⁷⁸ Australian Government, Budget Measures 2013-2014, Part1 Review Measures, Date of Access: 11 November 2014. http://www.budget.gov.au/2013-14/content/bp2/html/bp2_revenue-10.htm

The Government will amend the existing Offshore Banking Unit (OBU) regime to better target genuine mobile financial sector activities and address integrity issues with the current regime. The measure will, treat dealings with related parties, including the transfer of transactions between an OBU and a related domestic bank, as ineligible for OBU treatment. Treat transactions between OBUs, including between unrelated OBUs, as ineligible for OBU treatment. Ensure that other provisions of the income tax law interact appropriately with the OBU provisions; and tighten the current list of eligible OBU activity. The Government will consult with industry to develop recommendations to address concerns with the allocation of expenses between OBU and non-OBU activities and on issues raised by the *Johnson Report*.⁴⁷⁹

The Government will provide \$109.1 million over four years to the Australian Taxation Office to increase compliance activity targeted at restructuring activity that facilitates profit shifting opportunities.⁴⁸⁰

The Government will close a loophole that enables sophisticated investors to engage in ‘dividend washing’ from 1 July 2013.⁴⁸¹

The Australia Parliament passed legislation in September 2014 to further tighten the excessive debt deduction rules and close other loopholes in the system. This Bill tightens the debt limit settings in the thin capitalisation rules to ensure that multinational do not allocate a disproportionate amount of debt to their Australian operations.⁴⁸²

On 28 April 2014, Australia and the United States signed an intergovernmental agreement to reduce the burden on Australian financial institutions in complying with the United States’ Foreign Account Tax Compliance Act (FATCA). FATCA is an information-reporting regime. The conclusion of this treaty-status IGA will help Australian financial institutions comply with FATCA. It reduces the overall burden on Australian business, minimises costs by simplifying due diligence requirements and broadens arrangements between the Australian Tax Office and the US Internal Revenue Service. The IGA will also improve existing tax information-sharing arrangements between Australia and the United States, for the purpose of preventing tax evasion. This will help to enhance the integrity of both countries’ tax systems.⁴⁸³

As G20 chair, Australia has been playing a leading role in guiding the OECD’s BEPS work. Australian Treasurer, Joe Hockey along with Secretary-General of the OECD Angel Gurría and the Tax Commissioner for Australia, Chris Jordan reiterated the importance of tackling tax avoidance and other international tax issues. “An important part of our G20 agenda, hugely important part, is devoted to international tax and how we can improve the quality of information exchanged between countries in relation to tax paid by individuals and multinationals. And we have a three pronged agenda. Firstly to address base erosion and profit shifting and that is reflected in the work of the OECD, which we will talk about today. The second area is tackling tax avoidance and promoting tax transparency, particularly

⁴⁷⁹ Australian Government, Budget Measures 2013-2014, Part1 Review Measures, Date of Access: 11 November 2014. http://www.budget.gov.au/2013-14/content/bp2/html/bp2_revenue-10.htm

⁴⁸⁰ Australian Government, Budget Measures 2013-2014, Part1 Review Measures, Date of Access: 11 November 2014. http://www.budget.gov.au/2013-14/content/bp2/html/bp2_revenue-10.htm

⁴⁸¹ Australian Government, Budget Measures 2013-2014, Part1 Review Measures, Date of Access: 11 November 2014. http://www.budget.gov.au/2013-14/content/bp2/html/bp2_revenue-10.htm

⁴⁸² Australian Government, Tax and Superannuation Laws Amendment (2014 Measures No. 4) Bill 2014, Date of Access: 11 November 2014. http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2F5318_ems_486a76c1-1ca5-4c25-8cf5-860f13020b8b%22

⁴⁸³ The Honourable Joe Hockey, Treasurer of the Commonwealth of Australia, Signing of Tax Agreement with the United States, 28 April 2014, Date of Access: 11 November 2014. <http://jbh.ministers.treasury.gov.au/media-release/017-2014/>

through the automatic exchange of information and we'll talk about that. And the third area is working in particular with developing economies, so that they can benefit from the work undertaken. And in our G20 meeting over the next few hours, we will be talking about these sorts of initiatives.”⁴⁸⁴

Australia fully complied with the commitment by taking actions in some of the 15 BEPS issue areas and cooperation with other governments on tax avoidance issues.

Analysts: Pei Zhao and Gurion De Zwirek

Brazil: -1

Brazil has failed to comply with its commitment on tax avoidance.

Brazil, which is not a member of the Organisation for Economic Co-operation and Development (OECD), imposes unique standards for tax evaluation. Although Brazil “considers conclusions reached and the orientation prescribed by the report base erosion and profit shifting (BEPS) a valuable source for future tax law,” it has failed to apply the tax policies recommended by the report.⁴⁸⁵ Brazil has its own transfer pricing methods, different from the internationally accepted arm’s-length principle.^{486,487}

There is no indication that Brazil has taken steps to reform its own tax rules to be aligned with standards set by other countries to improve coordinating efforts.

Thus Brazil has been awarded a score of -1.

Analysts: Pei Zhao and Eddie Kawooya

Canada: +1

On 5 February 2014, Canada signed an exchange of information agreement with the United States, which is to mitigate the imposition of obligations on Canadian companies by the US Foreign Account Tax Compliance Act.⁴⁹³ The agreement was ratified on 27 June 2014.⁴⁹⁴

On 1 April 2014, Canada signed a protocol with Belgium that included provisions reflecting the standard developed by the OECD for the exchange of tax information.⁴⁹⁵

On 1 July 2014, Canada signed a protocol with the United Kingdom stating that the countries will exchange tax information by the standard developed by the OECD.⁴⁹⁶

On 11 February 2014, Finance Minister Jim Flaherty tabled the 2014 Federal Budget. It explicitly discussed the initiative on base erosion and profit shifting (BEPS) produced by the Organisation for Economic Co-operation and Development (OECD) and announced plans to tackle tax avoidance, such as the use of insurance swaps traded between foreign affiliates of Canadian taxpayers and third parties. It also introduced measures to strengthen tax compliance and improve fairness.^{497,498} The government

⁴⁸⁴ G20 Australia 2014, Australian Treasurer Joe Hockey, OECD Secretary-General Angel Gurría and Australian Tax Commissioner Chris Jordan, joint press conference, Cairns, 20 September 2014, Date of Access: 11 November 2014. https://www.g20.org/news/transcripts/australian_treasurer_joe_hockey_oecd_secretary_general_angel_gurr%C3%ADa_and_australian

⁴⁸⁵ Tax Management International Forum, Bloomberg BNA (London) September 2013. Date of Access: 19 April 2014. http://www.pbklaw.ch/files/TAX_FORUM_0913.pdf

⁴⁸⁶ Brazil Highlights 2014, Deloitte 2014. Date of Access: 19 April 2014. <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-brazilhighlights-2014.pdf>

⁴⁸⁷ Brazil clarifies its position on transfer pricing, World Finance 15 January 2014. Date of Access: 19 April 2014. <http://www.worldfinance.com/markets/brazil-transfer-pricing>

announced a four-month consultation period to help define the focus of its work on international tax issues. Moreover, the budget outlined measures relating to nearly all of the actions in OECD's BEPS Action Plan.⁴⁹⁹

One of the proposed measures in the budget is to address treaty shopping, which has been on the government's agenda since August 2013, when the Department of Finance issued a consultation paper on the problem and possible solutions.⁵⁰⁰ This unilateral amendment to domestic law would in effect override bilateral treaties, which might undermine one of the BEPS project's main goals -namely, to avoid global tax chaos caused by unilateral actions by national governments. On 29 August 2014 the Department of Finance announced in a press release that "After engaging in consultations on a proposed anti-treaty shopping measure, the Government will instead await further work by the Organisation for Economic Co-operation and Development and the Group of 20 (G-20) in relation to their Base Erosion and Profit Shifting initiative."⁴⁸⁸

Canada has taken steps to address the issues outlined in the BEPS Action Plan and has cooperated with other states to fight tax avoidance.

Canada is, therefore, awarded a score of +1.

Analysts: Theodora Mladenova and Gurion De Zwirak

China: 0

China has partially complied with its commitment to tackle tax avoidance.

On 25 January 2014, Wang Jun, the Chinese mainland tax commissioner, indicated that China will step up international cooperation to combat tax evasion. Major actions have been taken since 2012, with Beijing recovering 30 times more taxes than the amount recovered in 2008.⁴⁸⁹

On 15 February 2014, China and Russia reached an agreement on tackling tax evasion. Russian tax agencies will have the ability to request information from their Chinese counterparts, enabling both countries to decrease the amount of taxes lost due to information mismatch.⁴⁹⁰

On 29 July 2014, General Office of China's State Administration of Taxation (SAT) began tax anti-avoidance investigations by issuing an internal notification which requires tax bureaus to investigate substantial amounts of service fees and royalty payments from 2004 to 2013.⁴⁹¹

China has been awarded a score of 0 for cooperating with foreign governments to fight tax avoidance.

Analyst: Pei Zhao

⁴⁸⁸ Department of Finance Consults on Draft Tax Legislation, Department of Finance Canada 29 August 2014. Date of Access: 15 November 2014. <http://www.fin.gc.ca/n14/14-113-eng.asp>.

⁴⁸⁹ Tax commissioner announced international cooperation against tax avoidance, South China Morning Post 25 January 2014. Date of Access: 21 February 2014. <http://www.scmp.com/business/economy/article/1412890/china-step-international-co-operation-fight-against-tax-evasion>

⁴⁹⁰ Russian government confirmed cooperation between countries to share information on tax avoidance. 15 February 2014. Date of Access: 21 February 2014. http://government.ru/en/dep_news/10531

⁴⁹¹ China begins tax anti-avoidance investigations on substantial amounts of service fee and royalty payments, EY Global.3 September 2014. Date of Access: 6 October 2014. <http://www.ey.com/GL/en/Services/Tax/International-Tax/Alert--China-begins-tax-anti-avoidance-investigations-on-substantial-amounts-of-service-fee-and-royalty-payments>

France: 0

France has partially complied with its commitment to fight tax avoidance.

In November 2013, France signed an anti-tax evasion agreement with the U.S. Treasury.⁴⁹²

On 10 February 2014, French President François Hollande indicated that France would try to harmonize taxes with the United States. He further stated that tax optimization, especially by multinational Internet giants, must be called into question on both a European and a global level.⁴⁹³

On 27 January 2014, the 46th French-German Economic and Financial Council announced that it will welcome economic reform strategies recently announced in France and Germany. It encouraged both countries to tackle erosion and profit shifting (BEPS) and to promptly adopt and implement the future standard on automatic exchange of information in order to increase transparency and improve the fight against tax fraud and evasion.⁴⁹⁴

On 26 June 2014, French Finance Minister Michel Sapin and his Swiss counterpart, Eveline Widmer-Schlumpf, agreed in Berne, Switzerland to join forces and to “bring their cooperation in line with standards set out by the Organization for Economic Co-operation and Development (OECD).” The two ministers also pledged to continue cooperating on tax fraud and evasion and to improve the exchange of information on judicial requests.⁴⁹⁵

On 21 September 2014, the meeting of G20 finance ministers and central bank governors held in Cairns, Australia addressed the issue known as “the patent box” which is the unfair use of tax breaks on profits generated from patented research after 1 April 2013.⁴⁹⁶

France has worked in cooperation with foreign governments to tackle tax evasion by multinational enterprises. However, there is no evidence that France has made efforts to tackle BEPS through the framework of its domestic laws.

Thus, France has been awarded a score of 0 for partially complying with its commitment.

Analysts: Jose Isla and Vitali Selivanov

Germany: +1

Germany has fully complied with its commitments to tackling tax avoidance, harmful practices, and aggressive tax planning.

⁴⁹² U.S. Treasury signs pact with France for anti-tax evasion law, Reuters (UK) 14 November 2014. Date of Access: 24 October 2014. <http://uk.reuters.com/article/2013/11/14/usa-tax-fatca-idUKL2N0IZ18I20131114>

⁴⁹³ McDonald's denies French Tax Allegation, Reuters (New York) 24 January 2014. Date of Access: 19 October 2014. <http://www.reuters.com/video/2014/01/22/mcdonalds-denies-french-tax-allegations?videoId=276531756>

⁴⁹⁴ Statement by the French-German Economic and Financial Council, Federal Ministry of Finance (Europe) 27 January 2014, Date of Access 26 February 2014.

<http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-01-27-PM-4-DFFWR-ENG.html>

⁴⁹⁵ Swiss agree to widen cooperation with France on tax evasion, Reuters UK Edition (London), 25 June 2014. Date of Access: 19 October 2014. <http://uk.reuters.com/article/2014/06/25/uk-switzerland-tax-france-idUKKBN0F02HP20140625>

⁴⁹⁶ France pushes moves within G20 to resolve unfair use of patent boxes, The Daily Mail (London), 21 September 2014. Date of Access: 19 October 2014. <http://www.dailymail.co.uk/wires/reuters/article-2763962/France-pushes-moves-G20-resolve-unfair-use-patent-boxes.html#ixzz3FNzGyv6g>

It has taken individual and collective action to tackle the 15 issues identified in the OECD's Action Plan on Base Erosion and Profit Shifting (BEPS). Germany has also cooperated with other governments to prevent double non-taxation due to gaps that exist between countries' tax rules.

On 27 November 2013 the coalition German government formed between the Christian-Democrats and the Social Democrats agreed upon new tax policies. These policies focus on combatting tax evasion, harmful tax practices and protecting tax revenue. In terms of combatting cross-border transfers of profits and harmful tax competition, the government referred to several measures it would take in addition to supporting the OECD BEPS initiative. These initiatives include: "limitations of the tax deductibility of payments made to recipients that lack sufficient substance/activities; creation of a public register for taxpayers holding economic ownership in trust structures; and allowing licensing payments to be deductible only if the payment is subject to minimum taxation at the level of the foreign recipient."⁴⁹⁷ The coalition agreement also mentions that Germany would support an initiative for the "introduction of common corporate taxation within the EU, based on the CCTB project."

On 27 January 2014, the 46th French-German Economic and Financial Council announced that it would welcome economic reform strategies recently announced in France and Germany. It also encourages both countries to tackle base erosion and profit shifting, as well as the requirement to promptly adopt and implement the future standard on automatic exchange of information in order to increase transparency and fight against tax fraud and evasion. Germany is also working with France to make joint proposals "to reach a compromise on a common scheme of taxation for financial transactions, within the next months with all our partners from the enhanced cooperation. The target is to ensure a fair contribution of financial markets to tax revenues, improving financial stability and harmonizing national legislations while fully preserving monetary policy mechanisms and funding to the economy."⁴⁹⁸

On 27 September 2014, Wolfgang Schaeuble, the German Finance Minister announced that he was working on closing a tax loop hole whereby German firms could misrepresent foreign profits from patented research and minimize tax bills.⁴⁹⁹

Thus, Germany has been awarded a score of +1 for its commitments to tackling tax avoidance, harmful practices, and aggressive tax planning.

Analyst: Stephanie Lim

India: 0

India has partially complied with its commitment to take steps to tackle tax avoidance, harmful practices, and aggressive tax planning.

On 18 September 2013, India signed a double taxation avoidance agreement with Latvia to prevent income tax evasion by entities in both countries.⁵⁰⁰ The agreement states that business profits will be taxable in the source country if the activities of an enterprise constitute a permanent establishment there.

⁴⁹⁷ New government coalition agreement describes tax policy, Deloitte Tax-News (London) 28 November 2013. Date of Access: February 26 2014. <http://www.deloitte-tax-news.de/german-tax-legal-news/new-government-coalition-agreement-describes-tax-policy.html>

⁴⁹⁸ Statement by the French-German Economic and Financial Council, Federal Ministry of Finance (Europe) 27 January 2014. Date of Access: February 26 2014.

<http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-01-27-PM-4-DFW-ENG.html>

⁴⁹⁹ Germany may close foreign 'patent box' tax loophole – report. UK Reuters (London). 27 September 2014. Date of Access: November 5 2014. <http://uk.reuters.com/article/2014/09/27/uk-germany-taxavoidance-patentbox-idUKKCN0HM0BY20140927>

On 22 December 2013, sources from the Indian government confirmed that the Prime Minister's Office had approved the posting of an Indian revenue service officer in Cyprus in an effort to tackle black money flowing from the island nation.⁵⁰¹ Such action came after the decision by the Indian government to classify Cyprus as a notified jurisdictional area for failing to provide information requested by Indian tax authorities under the taxation treaty. Following the decision, all payments made to Cyprus were subject to a 30 per cent withholding tax and Indian authorities receiving money from there were required to disclose the source of funds.

On 21 February 2014, India's finance secretary, Arvind Mayaram, "pressed for automatic exchange of key financial information and greater cooperation among G20 nations to effectively address tax problems and protect the integrity of the taxation system."⁵⁰² Mayaram also emphasised the need to perceive automatic exchange of information as a means to combating tax avoidance: "Automatic exchange of information should not only address tax evasion, it should also address tax avoidance ... tax avoidance should be seen as part of the problem."

On 23 September 2014, commenting on the Communiqué⁵⁰³ by the G20 Finance Ministers and Central Bankers at Cairns, Mayaram said: "We support further coordination and collaboration by our tax authorities on their compliance activities on entities and individuals involved in cross-border tax arrangements."⁵⁰⁴

India has been awarded a score of 0 for cooperating with foreign governments in combating tax avoidance.

Analyst: Luciano Xavier

Indonesia: 0

Indonesia has partially complied with its commitment to tackle tax evasion.

On 25 September 2013, Indonesia signed a tax information exchange agreement with San Marino.⁵⁰⁵ However, it has not yet come into effect.

On 21-22 November 2013, Indonesia hosted the sixth meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes. The meeting "implemented a global call for greater international cooperation against tax evasion." A compliance rating for the Forum's information exchange standard was released. A new Automatic Exchange of Information Group was also

⁵⁰⁰ India signs DTAA with Latvia to prevent income tax evasion, The Economic Times (New Delhi) 18 September 2013. Date of Access: 6 August 2014. http://articles.economictimes.indiatimes.com/2013-09-18/news/42183257_1_india-signs-dtaa-double-taxation-avoidance-agreement-latvia.

⁵⁰¹ Cyprus tax row: India set to start I-T office in island nation, The Economic Times (New Delhi) 22 December 2013. Date of Access: 6 August 2014. http://articles.economictimes.indiatimes.com/2013-12-22/news/45475838_1_india-and-cyprus-double-taxation-avoidance-agreement-tax-benefits.

⁵⁰² India seeks automatic exchange of key financial info at G20, The Economic Times (Mumbai) 21 February 2014. Date of Access: 2 March 2014. http://articles.economictimes.indiatimes.com/2014-02-21/news/47559636_1_tax-avoidance-automatic-exchange-tax-evasion

⁵⁰³ Communiqué, Meeting of G20 Finance Ministers and Central Bank Governors, Cairns, September 21, 2014. Date of Access: 14 October 2014 <http://www.g20.utoronto.ca/2014/2014-0921-finance.html>

⁵⁰⁴ New G20 Initiative Gives India Boost in Fight Against Tax Avoidance, India Briefing (New Delhi) 23 September 2014. Date of Access: 14 October 2014 <http://www.india-briefing.com/news/g20-initiative-india-tax-avoidance-9048.html/>

⁵⁰⁵ Exchange of tax information agreements, OECD (Paris). Date of Access: 7 August 2014. <http://www.oecd.org/tax/transparency/exchangeoftaxinformationagreements.htm>.

established, and agreement was reached that the Forum will continue to monitor implementation of the transparency and exchange of information standards.⁵⁰⁶

On 1 April 2014 the Indonesian Minister of Finance issued regulation No. 60/PMK.03/2014, which further regulates the procedures associated with the exchange of tax information. The regulation stipulates that exchange can be carried out through several channels, which can be initiated by a relevant unit under the authority of the Directorate General of Tax (domestic request) or by a country/jurisdiction partner (foreign request).⁵⁰⁷

Indonesia has cooperated with the World Bank on the Project for Indonesian Tax Administration Reform. Through its reform project, Indonesia aims to “increase taxpayer compliance and improve good governance in tax administration.” The project is closed on 25 September 2014.⁵⁰⁸

Indonesia has been awarded a score of 0 for taking some steps to tackle tax avoidance.

Analyst: Pei Zhao

Italy: +1

Italy has fully complied with its commitments to fight tax avoidance.

In December 2013, Italian Parliament passed the “Google tax” law, which requires Italian companies to purchase their Internet ads from locally registered companies, instead of units based in tax havens such as Ireland, Luxemburg or Bermuda. Although the law is put forth as a means to fight tax evasion, some criticize it for being little more than a revenue scheme for the government and also for being illegal.⁵⁰⁹

In January 2014, Italy signed an anti-tax evasion agreement with the U.S. Treasury.⁵¹⁰

On 1 January 2014 the Italian government introduced “Stability Law” forbidding cash payment for certain types of goods and services in the interest of increasing the traceability of payments in Italy and thereby reducing the opportunities for tax evasion.⁵¹¹

On 24 January 2014 the Italian government approved a new legal structure aimed encouraging self-declaration of capital held abroad and at improving the exchange of tax information.⁵¹²

In 2014 Italian prosecutors have been working on a number of high profile tax evasion cases. In April 2014 fashion designers Domenico Dolce and Stefano Gabbana have each been sentenced to 18-month

⁵⁰⁶ Global Forum moves towards automatic exchange of tax information and transparency, OECD 22 November 2013. Date of Access: 20 April 2014. <http://www.oecd.org/indonesia/global-forum-moves-towards-automatic-exchange-of-tax-information-and-transparency.htm>

⁵⁰⁷ Tax Flash, Price Waterhouse Cooper, May 2014. Date of Access: 7 August 2014. http://www.pwc.com/id/en/taxflash/assets/taxflash_2014-07.pdf

⁵⁰⁸ Project for Indonesian Tax Administration Reform (PINTAR), The World Bank 11 April 2014. Date of Access: April 20 2014. <http://www.worldbank.org/projects/P100740/project-indonesian-tax-administration-reform-pintar?lang=en>

⁵⁰⁹ Italy approves ‘Google Tax’ on Internet Companies, Bloomberg (New York), 23 December 2013. Date of Access: 19 October 2014. <http://www.bloomberg.com/news/2013-12-23/italy-approves-google-tax-on-internet-companies.html>

⁵¹⁰ U.S. Treasury signs anti-tax evasion pact with Italy, Reuters (New York) 10 January 2014. Date of Access: 19 October 2014. <http://www.reuters.com/article/2014/01/10/usa-tax-italy-idUSL2N0KK21Y20140110>

⁵¹¹ Italy Stops Cash Payments in 2014 to Combat Tax Evasion, Tax News 31 December 2013. Access Date: 19 October 2014. http://www.tax-news.com/news/Italy_Stops_Cash_Payments_in_2014_To_Combat_Tax_Evasion___63172.html

⁵¹² Italy to Regularize Undeclared Foreign Capital, Tax News 29 January 2014. Date of Access: 21 February 2014. http://www.tax-news.com/news/Italy_to_Regularize_Undeclared_Foreign_Capital_63510.html

terms for tax evasion charges.⁵¹³ At trial, a Milan tax court had ruled in favour of Italy's tax authority, Agenzia delle Entrate, finding that Dolce and Gabbana had engaged in a "conduct of abuse with the only goal of obtaining a fiscal advantage."⁵¹⁴ Currently Italian authorities are also investigating the personal finances of Prada's co-chief executives Miuccia Prada and Patrizio Bertelli who have been told of an investigation "regarding the accuracy of certain past tax filings by them as individuals, in respect of foreign owned companies."⁵¹⁵

Italy has been awarded a score of +1 for tackling tax evasion domestically, as well working in collaboration with other jurisdictions.

Analysts: Jose Isla and Vitali Selivanov

Japan: 0

Japan has partially complied with its commitment to tackle tax avoidance.

On 21 April 2014, Japan hosted and participated in the Fifth International Monetary Fund-Japan high-level tax conference for Asian countries. The conference discussed international taxation issues and "assessed the importance of international corporate tax spillovers and reflected on how they can best be addressed."⁵¹⁶

Japan has taken individual and collective action to tackle the 15 issues identified in the Action Plan on Base Erosion and Profit Shifting (BEPS) produced by the Organisation for Economic Co-operation and Development (OECD). In addition, it has also cooperated with other governments to prevent double non-taxation due to gaps that exist between countries' tax rules.

On 5 December 2013, Japan and Sweden signed a Protocol amending their current income tax treaty. This Protocol introduces provisions for preventing tax avoidance through limitation on benefits provision and main purpose test provisions, etc.⁵¹⁷

In January 2014, Japan signed an agreement on avoiding double taxation and income-tax evasion with Oman. This agreement aims to regulate taxes for Omani and Japanese individuals and companies operating in either countries and improve economic and legislative environment of both countries.⁵¹⁸

In late April 2014, Japanese Tax Commission identified double non-taxation resulting from certain redeemable preference shares. This review was conducted in accordance with Action 2 from the BEPS

⁵¹³ Italian court gives Dolce and Gabbana suspended 18-month jail term in tax case, Reuters (US), 30 April 2014. Access Date of Access: October 23, 2014. <http://www.reuters.com/article/2014/04/30/us-dolce-gabbana-sentence-idUSBREA3T0KW20140430>

⁵¹⁴ Court Upholds Prison Sentence For Dolce & Gabbana On Tax Evasion Charges, Forbes 03 April 2014. Date of Access: 19 October 2014. <http://www.forbes.com/sites/kellyphillipserb/2013/04/03/dolce-gabbana-fined-millions-for-tax-evasion/>

⁵¹⁵ Italy targets Prada chiefs in tax probe, Financial Times 29 September 2014. Date of Access: 19 October 2014.

<http://www.ft.com/intl/cms/s/0/2903752e-478a-11e4-8c50-00144feab7de.html#axzz3FOLcprfB>

⁵¹⁶ The 5th IMF-Japan High level Tax Conference for Asian Countries "Emerging Taxation Issues for Asian Countries" Tokyo, Japan, International Monetary Fund 21 April 2014. Date of Access May 8 2014.

<http://www.imf.org/external/np/speeches/2014/042114.htm>

⁵¹⁷ Japan- Protocol signed with Sweden, KPMG Global 9 December 2013. Date of Access: 20 October 2014.

<http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Pages/japan-protocol-signed-with-sweden.aspx>

⁵¹⁸ Sultanate and Japan sign double taxation avoidance agreement, Muscat Daily (Muscat) 11 January 2014. Date of Access: 20 October 2014. <http://www.muscatdaily.com/Archive/Business/Sultanate-and-Japan-sign-double-taxation-avoidance-agreement-2ugv>

Action Plan. The Japanese Cabinet Office posted a discussion paper and outlined certain tax issues for consultation.⁵¹⁹

Japan is awarded a score of 0 for taking some steps to tackle tax avoidance.

Analyst: Pei Zhao

Korea: 0

Korea has partially complied with its commitments to tackling tax avoidance, harmful practices, and aggressive tax planning.

On 17 September 2013, Korea in conjunction with Hong Kong signed a tentative tax deal, which would allow Korea to obtain information on suspected Korean tax evaders. In addition, “Korea’s National Tax Service will impose a tax rate of 10 per cent on income from investments made by Hongkongers in Korea. To prevent double taxation, Hong Kong’s Inland Revenue Department will then deduct the amount of income tax the investors paid in South Korea.”⁵²⁰

As of 18 February 2014, the National Tax Agency has investigated 61 cases of offshore tax evasion and has collected W135 billion in fines.⁵²¹

On 26 June 2014, the National Tax Agency further investigated 56 cases of tax evasion and issued a total of W12.3 billion in fines.⁵²²

Korea has been awarded a score of 0 for cooperating with other governments to tackle tax evasion.

Analyst: Stephanie Lim

Mexico: +1

Mexico has fully complied with its commitment to tackle tax avoidance, harmful practices, and aggressive tax planning.

On 17 October 2013, Mexico’s Chamber of Deputies passed a revised version of the tax reform provisions, which were introduced by the federal government in September of that year. The reforms, passed by Congress in October and by the Senate in November, will become active in January. Their main aim is to increase government revenue and to tackle tax avoidance, especially pertaining to Maquiladoras.^{523,524,525,526} The Mexican government has been working on anti-avoidance measures concerning supply chain conversions at least since September 2012.⁵²⁷

⁵¹⁹ Japan - Possible BEPS-related implications under foreign dividend exclusion rule, KPMG Global 5 May 2014. Date of Access: May 8 2014 <http://www.kpmg.com/global/en/issuesandinsights/articlespublications/taxnewsflash/pages/2014-1/japan-possible-beps-related-implications-under-foreign-dividend-exclusion-rule.aspx>

⁵²⁰ Hong Kong and South Korea sign tentative deal to fight tax cheats. South China Morning Post (Hong Kong). 17 September 2013. Date of Access: February 26 2014. <http://www.scmp.com/news/hong-kong/article/1311580/hong-kong-and-south-korea-sign-tentative-deal-fight-tax-cheats>

⁵²¹ Money from tax evasion fines exceeds W 1 trillion. Korea Joongang Daily (Seoul). 18 February 2014. Date of Access: February 26, 2014. <http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=2985097>

⁵²² NTS starts probe of tax evaders. Korea Joongang Daily (Seoul). 26 June 2014. Date of Access: October 5, 2014. <http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=2991167>

⁵²³ Mexico - Proposed transfer pricing changes for related-party transactions, maquiladoras. KPMG (Washington) 21 October 2013. Date of Access: 9 May 2014.

<http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Pages/tp-mexico-proposed-transfer-pricing-changes-for-related-party-transactions-maquiladoras.aspx>

On 14 January 2014, Mexico City hosted the “Fight against Base Erosion and Profit Shifting Seminar.” Oscar Molina Chie, Head of the Large Taxpayers Unit of the Tax Administration Service (SAT), said the goal of the seminar was to make clear how tax authorities will approach BEPS. Starting January 2014, SAT began publishing a list of noncompliant taxpayers on their web site.⁵²⁸

On 25 April 2014, the Finance Ministry of Mexico and the US Treasury department officially agreed on a revised version of the US-Mexico Foreign Account Tax Compliance Act Intergovernmental Agreement, which was first signed in 2012.^{529,530}

Mexico has taken active steps to address BEPS and has cooperated with other governments to fight tax avoidance.

Therefore, Mexico has been awarded a score of +1 for complying with its commitment.

Analysts: Theodora Mladenova and Eddie Kawooya

Russia: +1

Russia has fully complied with the commitment to tackle tax avoidance, harmful practices, and aggressive tax planning.

On 12 December 2013, Russian President Vladimir Putin in his Address to the Federal Assembly proposed some steps to address the challenges of offshore economic activity. In particular, he suggested that companies registered in foreign jurisdictions should not be allowed to use government support measures and state guarantees as well as fulfil government contracts.⁵³¹ He also instructed the government to ensure that companies that are registered in offshore jurisdictions and belong to Russian owners or whose ultimate beneficiaries are Russian nationals are taxed in accordance with Russian laws.⁵³²

⁵²⁴ Mexico – Tax reform update concerning foreign investment, related-party transactions. KPMG (Washington) 21 October 2013. Date of Access: 9 May 2014. <https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Documents/mexico-oct21-2013.pdf>

⁵²⁵ Mexico - Tax reform laws are published; effective date 2014. KPMG. (Washington) 11 December 2013. Date of Access: 9 May 2014. <http://www.kpmg.com/global/en/issuesandinsights/articlespublications/taxnewsflash/pages/mexico-tax-reform-laws-are-published-effective-date-2014.aspx>

⁵²⁶ Tax Reform 2014. KPMG (Mexico) November 2013. Date of Access: 9 May 2014. <https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Documents/mexico-nov13-2013.pdf>

⁵²⁷ Domestic Maquila conversions with lack of substance under scrutiny.... PwC Tax Insights. 5 September 2013. Date of Access: 9 May 2014. http://www.pwc.com/en_GX/gx/industrial-manufacturing/publications/pdf/pwc-domestic-maquila-conversions-with-lack-of-substance-under-scrutiny.pdf

⁵²⁸ Mexican tax authorities host base erosion and profit shifting seminar. International Bureau of Fiscal Documentation (Amsterdam) 4 March 2014. Date of Access: 9 May 2014. [http://www.deloitte.com/assets/Dcom-Korea/LocalAssets/Documents/Tax Newsletter/2014/kr_Tax_Global-Tax-Alerts_Mexico_02_20140304.pdf.pdf](http://www.deloitte.com/assets/Dcom-Korea/LocalAssets/Documents/Tax%20Newsletter/2014/kr_Tax_Global-Tax-Alerts_Mexico_02_20140304.pdf.pdf)

⁵²⁹ FATCA e-alert Issue 2014-14. KPMG (Luxembourg) 6 May 2014. Date of Access: 9 May 2014.

<http://www.kpmg.com/LU/en/IssuesAndInsights/Articlespublications/Pages/FATCAe-alertIssue2014-14.aspx>

⁵³⁰ Agreement Between the Department of the Treasury of the United States of America and the Ministry of Finance and Public Credit of the United Mexican States to Improve International Tax Compliance Including With Respect to FATCA. Department of the Treasury (Washington) 25 April 2014. Date of Access: 9 May 2014. <http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/FATCA-Agreement-Mexico-4-17-2014.pdf>

⁵³¹ Presidential Address to the Federal Assembly, President of Russia 12 December 2013. Date of Access: 19 September 2014. <http://eng.kremlin.ru/news/6402>.

⁵³² List of instructions following the Address to the Federal Assembly, President of Russia 27 December 2013. Date of Access: 19 September 2014. <http://kremlin.ru/assignments/20004>.

On 9 January 2014, Russian Prime Minister Dmitry Medvedev instructed the Ministry of Finance, Ministry of Economic Development, Ministry of Justice and Federal Antimonopoly Service of Russia to develop legislative amendments providing for measures to tackle offshore business activities outlined in the President's Address to the Federal Assembly.⁵³³

On 30 April 2014, First Deputy Prime Minister Igor Shuvalov adopted an action plan to address tax avoidance. The plan includes concrete measures to be implemented by the Russian Government in 2014-2015 for improving anti-BEPS legislation.⁵³⁴

On 26 August 2014, Russian Ministry of Finance published the draft federal law on amending Part I and Part II of the Tax Code of the Russian Federation (concerning taxation of the profits of controlled foreign companies and foreign entities). The draft law provides for the taxation of offshore companies in accordance with the Russian legislation.⁵³⁵

On 15 February 2014, China and Russia reached an agreement on tackling tax evasion. Russian tax agencies will have the ability to request information from their Chinese counterparts, enabling both countries to decrease the amount of taxes lost due to information mismatch.⁵³⁶

On 17 March 2014, Russian Deputy Finance Minister Sergey Shatalov announced that several offshore jurisdictions including British Virgin Islands, Bermuda, the Isle of Man and Jersey proposed to sign tax information exchange agreements with Russia. He positively assessed the initiative and mentioned that Russia would definitely sign these agreements.⁵³⁷

Russia has taken measures to tackle BEPS within the framework of its domestic legislation. Thus, it receives a score of +1.

Analyst: Andrey Shelepor

Saudi Arabia: -1

Saudi Arabia has not complied with its commitment to tackle tax avoidance, harmful practices, and aggressive tax planning.

Saudi Arabia has agreed to participate in the Action Plan on Base Erosion and Profit Shifting (BEPS) produced by the Organisation for Economic Co-operation and Development (OECD) to tackle tax avoidance as an associate.⁵³⁸ However, Saudi Arabia's domestic policies have not caught up with its BEPS commitments. According to the Financial Security Index, Saudi Arabia does not require

⁵³³ On implementing the instructions following the Address of the President to the Federal Assembly on 12 December 2013, Government of Russia 9 January 2014 Date of Access: 19 September 2014. <http://government.ru/orders/9591>.

⁵³⁴ National action plan to address tax evasion and identifying beneficial owners of companies, Federal Financial Monitoring Service 30 April 2014. Access Date: 19 September 2014. <http://www.fedsfm.ru/documents/rfm/1087>.

⁵³⁵ Draft Federal Law On Amending Part I and Part II of the Tax Code of the Russian Federation (concerning taxation of the profits of controlled foreign companies and foreign entities), Russian Ministry of Finance 2 September 2014. Date of Access: 19 September 2014. http://minfin.ru/common/upload/library/2014/09/main/proj_FZ_izm_NK.pdf.

⁵³⁶ Russian government confirmed cooperation between countries to share information on tax avoidance. 15 February 2014. Date of Access: 21 February 2014. http://government.ru/en/dep_news/10531

⁵³⁷ Russian Deputy Finance Minister Sergey Shatalov at the Conference in the Framework of the Russian Business Week, Russian Ministry of Finance 17 March 2014. Access Date: 19 September 2014. http://www.minfin.ru/ru/press/speech/index.php?id_4=21235.

⁵³⁸ G20: World leaders back international action against tax avoidance and evasion, HM Treasury (London) 6 September 2013. Date of Access: 27 February 2014. <https://www.gov.uk/government/news/g20-world-leaders-back-international-action-against-tax-avoidance-and-evasion>

disclosure to authorities when resident paying agents make payments to non-residents, and that it does not have a tax credit system to deter tax-evasion.⁵³⁹

There is no evidence that Saudi Arabia has reformed its domestic tax policy or cooperated with other governments to tackle tax avoidance, harmful practices and aggressive tax planning.

Thus, Saudi Arabia has been awarded a score of -1.

Analysts: Madeline Torrie and Sascha Boutilier

South Africa: +1

South Africa has fully complied with its commitment to change its rules to tackle tax avoidance, harmful practices, and aggressive tax planning. It has acted to improve domestic legislation and has signed over 80 international tax agreements to promote greater transparency and address international tax problems. In addition to endorsing the G20 commitment, it has joined a pilot arrangement alongside several G20 members for automatic exchange of tax information.

On 12 October 2013, South Africa joined a pilot project launched by the United Kingdom that intends to increase the exchange of tax information among signatories in an effort to “ensure the correct payment of tax.”⁵⁴⁰

On 11 November 2013, Pravin Gordhan, minister of finance, endorsed the G20 commitment regarding tax avoidance, and stated that South Africa “has gone further than this commitment and will be an early implementer of the standard alongside Australia, France, Germany, Italy, Mexico, Spain and the UK.”⁵⁴¹

On 26 February 2014, during the annual budget speech, Gordhan mentioned that the Davis Tax Committee had “also started working on base erosion and profit shifting — trends that are under scrutiny internationally.”⁵⁴² The committee was established on 25 July 2013 to address, among other matters, concerns about base erosion and profit shifting “in the context of corporate income tax, as identified by the OECD and the G20.”⁵⁴³

South Africa has adopted domestic and international measures to encourage transparency and cooperation among G20 members on international tax matters that aim to inhibit tax avoidance by multinational enterprises.

Thus, South Africa has been awarded a score of +1.

Analyst: Luciano Xavier

⁵³⁹ Financial Secrecy Index Report on Saudi Arabia, Tax Justice Network, November 7 2013. Date of Access: 27 February 2014. <http://www.financialsecrecyindex.com/PDF/SaudiArabia.pdf>

⁵⁴⁰ South Africa and UK agree to work together to tackle offshore tax evasion, UK Government 12 October 2013. Date of Access: 8 March 2014. <https://www.gov.uk/government/news/south-africa-and-uk-agree-to-work-together-to-tackle-offshore-tax-evasion>

⁵⁴¹ University of Pretoria Conference on the G20 and Africa’s Economic Growth and Transformation: Keynote address by Minister of Finance, Pravin Gordhan, South Africa Government Online (Pretoria) 11 November 2013. Date of Access: 10 March 2014. <http://www.gov.za/speeches/view.php?sid=41750&tid=131952>

⁵⁴² 2014 Budget Speech by Minister of Finance Pravin Gordhan, National Treasury Republic of South Africa (Pretoria) 26 February 2014. Date of Access: 19 December 2014.

<http://www.treasury.gov.za/documents/national%20budget/2014/speech/speech.pdf>

⁵⁴³ The Davis Tax Committee. Date of Access: 12 March 2014. <http://www.taxcom.org.za/>

Turkey: 0

Turkey has partially complied with its commitment to tackle tax evasion. Since September 2013, it has failed to tackle tax avoidance in its domestic law.

On 14 April 2014, Recep Tayyip Erdogan, Prime Minister of Turkey, accused Twitter of avoiding tax payments on advertising services to local customers. The Turkish government aims to have Twitter open a representative office in Turkey, so that Twitter's USD35 million advertising revenue in Turkey would be taxed. Erdogan has also indicated that Turkey will deal with other international companies, such as Twitter, YouTube and Facebook, which do not comply with Turkey's tax rules.⁵⁴⁴

On 9 July 2014, Turkey signed a double tax avoidance agreement with Vietnam.⁵⁴⁵

Turkey has been awarded a score of 0 for signing the tax avoidance agreement with Vietnam.

Analyst: Pei Z

United Kingdom: 0

The United Kingdom has partially complied with its commitments to tackling tax avoidance, harmful practices, and aggressive tax planning.

It has taken individual and collective action to tackle the 15 issues identified in the OECD's Action Plan on Base Erosion and Profit Shifting (BEPS). The United Kingdom has not cooperated with other governments to prevent double non-taxation due to gaps that exist between countries' tax rules.

As an avid supporter of the OECD's Action Plan on BEPS, the United Kingdom works closely with the OECD and the EU to reform the taxation of the digital economy.⁵⁴⁶ It views transfer pricing as a key mechanism to combat BEPS.

On 5 December 2013, two changes to the UK's CFC rules in Finance Bill 2014 came into effect. The first one is designed to tackle profits that multinationals earn from intra-group lending. The second one strengthens an existing anti-avoidance provision.⁵⁴⁷

Although the United Kingdom officially supports the OECD's Action Plan on Base Erosion and Profit Shifting and works closely with the OECD to reform taxation of the digital economy, on 26 February 2014 it has set more lenient conditions for branches of Chinese and other non-European investment banks.⁵⁴⁸

⁵⁴⁴ Turkey accuses Twitter of 'tax evasion', calls for local office, Reuters 14 April 2014. Date of Access: April 20 2014. <http://www.reuters.com/article/2014/04/14/us-turkey-twitter-idUSBREA3D0TY20140414>

⁵⁴⁵ Vietnam, Turkey ink double tax agreement, The Voice of Vietnam (Vietnam) 9 July 2014. Date of Access: October 19 2014. <http://english.vov.vn/Economy/Vietnam-Turkey-ink-double-tax-avoidance-agreement/278720.vov>

⁵⁴⁶ "Base Erosion and Profit Shifting: Key UK Issues", Skadden. 16 January 2014. Date of Access: February 26 2014. <http://www.skadden.com/insights/base-erosion-and-profit-shifting-key-uk-issues>

⁵⁴⁷ CFC finance company exemption changes to prevent profit shifting, Mazars. 1 April 2014. Date of Access: 23 October 2014. <http://blogs.mazars.com/letstalktax/2014/04/01/cfc-finance-company-exemption-changes-to-prevent-profit-shifting/>

⁵⁴⁸ Britain sets lighter conditions for foreign investment bank branches, Reuters UK (London) 26 February 2014. Date of Access: February 26 2014. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-01-27-PM-4-DFFWR-ENG.html>

On 29 September 2014, British finance minister, George Osborne declared that he would lead efforts to identify cases of tax avoidance by multinational corporations.⁵⁴⁹

Thus, the United Kingdom has been awarded a score of 0 for its commitments to tackling tax avoidance, harmful practices, and aggressive tax planning.

Analyst: Stephanie Lim

United States: +1

The United States has fully complied with its commitment to take steps to tackle tax avoidance, harmful practices, and aggressive tax planning.

On 29 November 2013, the United States and the Cayman Islands signed an exchange of information agreement related to taxes. The objective of the agreement is to allow easier enforcement of domestic tax laws of both countries through exchanging information that allow determination, assessment and collection of taxes of individuals and companies. In particular, article 5 of the agreement provided for exchange of information upon request, article 6 concerned automatic exchange of information, article 7 on spontaneous exchange of information, and article 8 on permission for representatives to enter the other country's territory to examine records.⁵⁵⁰

Between November 2013 and August 2014, the United States signed over thirty bilateral agreements with foreign jurisdictions, with the aim to improve exchange of information and to enforce the Foreign Account Tax Compliance Act (FATCA).⁵⁵¹

On 4 March 2014, President Barack Obama released the budget plan for the 2015 fiscal year. The budget proposed to “eliminate loopholes in the [US] business tax code” and to begin “reforming the international tax system.” The aim of the reform is to “prevent US companies from shifting profits overseas and [to] prevent foreign companies operating in the United States from avoiding the taxes they owe.”⁵⁵² The changes would particularly affect companies in the digital market, levying immediate taxes on corporate income from the sales of digital items or services.⁵⁵³ However, as the budget has not been approved by Congress, none of the proposed measures has been implemented.

On 26 June 2014, the United States and China announced an agreement that sends tax reports for American financial accounts registered at Chinese banks to the United States Internal Revenue Service. Under the agreement, American financial accounts will report taxes directly to the Chinese government, who will then report them to the American government.⁵⁵⁴

⁵⁴⁹ Update 1-UK's Osborne vows crackdown on tax-avoidance tech firms, Reuters UK (London). 29 September 2014. Date of Access: October 5, 2014. <http://www.reuters.com/article/2014/09/29/britain-politics-osborne-tech-idUSL6N0RU33C20140929>

⁵⁵⁰ Agreement between the government of the United States of America and the Government of the Cayman Islands for the Exchange of Information relating to taxes, US Department of the Treasury 29 November 2013. Date of Access: 10 March 2014. <http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/Treaty-Cayman-Islands-11-29-2013.pdf>

⁵⁵¹ FATCA Timeline Library, EY. Date of Access: 24 October 2014. <http://www.ey.com/GL/en/Industries/Financial-Services/Banking---Capital-Markets/FATCA--overview-and-timeline>

⁵⁵² Fiscal Year 2015 Budget of the U.S. Government (page 21), The White House 4 March 2014. Date of Access: 10 March 2014. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/budget.pdf>

⁵⁵³ Obama Seeks \$100 Billion Taxes on Multinationals, Bloomberg 4 March 2014. Date of Access: 10 March 2014. <http://www.bloomberg.com/news/2014-03-04/obama-seeks-100-billion-in-new-taxes-on-multinationals.html>

⁵⁵⁴ China, US pact to curb offshore tax evasion, China Daily 6 June 2014. Date of Access: 6 October 2014. http://usa.chinadaily.com.cn/us/2014-06/30/content_17626297.htm

On 1 July 2014, FATCA came into effect. The statute “requires foreign financial institutions to report U.S.-owned accounts to the Internal Revenue Service or face, in some cases, a 30 percent withholding tax on their U.S.-source income.”⁵⁵⁵

On 22 September 2014, the United States Treasury Department tightened tax rules to prevent tax inversion, the process wherein a company reincorporates in another country to save on taxes. The changes tightened rules under five sections of the American tax code. The changes include closing a loophole that allows an inverted company to completely avoid paying American tax, and preventing inverted companies from restructuring a foreign subsidiary to access the subsidiary’s earnings without paying tax.⁵⁵⁶

The United States has worked to tackle tax avoidance both within the framework of its domestic laws and through cooperation with other governments. It has thus been awarded a score of +1 for complying with its commitment.

Analysts: Grace Gao and James Flynn

European Union: +1

The European Union has been awarded a score of +1 for fully complying with its commitment to tackle tax avoidance, harmful practices, and aggressive tax planning through internal reforms and international cooperation.

Due to Europe’s long-standing commitment to economic integration, there is a history of evolving international tax regulation in the region. In 1988, the Organization for Economic Co-operation and Development (OECD) and the Council of Europe (not an EU institution) developed the Convention on Mutual Administrative Assistance in Tax Matters, which was open to members of both organizations. In 2010 it was amended by Protocol and was opened to all countries. The Convention is enthusiastically advanced by the G20 and currently has over 60 signatories. Its main goal is to promote transparency in tax matters and automatic exchange of information internationally.⁵⁵⁷ The EU has been active in the elimination of harmful tax regimes and is en route to having a comprehensive system for automatic exchange of information.⁵⁵⁸ The EU’s structure, however, may impose a legislative impediment on the implementation of the Action Plan.⁵⁵⁹

On 22 October 2013, the European Commission created a High Level Expert Group on Taxation of the Digital Economy to work on Action 1 of the BEPS Action Plan: “Address the challenges of the

⁵⁵⁵ Draft Form 1099 Instructions Reflect FATCA; IRS Updates Q&A on IGA Registration Rules, Bloomberg 26 September 2014. Date of Access: 8 October 2014. <http://www.bna.com/draft-form-1099-n17179895465/>

⁵⁵⁶ Treasury Announces First Steps to Reduce Tax Benefits of Corporate Inversions, United States Treasury Department 22 September 2014. Date of Access: 7 October 2014. <http://www.treasury.gov/press-center/press-releases/Pages/jl2647.aspx>

⁵⁵⁷ Convention on Mutual Administrative Assistance in Tax Matters, OECD (Paris) April 2014. Date of Access: 30 March 2014. <http://www.oecd.org/tax/exchange-of-tax-information/conventiononmutualadministrativeassistanceintaxmatters.htm>

⁵⁵⁸ Fighting tax evasion: Commission proposes widest scope of automatic exchange of information within the EU, European Commission (Brussels) 12 June 2013. Date of Access: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-530_en.htm

⁵⁵⁹ EU Legislations – BEPS Action Plan Constrained?, Transfer Pricing Associates (Amsterdam) 19 August 2013. Date of Access: 30 March 2014. <http://www.tpa-global.com/news/2013/08/19/eu-legislation-ndash-beps-action-plan-constrained>

digital economy.”⁵⁶⁰ Its first report was sent to the Commission on 28 May 2014. It is meant to guide EU digital taxation policy.⁵⁶¹

On 23 October 2013, the European Commission introduced a new standard value-added tax (VAT) return, to increase tax efficiency in the EU and tackle tax avoidance, among other things. The new measure was decided on after a study of the VAT gap, which showed an average increase over the period 2007-2011.^{562,563}

On 25 November 2013, the European Commission adopted a proposal to close loopholes in the Parent-Subsidiary Directive, in a move to tackle corporate tax avoidance.⁵⁶⁴ On 2 April 2014, the European Parliament voted to support the proposed revision; however, the parliament’s vote is not binding.⁵⁶⁵

On 6 February 2014, the Platform for Tax Good Governance met to discuss recommendations for third country governance standards, put forward by the European Commission in early 2013. The mandate of the platform is to monitor countries’ progress in fighting aggressive tax planning and tax heavens.^{566,567}

On 24 March 2014, the Council of the European Union adopted a revision of the EU Savings Tax Directive, with the aim to better fight tax evasion. It is meant to improve the exchange of information relating to savings income. It builds on previous work on proposals for an automatic exchange of information and enlarges the scope to new types of financial instruments, which generate interest income.⁵⁶⁸

On 11 June 2014, the European Commission announced that it had opened three investigations “to examine whether decisions by tax authorities in Ireland, The Netherlands and Luxembourg with regard to the corporate income tax to be paid by Apple, Starbucks and Fiat Finance and Trade comply with the

⁵⁶⁰ Taxing the Digital Economy: Commission creates Expert Group to guide EU approach, European Commission (Brussels) 22 October 2013. Date of Access: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-983_en.htm

⁵⁶¹ Taxation of the Digital Economy: High-level Expert Group presents final report, European Commission 28 May 2014. Date of Access: 6 October 2014.

⁵⁶² Standard VAT Return: Easing life for businesses and improving tax compliance, European Commission (Brussels) 23 October 2013. Date of Access: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-988_en.htm

⁵⁶³ VAT Gap: Frequently asked questions, European Commission (Brussels) 19 September 2013. Date of Access: 30 March 2014. http://europa.eu/rapid/press-release_MEMO-13-800_en.htm

⁵⁶⁴ Tackling Tax Avoidance: Commission tightens key EU corporate tax rules, European Commission (Brussels) 25 November 2013. Date of Access: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-1149_en.htm

⁵⁶⁵ Report on the proposal for a Council directive amending Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, European Parliament (Strasbourg) 23 March 2014. Date of Access: 30 March 2014. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2014-0243+0+DOC+XML+V0//EN>

⁵⁶⁶ Platform for Tax Good Governance, European Commission (Brussels) 22 January 2014. Date of Access: 30 March 2014. http://ec.europa.eu/taxation_customs/resources/documents/taxation/gen_info/good_governance_matters/platform/meeting_20140206/tax_havens.pdf

⁵⁶⁷ Fighting tax evasion: Commission sets up a Platform for Tax Good Governance, European Commission (Brussels) 23 April 2013. Date of Access: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-351_en.htm

⁵⁶⁸ Council adopts new rules on the taxation of savings income, Council of the European Union (Brussels) 24 March 2014. Date of Access: 30 March 2014. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/141817.pdf

EU rules on state aid.” The investigation is focused on whether certain companies “have received significant tax reductions by way of ‘tax rulings’ issued by national tax authorities.”⁵⁶⁹

On 20 June 2014, the Council of the European Union agreed on a tax rule change that would “prevent the double non-taxation of corporate groups deriving from hybrid loan arrangements.” The amendment closes a loophole that allows corporations to exploit mismatches between national tax rules and avoid paying taxes on certain types of profits.⁵⁷⁰

The European Union is awarded a score of +1 for complying with its commitment to tackle tax avoidance, harmful practices, and aggressive tax planning.

Analysts: Theodora Mladenova and James Flynn

⁵⁶⁹ State aid: Commission investigates transfer pricing arrangements on corporate taxation of Apple (Ireland) Starbucks (Netherlands) and Fiat Finance and Trade (Luxembourg), European Commission 11 June 2014. Date of Access: 7 October 2014. http://europa.eu/rapid/press-release_IP-14-663_en.htm

⁵⁷⁰ Council agrees to close tax loophole for corporate groups, Council of the European Union 20 June 2014. Date of Access: 7 October 2014. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/143274.pdf

5. Food and Agriculture: Food Price Volatility and Sustainable Agriculture

“We reaffirm our determination to implement all existing initiatives including that stated in the Action Plan on Food Price Volatility and Agriculture which the G20 endorsed in 2011.”

G20 St. Petersburg Leader’s Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan		0	
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.80	

Background

Food Export Restrictions: Removal of Restrictions for Non-Commercial Humanitarian Purposes

G20 Leaders at their meeting in Seoul on 11-12 November 2010 reaffirmed the extension of the stand-still commitment to resist protectionism until the end of 2013 and asked the World Trade Organization (WTO), Organisation for Economic Co-operation and Development (OECD), and United Nations Conference on Trade and Development (UNCTAD) to continue monitoring the situation and to report publicly on a semi-annual basis.⁵⁷¹

On 23 June 2011, G20 agriculture ministers met for the first time in Paris and agreed on an action plan to address the problems of food price volatility and food security. Ministers emphasized that “food export barriers restricting humanitarian aid penalize the most-needy” and thus “food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by the WFP

⁵⁷¹ The Seoul Summit Document, G20 Information Centre (Toronto) 12 November 2010. Access Date: 22 February 2012. <http://www.g20.utoronto.ca/2010/g20seoul-doc.html>

[World Food Programme]” should be lifted and not imposed in the future.⁵⁷² This commitment was fully reaffirmed at the G20 Cannes Summit.

Thirteen countries, including several G20 members, and the EU proposed the removal of export restrictions imposed on food bought by WFP for humanitarian purposes to be agreed at the 2011 WTO Ministerial Conference in Geneva.^{573,574} According to the International Centre for Trade and Sustainable Development Argentina, Brazil, China, India and South Africa opposed this move.⁵⁷⁵ The proposal has not received the needed consensus support, thus decision on this issue was not adopted at the WTO Geneva ministerial.⁵⁷⁶

Humanitarian food export restrictions also were on the agenda of the 2009 G8 L’Aquila Summit. At this meeting the G8 leaders called “upon all countries to remove food export restrictions or extraordinary taxes, especially for food purchased for humanitarian purposes, and to consult and notify in advance before imposing any new restriction.”⁵⁷⁷

In accordance with the Camp David Accountability Report, as of 19 May 2012 all export restrictions and extraordinary taxes, especially for food purchased for humanitarian purposes, have been removed or were never introduced by the G8 members.⁵⁷⁸

At the 2011 Cannes Summit, in the Summit Final Declaration and the appended Action Plan on Food Price Volatility and Agriculture, G20 countries committed to “removing food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by the World Food Program and agree not to impose them in the future.”⁵⁷⁹

Excessive Food Price Volatility: Mitigation of the adverse effects of excessive food price volatility on the most vulnerable

A recent focus of food security has been on the effect of excessive price volatility on food security. The negative impacts of excessive price volatility are felt most acutely by the poorest communities and by many producers. Over one billion people suffer from hunger and poverty because of fluctuating price trends, the economic crisis and underinvestment in agriculture.⁵⁸⁰

In 2008, the G8 created the Global Partnership for Agriculture, Food Security and Nutrition. It operates with three broad objectives: (1) to ensure coherent food security policies, (2) to collect data

⁵⁷² G20 Agriculture Ministers’ Action Plan on Food Price Volatility and Agriculture, G20 Information Centre (Toronto) 23 June 2011. Access Date: 1 February 2014. <http://www.g20.utoronto.ca/2011/2011-agriculture-plan-en.pdf>

⁵⁷³ Australia, Canada, Chile, Costa Rica, Korea, Indonesia, Japan, Mexico, Norway, Saudi Arabia, Singapore, Switzerland and Turkey

⁵⁷⁴ Geneva Ministerial Conference 2011: Briefing note on food security, World Trade Organization (Geneva). Access Date: 1 February 2014. http://www.wto.org/english/thewto_e/minist_e/min11_e/briefingfoodsec_e.htm

⁵⁷⁵ WTO Members Table Proposals on Agricultural Export Restrictions. <http://ictsd.org/i/news/bridgesweekly/117348/>

⁵⁷⁶ Eighth Ministerial Conference. Chairman’s Concluding Statement, World Trade Organization (Geneva) 17 December 2011. Access Date: 1 February 2014 <http://docsonline.wto.org/imrd/directdoc.asp?DDFDdocuments/t/WT/MIN11/11.doc>

⁵⁷⁷ L’Aquila Joint Statement on Global Food Security: L’Aquila Food Security Initiative (AFSI), G8 Information Centre 9 July 2009. Access Date: 1 February 2014. <http://www.g8.utoronto.ca/summit/2009laquila/2009-food.html>.

⁵⁷⁸ Camp David Accountability Report. Actions, Approach and Results, U.S. Department of State 19 May 2012. Access Date: 1 February 2014.

⁵⁷⁹ The Cannes Summit Document, G20 Information Centre (Toronto) 4 November 2011. Access Date: 1 February 2014. <http://www.g20.utoronto.ca/2010/g20seoul-doc.html>

⁵⁸⁰ L’Aquila Joint Statement on Global Food Security: L’Aquila Food security Initiative (AFSI), G8 Information Centre (Toronto) 9 July 2009. Access Date: 6 February 2014. <http://www.g8.utoronto.ca/summit/2009laquila/2009-food.html>

regarding food production and security, and (3) to reverse the downward trend in financing for agriculture.⁵⁸¹

In 2009, the G8 members created the L'Aquila Food Security Initiative to address excessive price volatility. The G8 stressed the need for urgent action. They committed to partnering with vulnerable countries to help them develop sustainable food security strategies, as well as foster economic growth and social progress.⁵⁸²

At the 2010 Seoul Summit, the G20 leaders requested that the Food and Agriculture Organization (FAO), OECD, and other international institutions create a joint report recommending policy options for agricultural reform. The report stressed the importance of designing effective risk management instruments and recommended that risk management instruments be flexible and market-based. In addition, the report recommended that the G20 support risk management services which include facilitation of commodity hedging, advisory services to strengthen in-country financial risk management capacity, disaster risk financing, and modernization of meteorological services.⁵⁸³

In 2011, the World Bank in coordination with the G20 announced the Agricultural Price Risk Management (APRM) product. The APRM product protects consumers and producers from price volatility and improves their access to hedging instruments.⁵⁸⁴ The G20 hopes to expand the APRM product and has encouraged other international financial institutions to develop similar initiatives.⁵⁸⁵

At the 2011 Cannes Summit, the G20 went one step further and committed to the development of specific appropriate risk-management instruments to “mitigate the adverse effects of excessive price volatility for the most vulnerable.”⁵⁸⁶

Sustainable Agriculture: Adaptation of agriculture to climate change and the improvement of the efficiency of water and soil use in a sustainable manner

At the Los Cabos Summit held on 18-19 June 2012, G20 leaders affirmed their on-going commitment to improving domestic food and agricultural practices, with a particular focus on adapting agriculture so as to mitigate its contributions to climate change.⁵⁸⁷ The commitment responded to calls for heightened international cooperation on the use of land and water resources recently expressed by the United Nations.

As put forth by the FAO, “increasing competition over natural resources because of population and economic growth, climate change and other drivers is magnifying the challenges of natural resource

⁵⁸¹ Financing food security: a private-sector agenda, G8 Information Centre (Toronto) 29 October 2012. Access Date: 6 February 2014. <http://www.g8.utoronto.ca/newsdesk/cannes/g20cannesthunell-en.html>

⁵⁸² L'Aquila Joint Statement on Global Food Security: L'Aquila Food security Initiative (AFSI), G8 Information Centre (Toronto) 9 July 2009. Access Date: 6 February 2014. <http://www.g8.utoronto.ca/summit/2009laquila/2009-food.html>

⁵⁸³ Price Volatility in Food and Agriculture Markets: Policy Responses, OECD (Paris) 2 June 2011. Access Date: 6 February 2014. <http://www.oecd.org/dataoecd/40/34/48152638.pdf>

⁵⁸⁴ Price Volatility in Food and Agriculture Markets: Policy Responses, OECD (Paris) 2 June 2011. Access Date: 6 February 2014. <http://www.oecd.org/dataoecd/40/34/48152638.pdf>

⁵⁸⁵ World Bank Group Announces New Instrument to Help Food Producers and Consumers in Developing Nations Deal with Volatile Prices, World Bank (Washington) 21 June 2011. Access Date: 6 February 2014. <http://go.worldbank.org/T7EA0VLHG0>

⁵⁸⁶ Cannes Final Declaration, G20 Information Centre (Toronto) 4 November 2011. Access Date: 6 February 2014. http://agriculture.gouv.fr/IMG/pdf/2011-06-23_-_Action_Plan_-_VFinale.pdf

⁵⁸⁷ G20 Leaders Declaration, G20 Information Center (Toronto) 19 June 2012. Access Date: 8 February 2014. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

management.”⁵⁸⁸ In such progressively challenging conditions, it becomes crucial to bring attention to and make decisions on the sustainable use of land and water in agriculture to “ensure land and water remain a conduit for agricultural and economic growth and for the general advancement of human well-being.”⁵⁸⁹

Several international conventions and initiatives have been developed in order to foster international cooperation. The 1972 United Nations Conference on Human Environment in Stockholm served as the catalyst that brought the need for cooperation on environment and natural resource management to the fore. The 1992 United Nations Conference on Environment and Development (UNCED), also known as the Earth Summit, in Rio de Janeiro reaffirmed the need for enhanced natural resource management.⁵⁹⁰

These have been followed by several other international conferences, the most recent of which was the 2012 United Nations Conference on Sustainable Development held in Rio de Janeiro, and international and regional agreements. As the FAO asserts, “International cooperation on agricultural research has been one of the shining examples of successful cooperation and has achieved significant impacts on the livelihoods of the global community.”⁵⁹¹

At the Los Cabos Summit in 2012, the G20 members committed to engaging in practices that focus on adapting agricultural practices to climate change and improving the efficiency of water and soil use.⁵⁹² These practices include, but are not limited to, adopting methods to enhance soil fertility, engaging in minimum tillage, and promoting agroforestry domestically.

Recognizing the need to disseminate sustainable agriculture practices, FAO endorses and encourages the use of several such practices:

- 1) Direct seeding or planting, which is equivalent to minimum tillage, involves “growing crops without mechanical seedbed preparation and with minimal soil disturbance since the harvest of the previous crop.”⁵⁹³
- 2) The use of permanent soil covers is necessary to protect the soil against a range of harmful environmental exposures, to provide the organisms in the soil with nutrients, and to alter the microclimate in the soil to induce optimal growth and development of soil organisms.⁵⁹⁴

⁵⁸⁸ Report 16: International Cooperation for Sustainable Land and Water Management, Food and Agriculture Organization of the United Nations (Rome) 2011. Access Date: 2 February 2014.

http://www.fao.org/fileadmin/templates/solaw/files/thematic_reports/TR_16_web.pdf.

⁵⁸⁹ Report 16: International Cooperation for Sustainable Land and Water Management, Food and Agriculture Organization of the United Nations (Rome) 2011. Access Date: 2 February 2014.

http://www.fao.org/fileadmin/templates/solaw/files/thematic_reports/TR_16_web.pdf.

⁵⁹⁰ Report 16: International Cooperation for Sustainable Land and Water Management, Food and Agriculture Organization of the United Nations (Rome) 2011. Access Date: 2 February 2014.

http://www.fao.org/fileadmin/templates/solaw/files/thematic_reports/TR_16_web.pdf.

⁵⁹¹ Report 16: International Cooperation for Sustainable Land and Water Management, Food and Agriculture Organization of the United Nations (Rome) 2011. Access Date: 2 February 2014.

http://www.fao.org/fileadmin/templates/solaw/files/thematic_reports/TR_16_web.pdf.

⁵⁹² Los Cabos Final Declaration, G20 Information Center (Toronto) 19 June 2012. Access Date: 8 February 2014.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/131069.pdf

⁵⁹³ The Main Principles of Conservation Agriculture, Food and Agriculture Organization of the United Nations (Rome) 2012. Access Date: 8 February 2012. <http://www.fao.org/ag/ca/1b.html>

⁵⁹⁴ The Main Principles of Conservation Agriculture, Food and Agriculture Organization of the United Nations (Rome) 2012. Access Date: 8 February 2014. <http://www.fao.org/ag/ca/1b.html>

- 3) Crop rotation is necessary to provide a diversity of nutrients to the soil organisms and to allow these organisms to reach the different soil layers.⁵⁹⁵

These practices, among others, are examples of agriculture methods that improve the efficiency of water and soil use in a sustainable manner.

Definitions

Agroforestry: the management approach of intentional combining of agriculture and working trees to create sustainable farming and ranching systems.⁵⁹⁶

Minimum tillage: the tillage practice in which the seeds are placed into the soil with the minimum soil disturbance possible.⁵⁹⁷

Commitment Features

Food Export Restrictions

“According to the Action Plan, we agree to remove food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by the World Food Program and agree not to impose them in the future.” — *2009 Cannes Summit Final Declaration*

To comply with the first component of the commitment, G20 members must (1) remove outstanding food export restrictions or extraordinary taxes for food purchased by the World Food Program during this compliance cycle, i.e., since the St. Petersburg Summit held on 6 September 2013, or have already removed all food export restrictions during previous compliance cycles; and (2) restrain from imposing new food export restrictions for food purchased by the WFP throughout this compliance cycle.

Food export restrictions in this case imply any limitations on the quantity of goods exported to a particular country or countries imposed by national authorities. As for types of food purchased by the WFP, it procures mainly wheat, maize, rice, wheat flour, pulses, vegetable oil, sorghum, maize, meal, sugar and blended food. The latter includes soya blends with wheat, rice and corn, high energy biscuits, emergency rations and ready-to-use supplementary foods (breast milk supplement).⁵⁹⁸

Concrete examples of export restrictions negatively affecting the WFP food procurement process are presented in the Annex 2.A1 of the OECD Economic Impact of Export Restrictions on Raw Materials publication. Some of them may still be effective at the moment. Sources of information on existing food export restrictions also include the WTO reports on G20 trade measures, FAO Commodity and Trade Policy Research Working Paper No. 32 and International Food and Agricultural Trade Policy Council Position Paper. These sources provide information on trade measures. As some restrictive measures could have been imposed before the period monitored by this report, analysis doesn't require registering all the cases of removing humanitarian food export restrictions. In addition, a certain limitation is posed by the fact that the WTO reports and the FAO Working paper do not specify whether described measures were humanitarian by nature.

⁵⁹⁵ The Main Principles of Conservation Agriculture, Food and Agriculture Organization of the United Nations (Rome) 2012. Access Date: 8 February 2014. <http://www.fao.org/ag/ca/1b.html>

⁵⁹⁶ Agroforestry – Enriching Our Lives With Trees That Work, United States Department of Agriculture National Agroforestry Center (Lincoln) 18 February 2012. Access Date: 8 February 2014. <http://nac.unl.edu/documents/multimedia/presentations/Canned-PowerPoints/AgroforestryOverview2-18-12.ppt>

⁵⁹⁷ Conservation Agriculture: Soil Tillage, Food and Agriculture Organization of the United Nations (Rome) 2012. Access Date: 8 February 2014. <http://www.fao.org/ag/ca/3b.html>

⁵⁹⁸ WFP's Food Procurement Annual Report 2011, World Food Programme (Rome) February 2012. Access Date: 12 March 2012. <http://documents.wfp.org/stellent/groups/public/documents/communications/wfp244715.pdf>

As it could be hardly expected that a member removes all existing export restrictions during the compliance period, removal or easing of at least one restrictive measure will register as full compliance with the first part of this sub-commitment. Yet, all data available for monitoring should be used to assess compliance. At the same time, analysts are aware that this compliance measure strongly depends on the data completeness and non-inclusion of facts in the report can change the member scores.

If the G20 member country has already removed all food export restrictions for food purchased for non-commercial humanitarian purposes by the WFP — even though actions were not taken during the compliance cycle hereby monitored — the country also registers full compliance.

As for the second part of this sub-commitment, it is straight-forward in requiring that the G20 member restrains from imposing any new food export restrictions for food purchased by the WFP throughout this compliance cycle.

Excessive Food Price Volatility

“We commit to mitigate the adverse effects of excessive price volatility for the most vulnerable through the development of appropriate risk-management instruments. These actions are detailed in the development section of this final Declaration.” — *2009 Cannes Summit Final Declaration*

To comply with the second component of the commitment, the G20 member must take steps to support the development of risk-management instruments. The development section of the G20 Cannes final declaration lists commodity hedging, weather index insurances, contingent financing tools and the APRM product as risk management instruments to be supported.

For the purposes of this report, “development” refers to actions taken by the member to fund existing programs or risk management instruments, or develop programs and policies that create or expand risk management instruments.

Sustainable Agriculture

“[We recognize the need to adapt agriculture to climate change and we recognize the importance of improving the efficiency of water and soil use in a sustainable manner. To this end,] we support the development of and a greater use of available technologies, well-known practices and techniques such as soil fertility enhancement, minimum tillage and agroforestry.” — *2012 Los Cabos Summit Final Declaration*

To comply with the third component of the commitment, the G20 member must foster both the development and greater use of available technologies, practice, and techniques which produce minimal harm to the environment. If the member promotes either the development or the greater use of such mechanisms, it qualifies as non-compliance.

All developments and implementation frameworks should be on a national level; adopted international developments and implementation frameworks are not acceptable.

Despite the commitment’s explicit mentioning of soil fertility enhancement, minimum tillage, and agroforestry, the commitment does not limit the members to those three. The member is free to turn to other available technologies, well-known practices and techniques for improving the efficiency of water and soil use in a sustainable manner to qualify for full compliance.

Scoring Guidelines

-1	G20 member fails to: (1) Remove any of the existing export restrictions and extraordinary taxes on food purchased by the World Food Programme AND restrain from implementing new ones; (2) Support new or existing risk-management instruments to mitigate excessive food price volatility; and (3) Develop AND implement agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.
----	--

0	G20 member complies with one or two components of the three components of this commitment: (1) Removal of food export restrictions on food purchased by the World Food Programme AND non-imposition of new ones; (2) Support of new or existing risk-management instruments to mitigate food price volatility; and (3) Development AND Implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment..
+1	G20 member is successful in: (1) Removing any of the existing export restrictions and extraordinary taxes on food purchased by the World Food Program AND restraining from implementing new ones; (2) Supporting new or existing risk-management instruments to mitigate excessive food price volatility; and (3) Developing AND implementing agricultural technologies, well-known practices, and techniques that produce minimal harm to the environment.

Lead Analyst: Mickael Deprez

Argentina: +1

Argentina has fully complied with its food and agriculture commitment.

It has complied with the following three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) On food export restrictions; according to the reports published by the World Trade Organization on the G20 trade and investment measures, Argentina has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁵⁹⁹

No instance of Argentina imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

On 6 March 2014, the Argentinian Ministry of Agriculture, Livestock and Fisheries Office invested ARS288 million into three provinces to promote effective development in the agricultural sector. The release specifically mentions that the investment puts emphasis on creating sustainable farms and improving technology used in the environment.⁶⁰⁰

On 13 January 2014, Argentina announced it would permit 500,000 metric tonnes of wheat and 50,000 tonnes of flour products to be exported.⁶⁰¹ Following a year of good harvest, the Argentinian Government has said that it will consider reducing export restrictions further.

In December 2013, small beekeepers were allowed to export 8,000 tons of honey detailed in a report published on the Argentinian Ministry of Agriculture, Livestock and Fisheries Office's website. Nine

⁵⁹⁹ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 8 March 2014.
http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm

⁶⁰⁰ Agriculture announced contributions by more than 288 million pesos for Black River, Neuquen and Chubut. Ministerio de Agricultura, Ganaderia y Pesca (Buenos Aires) 6 March 2014. Access Date: 3 October 2014.
http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140306143459

⁶⁰¹ Against the Grain: Argentina's wheat exports. The Economist (Buenos Aires) 15 January 2014. Access Date: 27 January 2014. <http://www.economist.com/blogs/americasview/2014/01/argentinas-wheat-exports>

groups formed by beekeeping cooperatives took part in the seminar. The suitability of export regulations was also discussed for the beekeeping sector.⁶⁰²

(2) On excessive food price volatility, on 15 October 2014, Argentina's Minister of Agriculture, Livestock, and Fisheries, Carlos Casamiquela, and Juan Bontempo, National Insurance Superintendent, signed a cooperation agreement to improve the management of agricultural activity against exogenous factors caused by weather inconsistencies throughout the national territory.⁶⁰³ According to Casamiquela, the agreement is an attempt at "generating various tools, since we want to minimize the effect of risks in agricultural production." The agreement also contemplates a study of the occurrence and magnitude of damages caused from weather events, as well as the training and financial assistance for the carrying out of informational activities and investigation applied to agricultural risks. An objective of the agreement is to create a field of public-private coordination on the basis of an integrated sustainable system. The agreement has an expected duration of two years, with possibility for extensions.

On 16 December 2013, Bloomberg reported Argentina's new controls over the price limits on food products, which were implemented after two years of consistently high inflation. First implemented in June 2013 when the government froze the prices of 500 goods, it was reported that the controls would be further intensified starting January 2014.⁶⁰⁴

(3) On agricultural technologies, on 24 September 2014, the Argentinian Ministry of Agriculture, Livestock, and Fisheries organized a meeting with over 300 producers in the agricultural sector as part of the National Roundtable for Sustainable Agriculture event in Salta.⁶⁰⁵ The National Roundtable for Sustainable Agriculture is a permanent working commission organized through the combined effort from the Episcopal Commission for Social Pastoral of the Catholic Church and the Secretariat of Family Agriculture, part of the Ministry of Agriculture, Livestock and Fisheries Office. The primary objective of the Roundtable is to enable the exchange of knowledge and the understanding of the existing situations of conflict, and through experiences that have proven successful, find possible solutions.⁶⁰⁶ Together with Salta's governor, Juan Manuel Urtubey, minister Carlos Casamiquela gave contributions on the order of ARS 373 million destined to new areas of risk, regional economies, aboriginal communities, and the wine sector.

⁶⁰² Small beekeepers exported 8,000 tons of honey. Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires). 18 December 2013. Access Date: 10 March 2014.

http://64.76.123.202/site/economias_regionales/institucional/index.php?edit_accion=noticia&id_info=131218200907

⁶⁰³ Agricultura firmó un convenio para mejorar la gestión de riesgo agropecuario. Ministry of Agriculture, Livestock, and Fisheries (Buenos Aires), 15 October 2014. Access Date: 18 October 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=141015142617.

⁶⁰⁴ Argentina to Tighten Food Price Controls as Inflation Quickens. Bloomberg. 16 December 2013. Access Date: 10 March 2014. <http://www.bloomberg.com/news/2013-12-16/argentina-to-tighten-food-price-controls-as-inflation-quickens.html>.

⁶⁰⁵ Casamiquela encabezó en Salta la Mesa Nacional de Diálogo para la Agricultura Sustentable y llamó a "seguir construyendo caminos de diálogo para una Argentina cada vez mejor". Ministry of Agriculture, Livestock, and Fisheries (Buenos Aires), 24 September 2014. Access Date: 18 October 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140924153603.

⁶⁰⁶ Casamiquela encabezó en Salta la Mesa Nacional de Diálogo para la Agricultura Sustentable. Secretary of Public Communication (Buenos Aires), 24 September 2014. Access Date: 19 October 2014.

<http://prensa.argentina.ar/2014/09/24/53142-casamiquela-encabezo-en-salta-la-mesa-nacional-de-dialogo-para-la-agricultura-sustentable.php>.

From 22 to 24 September 2014, the Argentinian government organized the National Roundtable for Sustainable Agriculture.⁶⁰⁷ With the presence of Argentina's Minister of Agriculture, Livestock, and Fisheries, Carlos Casamiquela, the objective of the event was to present experiences of good practices in various production systems in the sector. The event included the presence of various actors representing the Church, State, business entities, peasant organizations, indigenous organizations, and the family farming sector.

On 17 September 2014, the Ministry of Agriculture, Livestock, and Fisheries organized the third event on the awareness of Good Phytosanitary Practices.⁶⁰⁸ With more than 300 people present, the activity had the objective of presenting different operations involving the correct application of plant protection products in order to create awareness of the benefits these good practices can generate to the communities, animals, and environment.

On 27 August 2014, following the ongoing efforts to meet the goals set forth by the Agri-Food and Agribusiness Strategic Plan for 2020, the Argentinian Ministry of Agriculture, Livestock, and Fisheries gathered the main actors in the sectors in order to come up with new methodologies for efficient access and distribution of water resources, considered by the government as a strategic factor for food production.⁶⁰⁹

On 20 August 2014, under the coordination of the Secretary of Political and Institutional Agricultural Emergency Coordination, the Ministry of Agriculture, Livestock, and Fisheries conducted the workshop on "Climate Change and Agriculture in International Negotiations."⁶¹⁰ The purpose of this workshop was to address the influence climate change bears on the food production sector and consequently analyzing the containment of the risks involved.

On 15 April 2014, a workshop on "Accessibility policies to land in the context of sustainable rural development" was sponsored by the National Land and Agricultural Units Directorate.⁶¹¹ Among the topics addressed during the workshop was the discussion on the increase in rural land productivity, as well as the appropriate use and conservation of the soil. Following the different presentations, the participants and technicians worked cooperatively in the exchange of projects and knowledge about different aspects of the relevant issues.

On 8 April 2014, the Argentinian Ministry of Agriculture, Livestock, and Fisheries and the Subsecretary of Family Farming, Emilio Pérsico, organized a round of the National Roundtable for Sustainable Agriculture with the participation of representatives from the family farming sector as well as

⁶⁰⁷ Casamiquela encabezó en Salta la Mesa Nacional de Diálogo para la Agricultura Sustentable y llamó a "seguir construyendo caminos de diálogo para una Argentina cada vez mejor". Ministry of Agriculture, Livestock, and Fisheries (Buenos Aires), 24 September 2014. Access Date: 18 October 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140924153603.

⁶⁰⁸ Agricultura promueve la concientización de las Buenas Prácticas Fitosanitarias. Ministry of Agriculture, Livestock, and Fisheries (Buenos Aires), 17 September 2014. Access Date: 18 October 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140917143754.

⁶⁰⁹ Agricultura busca optimizar el uso del agua para riego. Ministry of Agriculture, Livestock, and Fisheries (Buenos Aires), 27 August 2014. Access Date: 18 October 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140827163140.

⁶¹⁰ Argentina fortalece su trabajo en las negociaciones internacionales sobre cambio climático y agricultura. Ministry of Agriculture, Livestock, and Fisheries (Buenos Aires), 20 August 2014. Access Date: 18 October 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140820195142.

⁶¹¹ Taller por el acceso a la tierra y una mayor productividad del suelo. Ministry of Agriculture, Livestock, and Fisheries (Buenos Aires), 15 April 2014. Access Date: 18 October 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140415191652.

representatives from various business entities.⁶¹² The main objective of the meeting was to eradicate violence and prevent the expulsion of people from their rural territories. Pésico reinforced the importance of the coexistence and mutual necessities of large-scale production as well as family agriculture models. In addition to that, the meeting aimed at enabling the exchange of information between the sectors and the learning of various practices that allow for the sustainable development of the communities involved.

On 6 March 2014, the Argentinian Ministry of Agriculture announced it would give ARS288 million to Black River, Neuquen and Chubut. This money will enable rural workers to “generate more inclusive and sustainable production systems” and to “improve socio-productive conditions of the areas.”⁶¹³

On 20 December 2013, an NEA Regional Workshop took place in Northeastern University, Corrientes Province. The workshop on “Policies to improve land access in rural development context” was attended by provincial officials who gave an account of land access in their respective province. At the end of the workshop, a “Deed of Declaration” was signed by the provinces, which detailed many necessary changes, including “the institutionalization of a debate space, new public policies and paradigm changes in administration and use of rural land in the Northeast.”⁶¹⁴

In November 2013, Argentina and Paraguay created a plan to boost their agricultural sectors starting in 2014. The plan involves a bilateral project, which began in February-March 2014, to develop agricultural production, marketing and sustainability; set up a technical exchange between experts from the two countries; inaugurate technical training sessions between the two countries; include Paraguay in the discussion of bio-products; and implement the Value Added Program in Paraguay, which focuses on organic production and food stamps. This meeting included national and provincial authorities and officials from both Argentina and Paraguay.⁶¹⁵

On 17 October 2013, the Instituto Nacional de Tecnología Agropecuaria held a conference on Cassave. The event aimed to showcase and encourage sustainable technologies, as well as to introduce new techniques for family agriculture and small-scale production. The Rural Extension Agency Saenz Pena and Rural Development Office Campo Largo, the Central Integral Training CECAIN-INTA-Saenz Pena and the Secretariat hosted the conference for Family Agriculture’s Office and Ministry of Production.⁶¹⁶

On 25-26 September 2013, South American Ministers of Agriculture and the Secretaries of the Americas met in Argentina to broker agreements to foster sustainable and competitive agriculture. They agreed on a better integration and coordination between the Ministries of Agriculture with the aim of improving the management of water and agricultural supply through methods to reduce the water

⁶¹² Pésico encabezó jornada de la Mesa Nacional de Diálogo para la Agricultura Sustentable. Ministry of Agriculture, Livestock, and Fisheries (Buenos Aires), 14 April 2014. Access Date: 18 October 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140414201427.

⁶¹³ Agriculture announced contributions by more than 288 million pesos for Black River, Neuquen and Chubut. Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires). 6 March 2014. Access Date: 7 March 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140306143459.

⁶¹⁴ NEA Regional Workshop: Policy on Access to Land in the Context of Sustainable Rural Development. Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires). 20 December 2013. Access Date: 10 March 2014.

http://64.76.123.202/site/areas/tierras/index.php?edit_accion=noticia&id_info=140109142918.

⁶¹⁵ Argentina and Paraguay define joint projects of agricultural building for 2014. Instituto Interamericano de Cooperación para la Agricultura. December 2013. Access Date: 1- March 2014.

<http://www.iica.int/Esp/prensa/IICAConexion/IICAConexion2/2013/N35/secundaria4.aspx>.

⁶¹⁶ Workshop on Cassava. Instituto Nacional de Tecnología Agropecuaria. 4 November 2013. Access Date: 10 March 2014. <http://inta.gob.ar/noticias/jornada-sobre-mandioca/>.

footprint of agriculture, amongst others. The agreement also mentions public-private agreements to increase efficiency in agriculture and methods to boost regional mechanisms that monitor agriculture and water resources.⁶¹⁷

Argentina has taken action to fully comply with the three pillars of this commitment. It has fully complied with its commitment to remove food export restrictions, implement risk management systems and implement sustainable agricultural practices.

Argentina has thus been awarded a score of +1.

Analyst: Alessandra Harkness

Australia: +1

Australia has fully complied with its food and agriculture commitment.

It has complied with the three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) Australia has refrained from imposing export restrictions for food purchased for non-commercial purposes by the World Food Program.

According to the reports published by the World Trade Organization on the G20 trade and investment measures, Australia has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁶¹⁸

No instance of Australia imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) On food price volatility, on 4 June 2014, Australian Minister of Agriculture Barnaby Joyce announced a drought concessional loan scheme to help the farmers from Queensland and New South Wales to go through the drought conditions and to recover once the conditions improve. The loans can be used for debt restructuring, operating expenses, and drought recovery and preparedness activities.⁶¹⁹

On 20 March 2014, the two Australian houses of Parliament passed the Farm Household Support Bill 2014, which delivers a “once-in-a-generation reform of government support” for farmers in hardship by introducing the Farm Household Allowance.⁶²⁰ From 1 July 2014, the allowance will be available to recipients for up to three years.⁶²¹ Recipients will have access to a wide range of other benefits,

⁶¹⁷ Meeting of Ministers of Agriculture De Las Americas 2013. Statement of Ministers of Agriculture. September 25-26 2013. Access Date: 10 March 2014. http://www.iica.int/Esp/Ministros2013/Documents/Declaracion_ESP.pdf.

⁶¹⁸ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 8 March 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁶¹⁹ Drought Concessional Loans. Ministry of Agriculture (Canberra), 1 Oct 2014. Access Date: 3 October 2014, <http://www.agriculture.gov.au/agriculture-food/drought/assistance/concessional-loans>.

⁶²⁰ Farm Household Support Bill 2014. Parliament of Australia (Canberra), 20 March 2014. Access Date: 25 March 2014. http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r5179.

⁶²¹ Press Release: Income support for farming families in need. The Hon., Barnaby Joyce MP, Minister of Agriculture (Canberra), 1 July 2014. Access Date: 10 October 2014. <http://www.maff.gov.au/Pages/Media%20Releases/income-support.aspx>.

including an automatic entitlement to a health card and an AUS3 thousand advice and training grant. A portion of this fund is meant to “assist farmers to adopt smart risk management strategies.”⁶²²

On 12 February 2014, the Australian State Government has allocated a further AUS6 million to Queensland and AUS4 million to New South Wales to aid the state water infrastructure and draught resiliency programmes.⁶²³

(3) On environmentally sustainable agricultural methods, on 19 September 2014, Minister for the Environment, Greg Hunt, and Minister for Agriculture, Barnaby Joyce, launched the 25th Anniversary Landcare Grants 2014-15 at the 2014 National Landcare Conference. The Funding comprises up to AUS2.5 million for agriculture-focused projects. Grants of up to AUS20 thousand will assist local communities and individuals to undertake projects aimed at a better use of natural resources.⁶²⁴

On 25 March 2014, Australian Minister of Agriculture Barnaby Joyce released a soils strategy, the “first national and coordinated and forward thinking approach to managing soils.” Over the next five years, 150 different organizations across Australia will be involved in rolling out this strategy to provide better information and tools to farmers, scientists, and policymakers on soil-use management, as well as increasing productivity of the agricultural sector.⁶²⁵

On 14 January 2014, Australian Minister of Agriculture Barnaby Joyce announced the creation of thirty-one new projects, as part of the Australian Government’s AUS21.2 million Innovation Grants Program. The projects include MyBMP, an online management tool that helps the cotton farmers report on fertilizer, pesticide and water usage.⁶²⁶

Thus, for its efforts to improve food security, support existing risk-management mechanisms and enhance sustainable agriculture, Australia is awarded a +1.

Analyst: Andrei Burloiu

Brazil: +1

Brazil has fully complied with its food and agriculture commitment.

It has complied with the three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

⁶²² Press Release: Real Help for Farming Families. The Hon., Barnaby Joyce MP, Minister of Agriculture (Canberra), 21 March 2014. Access Date: 25 March 2014. <http://www.maff.gov.au/Pages/Media%20Releases/real-help-for-farming-families.aspx>.

⁶²³ Water Infrastructure Investment, Australian Government – Department of Agriculture, 19 Sep 2014, Access Date: 3 Oct 2014. <http://www.agriculture.gov.au/agriculture-food/drought/assistance/water-infrastructure-rebate>.

⁶²⁴ 25th Anniversary Landcare Grants 2014-2015. The Hon., Barnaby Joyce MP, Minister of Agriculture (Canberra), 19 September 2014. Access Date: 10 October 2014. <http://www.nrm.gov.au/national/25th-anniversary-landcare-grants>.

⁶²⁵ Press Release: National Soils Strategy to Dig Up the Good Stuff. The Hon. Barnaby Joyce MP Minister of Agriculture (Canberra), 25 March 2014. Access Date: 25 March 2014. <http://www.maff.gov.au/Pages/Media%20Releases/national-soils-strategy-to-dig-up-the-good-stuff.aspx>.

⁶²⁶ Press Release: Making Farming Smarter: Killer Honeybees, Fertilisers and other tools. The Hon., Barnaby Joyce MP, Minister of Agriculture (Canberra), 14 January 2014. Access Date: 25 March 2014 <http://www.maff.gov.au/Pages/Media%20Releases/making-farming-smarter.aspx>.

(1) Brazil has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

According to the reports published by the World Trade Organization on the G20 trade and investment measures, Brazil has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁶²⁷

No instance of Brazil imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) On food price volatility, Brazil has supported existing risk-management instruments and developed a new insurance scheme for family farmers, which account for 75 per cent of the national production.⁶²⁸

On 29 September 2014, the Brazilian National Monetary Council approved a new Family Farm Insurance scheme that will go beyond the standard coverage of production costs. Under the new scheme, family farmers are guaranteed a part of their expected income up to BRL20 thousand.⁶²⁹ The Family Farm Insurance protects family farmers against yield losses due to natural causes such as drought, excessive rain, hail, frost, and other extreme climatic events.

On 1 June 2014, the Brazilian Ministry of Agriculture launched the Agricultural and Livestock Plan 2014/15, which will run until 30 June 2015. Credit available under the plan has increased by 18 per cent compared to the previous year. However, the funds earmarked for the agricultural insurance has remained at the same level.⁶³⁰

On 28 February 2014, the Brazilian Ministry of Agriculture published a review on the provision of agricultural credit, highlighting an increase of 48.2 per cent in financing agribusiness in the first seven months of the Agricultural and Livestock Plan 2013/14, compared to the same period of the last season.⁶³¹ This programme made available a volume of BRL700 million worth of agricultural insurance, of which BRL525 million was allocated for priority regions and products with grants of 60 per cent of the premium. Another BRL175 million worth of agricultural insurance was earmarked for other regions and products, of which the subsidy was 40 per cent of the premium.⁶³²

(3) Brazil has taken steps to promote technologies, practices and techniques on greater efficient use of water and soil in a sustainable manner.

⁶²⁷ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 June 2014. Access Date: 10 October 2014. http://www.wto.org/english/news_e/news14_e/igo_17jun14_e.htm.

⁶²⁸ News: Credit for family farms contributed to a record production. Blog do Planalto (Brasilia), 28 August 2014. Access Date: 10 October 2014. <http://blog.planalto.gov.br/credito-para-agricultura-familiar-contribui-para-recorde-de-producao/>.

⁶²⁹ Press Release: Family farms will benefit from a new insurance scheme. Ministry of Agrarian Development (Brasilia), 29 September 2014. Access Date: 9 October 2014. <http://www.mda.gov.br/sitemda/noticias/agricultores-familiares-ter%C3%A3o-novo-modelo-de-seguro-em-2015>.

⁶³⁰ 156 billion Reais available for the agriculture and livestock plan 2014/2015. Ministry of Agriculture (Brasilia), 19 May 2014. Access Date: 10 October 2014. <http://www.agricultura.gov.br/politica-agricola/noticias/2014/05/plano-agricola-e-pecuario-201415-disponibiliza-mais-de-rs-156-bilhoes>.

⁶³¹ Press Release: Financing of Agribusiness amount to R\$98.2 Billion. Ministry of Agriculture (Brasilia), 28 February 2014. Date of Access: 8 March 2014. <http://www.agricultura.gov.br/politica-agricola/noticias/2014/02/agricultura-empresarial-contrata-rs-98-bi-em-financiamentos>.

⁶³² Press Release: Government made more resources for agriculture insurance available. Ministry of Agriculture (Brasilia), 1 August 2013. Date of Access: 26 February 2014. <http://www.agricultura.gov.br/politica-agricola/noticias/2013/08/governo-beneficia-produtores-com-mais-recursos-no-seguro-rural>.

On 27 August 2014, at the 17th meeting of the Southern Agricultural Council, representatives of the Ministries of Agriculture of Brazil, Argentina, Bolivia, Chile, Paraguay, and Uruguay, agreed to support research on new technologies and sustainable agriculture to increase food production, promote soil conservation, and adapt to the impacts of climate change. The Southern Agricultural Council was established in 2003 and aims to facilitate cooperation in agriculture between the Southern American states.⁶³³

On 20 August 2014, the Brazilian Ministry of Agriculture signed a technical cooperation agreement with the National Bank for Economic and Social Development, the Brazilian Agricultural Research Cooperation, and the Brazilian Federation of Banks, to develop the use of low-carbon technologies as part of the Agricultural Greenhouse Gases Reduction Programme.⁶³⁴

On 15 July 2014, the Brazilian Ministry of Agriculture signed agreements with the Company for Technical Assistance and Rural Extension (EMATER), a public entity, to implement projects aiming at developing low-carbon technologies in the Federal District and the state of Rio Grande do Sul. These agreements are part of the efforts made by the Ministry to preserve natural resources and increase agricultural production.⁶³⁵

On 15 April 2014, the Brazilian Ministry of Agriculture organised a seminar on soil conservation best management practises to commemorate the Soil Conservation National Day. “It is our duty to enhance and responsible farming practises such as the recovery of pasture fields, conservation tillage and crop rotation,” said Caio Rocho, the Secretary of Agriculture and Cooperative Development.⁶³⁶

On 19 March 2014, the Brazilian Ministry of Agriculture launched the second edition of its book on sustainable agriculture. The goal of this “reference guide” is to promote successful cases of sustainable management in agribusiness in order to incentivize farmers to adopt modern and sustainable practices, as well as to strengthen the dialogue between farmers and the Ministry of Agriculture.⁶³⁷

On 12 March 2014, the Brazilian Secretary of Agriculture and Cooperative Development announced that the Federal Government had secured BRL100 million for investment in training producers to improve their use of technology, including in irrigation and storage, to increase production as well as to preserve water.⁶³⁸

⁶³³ Press release: Southern Agricultural Council defines relevant actions for sustainable agriculture. Ministry of Agriculture (Brasilia), 27 August 2014. Access Date: 25 September, 2014.

<http://www.agricultura.gov.br/comunicacao/noticias/2014/08/conselho-agropecuario-do-sul-define-aco-es-relevantes-para-a-agricultura-sustentavel>.

⁶³⁴ Press release: Agreement with BNDES will prioritize low-carbon agriculture. Ministry of Agriculture (Brasilia), 20 August 2014. Access Date: 25 September 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/08/acordo-com-bndes-vai-priorizar-baixa-emissao-de-carbono-na-agricultura>.

⁶³⁵ Press release: MAPA supports low-carbon agriculture. Ministry of Agriculture (Brasilia), 15 July 2014. Access Date: 25 September, 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/07/mapa-incentiva-agricultura-de-baixa-emissao-de-carbono>.

⁶³⁶ Press release: A seminar gives examples of soil conservation best management practises. Ministry of Agriculture (Brasilia), 15 April 2014. Access Date: 9 October 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/04/seminario-exemplifica-boas-praticas-de-conservacao-do-solo/>.

⁶³⁷ Press release: MAPA launches book on best practises in sustainable agriculture management. Ministry of Agriculture (Brasilia), 19 March 2014. Date of Access: 23 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/03/mapa-lanca-obra-de-praticas-de-sucesso-de-gestao-sustentavel>.

⁶³⁸ Press Release: Secretary of the SDC Discusses Water Management in Agriculture. Ministry of Agriculture (Brasilia), 12 March 2014. Date of Access: 16 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/03/secretario-da-sdc-discute-gestao-da-agua-na-agricultura>.

On 9 January 2014, the Brazilian Ministry of Agriculture announced further steps to develop sustainable agriculture, including the creation of a commission to implement, monitor and evaluate the programs designed as part of the National Plan for Low-Carbon Emissions in Agriculture (Plan ABC).⁶³⁹

On 17 October 2013, the Brazilian Ministry of Agriculture launched the three-year National Plan for Organic Production and Agroecology (Planapo) with the goal of implementing programs that facilitate the transition from the traditional model to an agro-ecological model of production, with BRL1.8 billion worth of resources and BRL7 billion in credit.⁶⁴⁰ This initiative brings changes in production technology, research agenda, legal framework and relevant credit instruments.⁶⁴¹

On 4 October 2013, the Department of Agriculture and Cooperative Development of the Brazilian Ministry of Agriculture launched the Sustainable Agriculture for Rural Development Program in the city of Passo Fundo. With the goal of restoring over 6000 hectares of degraded forests and pastures, the four-year programme will be run in conjunction with the UK Ministry of Environment with an investment of BRL80 million. It will also include training courses on the plantation of commercial forests, the management of production systems and the rehabilitation of degraded areas.⁶⁴²

On 2 October 2013, the Brazilian Ministry of Agriculture announced a cooperation project on Sustainable Agriculture for Rural Development with the Government of the United Kingdom. The project teaches farmers how to recover the productive potential of degraded agricultural areas by using low-carbon agricultural technologies.⁶⁴³

On 18 September 2013, the Commission for Sustainable Development of Agriculture was created to monitor and develop projects related to the sustainable development of agriculture of agribusiness.⁶⁴⁴

Furthermore, Brazil partook in international discussions on challenges and opportunities related to price volatility and sustainable agriculture:

On 16-18 January 2014, Brazil participated in the sixth Berlin Agriculture Ministers Summit at which 65 ministries of agriculture, experts and international organizations discussed how to strengthen the agricultural sector and make it more resilient to guarantee food security for a growing population. The

⁶³⁹ Press release: New Practices may be incorporated into the ABC Plan. Ministry of Agriculture (Brasilia), 9 January 2014. Date of Access: 23 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/01/novas-praticas-poderao-ser-incluidas-no-plano-abc>.

⁶⁴⁰ Press Release: Antonio Andrade Attends the Launch of Planapo. Ministry of Agriculture (Brasilia), 17 October 2013. Date of Access: 16 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/10/antonio-andrade-participa-do-lancamento-do-planapo>.

⁶⁴¹ National Agroecological Plan and Organic Production. Ministry of Agriculture (Brasilia). Date of Access: 16 March 2014. <http://portal.mda.gov.br/portal/institucional/planapo>.

⁶⁴² Press Release: Caio Rocha Launches Program for Sustainable Agriculture in RS. Ministry of Agriculture (Brasilia), 1 November 2013. Date of Access: 7 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/11/caio-rocha-lanca-programa-de-agricultura-sustentavel-no-rs>.

⁶⁴³ Press release: Authority of the United Kingdom Highlights Partnership with Brazil. Ministry of Agriculture (Brasilia), 2 October 2013. Date of Access: 7 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/10/autoridade-do-reino-unido-destaca-parceria-com-o-brasil>.

⁶⁴⁴ Press release: MAPA will have a Commission for Sustainable Development of Agriculture. Ministry of Agriculture (Brasilia), 18 September 2013. Date of Access: 23 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/09/mapa-tera-comissao-de-desenvolvimento-sustentavel>.

summit put emphasis on issues such as climate change, the degradation of natural resources and rising fluctuations on agricultural markets.⁶⁴⁵

Thus, for its efforts to improve food security, support existing risk-management mechanisms and enhance sustainable agriculture, Brazil is awarded a +1.

Analyst: Jasper Lim

Canada: +1

Canada has fully complied with its food and agriculture commitment.

It has complied with the three components: removal of food export restrictions on food purchased by the World Food Program (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) Canada has fully complied with its commitment to remove food export restrictions or extraordinary taxes on food purchased for the WFP.

According to the Canadian export list, sugar is the only agricultural good that is regulated by the Government of Ontario and included in the WFP.⁶⁴⁶

According to the reports published by the World Trade Organization on the G20 trade and investment measures, Canada has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁶⁴⁷

No instance of Canada imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) On food price volatility, on 13 February 2014, Federal Agriculture Minister Gerry Ritz and Manitoba Food and Rural Development Minister Ron Kostyshyn announced that Manitoba will participate in the Western Livestock Price Insurance Program (WLPPI).⁶⁴⁸ The program will allow Manitoba's beef and pork producers to insure their herds against unexpected price drops. The WLPPI is a voluntary and user-friendly program that will assist producers in managing risk associated with market volatility and unanticipated price declines.

On 10 February 2014, Ritz and Saskatchewan Agriculture Minister Lyle Stewart announced the launch of the 2014 Crop Insurance Program.⁶⁴⁹ The insurance plan provides yield loss coverage for

⁶⁴⁵ Global Forum for Food and Agriculture 2014. German Federal Ministry of Food and Agriculture (Berlin), 16-18 January 2014. Date of Access: 14 October 2014. http://www.gffa-berlin.de/images/stories/GFFA2014/PDFs/Results_of_the_GFFA_2014.pdf.

⁶⁴⁶ Camp David Accountability Report. Actions, Approach and Results, U.S. Department of State. (Washington) 19 May 2012. Access Date: 28 Feb 2014. <http://www.state.gov/documents/organization/189889.pdf>.

⁶⁴⁷ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 8 March 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁶⁴⁸ News Release: Manitoba producers to benefit from new Livestock Price Insurance Program. Agriculture and Agri-Food Canada. (Ottawa) 13 February 2014. Access Date: 26 March 2014. <http://news.gc.ca/web/article-en.do?mthd=index&ctr.page=1&nid=815189>.

⁶⁴⁹ Enhancements Continue for the 2014 Crop Insurance Program. Agriculture and Agri-Food Canada. (Ottawa) 10 Feb 2014. Access Date: 9 March 2014. <http://news.gc.ca/web/article-en.do?mthd=index&ctr.page=1&nid=814869>.

Saskatchewan farmers and mitigates risks associated with farming practices. Ritz stated the Crop Insurance Program “includes improvements to assist Saskatchewan’s farmers and ranchers as they look towards a new growing season.” The insurance program will provide coverage for yields including barley, flax and field peas.

On 28 October 2013, Ritz and Manitoba’s Agriculture, Food and Rural Development Minister Ron Kostyshyn announced a new forage insurance package that will be available in 2014 for Manitoba beef and forage producers.⁶⁵⁰ Forage insurance will be provided through AgriInsurance, a federal-provincial-territorial Business Risk Management Program supported through Growing Forward 2, and be administered by Manitoba Agricultural Services Corporation. The new program will equip producers in Manitoba with an effective risk management tool for both forage crops and pastures. Producers will be able to choose between two main types of insurance; Select Hay Insurance, which will provide quality and production guarantees for different forage types on an individual basis, and Basic Hay Insurance, which will insure against production losses on a whole-farm basis at a lower cost. Additional types of insurance will include a Harvest Flood Option and an Enhanced Quality Option.

(3) On agricultural technologies, on 27 June 2014, the Manitoba Agriculture, Food and Rural Development Minister Ron Kostyshyn and Robert Sopuck, Member of Parliament for Dauphin-Swan River-Marquette, announced that Manitoba’s conservation districts will receive CAD750 thousand this year to work with farmers on projects that will improve water quality, support climate change adaptation, and preserve wildlife habitat. These projects are funded under Growing Forward 2-Ecological Goods and Services, a program designed to develop sustainable development initiatives.⁶⁵¹

On 26 February 2014, the Government of Canada and British Columbia invested CAD10.4 million in the Agri-Innovation Program through the Growing Forward 2 program. Projects that will be eligible for funding will include improvements in soil, water and air quality and energy and waste management.⁶⁵²

On 24 February 2014, Fisheries and Oceans Minister Gail Shea and Prince Edward Island Agriculture and Forestry Minister George Webster announced a CAD569 thousand investment in RWL Holding Ltd for advanced machinery in potato washing.⁶⁵³ The investment will aid potato farmers in the efficiency and profitability of their products. It will also reduce the number of potatoes that go to waste and reduce the environmental impact of the practice.

On 19 February 2014, Ritz announced an investment by the Canadian government in Bio-Amber Sarnia to promote the company’s continued growth.⁶⁵⁴ The investment is anticipated to increase the amount of bio-based succinic acid used in farming and produce less carbon than conventional methods.

In February 2014, Environment Canada tested the effects of the fumigant chloropicrin used in agriculture on groundwater. An Environment Canada official stated, “Monitoring wells and lysimeters

⁶⁵⁰ New Forage Insurance Package Available for Manitoba Beef, Forage Producers. Agriculture and Agri-Food Canada (Ottawa), 28 October 2013. Access Date: 16 October 2014. <http://news.gov.mb.ca/news/index.html?item=19332>.

⁶⁵¹ Press Release: Governments Invest in New On-Farm Conservation Projects to Benefit the Environment. Government of Canada (Ottawa), 27 June 2014. Access Date: 15 October 2014 <http://news.gc.ca/web/article-en.do?nid=863629>.

⁶⁵² Press Release: Agriculture innovation gets boost through Growing Forward 2. Agriculture and Agri-Food Canada (Ottawa), 26 February 2014. Access Date: 28 Feb 2014. <http://news.gc.ca/web/article-en.do?mthd=index&ctr.page=1&nid=819219>.

⁶⁵³ Press Release: Rwl Holdings LTD. Increases Productivity With New Innovative Equipment. Atlantic Canada Opportunities Agencies, (New Brunswick) 24 February 2014. Access Date: 28 Feb 2014. <http://www.acoa-apeca.gc.ca/eng/Agency/MediaRoom/NewsReleases/Pages/4241.aspx>.

⁶⁵⁴ Press Release: Harper Government Supports Canada’s First Commercial Bio-Based Chemical Plant. Government of Canada (Ottawa), 19 February 2014. Access Date: 4 March 2014. <http://news.gc.ca/web/article-en.do?nid=816809>.

will be installed in order to collect groundwater and surface water samples, respectively, and samples will be tested by accredited laboratories in accordance with approved testing standards.”⁶⁵⁵

Canada has taken action to fully comply with the three pillars of this commitment. It has fully complied with the commitment to remove food export restrictions, implemented risk management systems, and taken action to implement environmentally friendly agricultural practices. Canada has thus been awarded a score of +1.

Analysts: Andrei Burloiu and Christine Jacob

China: +1

China has fully complied with its food and agriculture commitment.

It has complied with the three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) China has refrained from imposing new export restrictions for food purchased for non-commercial purposes by the WFP.

According to the reports published by the World Trade Organization on the G20 trade and investment measures, China has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁶⁵⁶

Also, no instance of China imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) On price volatility, on 2 July 2014, the Chinese Ministry of Finance announced that it had allocated RMB12.69 billion to subsidize agricultural insurance in 2013, an increase of 600 per cent compared to 2007, the year when the subsidy programme was first piloted in six provinces and regions.⁶⁵⁷

On 23 April 2014, the State Council announced a set of policies aimed at boosting China’s rural growth, including nurturing the capital market in the rural areas and strengthening innovation in financial rural products. It also unveiled supportive measures such as corporate bond sales by rural companies, better agricultural insurance services, and a pilot programme to mortgage rural land-use rights.⁶⁵⁸

On 15 April 2014, Wang Zuji, the deputy head of the China Insurance Regulatory Commission, announced that the country would intensify its efforts to promote crop insurance mechanisms in a bid to secure food security and extend the insurance coverage from 45 per cent up to 60 per cent of the

⁶⁵⁵ News: Environment Canada preparing to test agricultural fumigant chloropicrin. The Guardian (London), 2 March 2014. Access Date: 2 March 2014. <http://www.theguardian.pe.ca/News/Local/2014-03-02/article-3630946/Environment-Canada-preparing-to-test-agricultural-fumigant-chloropicrin/1>.

⁶⁵⁶ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 8 March 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁶⁵⁷ News: China Boosts Agriculture Insurance. Xinhua News Agency (Beijing), 2 July 2014. Access Date: 13 October 2014. http://news.xinhuanet.com/english/china/2014-07/02/c_133455842.htm.

⁶⁵⁸ News: China Focus: Financial Package to Boost China's Rural Growth. Xinhua News Agency (Beijing), 23 April 2014. Access Date: 13 October 2014. http://news.xinhuanet.com/english/indepth/2014-04/23/c_133284246.htm.

cultivated land by 2020.⁶⁵⁹ China has become the world's second biggest agricultural insurance market after the United States.⁶⁶⁰

On 21 February 2014, the People's Bank of China announced that it would grant more credit to innovative family farms and agricultural cooperatives by adjusting loan rates, maturity length, and collateral. The decision supports new farming practices and pushes agricultural modernization.⁶⁶¹

On 19 January 2014, the Central Committee of the Communist Party and the State Council unveiled its first document policy for 2014, underscoring more rural reforms and planning the development of modern agriculture. This policy document published every year and dubbed the "No. 1 Central Document" identified 33 points for action and pledged to intensify support and protection for agriculture and promote financial support for rural areas, including more subsidies, more investment in mechanizing the sector and an improved compensation mechanism.⁶⁶²

(3) China has complied with its commitment to support and develop sustainable agricultural methods. On 29 September 2014, the Chinese Ministry of Water Resources said that the country's water saving irrigation technologies, low-pressure pipes, spray irrigation, and drip irrigation had reduced the amount of water used per mu of farmland from 420 cubic metres in 2000 to 361 cubic metres in 2013. These measures are said to improve both water conservation and crop yields.⁶⁶³

On 16 September 2014, at the 18th World Congress of the International Commission of Agricultural and Biosystems Engineering (CIGR) in Beijing the Chinese Vice Premier, Wang Yang, made the commitment that China was paying attention to agriculture and encouraged cooperation to create sustainable agricultural practices. The conference stressed that this development lies in agro-technology and engineering.⁶⁶⁴

On 22 May 2014, the State Council said that it would launch 172 water conservation projects before 2020, increasing water supply by 80 billion cubic metres annually. These projects will also save 26 billion cubic metres of water in agricultural production every year.⁶⁶⁵

On 22 January 2014, the Chinese Ministry of Agriculture announced that it would withdraw arable land contaminated by heavy metals from agriculture production, as well as farmland generating pollution through the use of pesticides near drinking water sources. These measures aim at restoring

⁶⁵⁹ News: China to Boost Crop Insurance. Xinhua News Agency (Beijing), 15 April 2014. Access Date: 13 October 2014. http://english.agri.gov.cn/news/dqnf/201404/t20140415_21630.htm.

⁶⁶⁰ News: China is World's Second Largest Agriculture Insurance Mart. Asia Insurance Review (Singapore), April 2014. Access Date: 13 October 2014. http://english.agri.gov.cn/news/dqnf/201405/t20140522_21972.htm.

⁶⁶¹ News: China to Finance New Farming Practises. Xinhua News Agency (Beijing), 21 February 2014. Access Date: 13 October 2014. http://news.xinhuanet.com/english/china/2014-02/21/c_133134031.htm

⁶⁶² News: Food Security, Rural Environment Top No.1 Document. Xinhua News Agency (Beijing), 20 January 2014. Access Date: 8 March 2014. http://news.xinhuanet.com/english/video/2014-01/20/c_133057955.htm.

⁶⁶³ News: China Promotes Water-Saving Irrigation. China Daily USA, 29 September 2014. Access Date: 4 October 2014. http://usa.chinadaily.com.cn/china/2014-09/29/content_18683497.htm.

⁶⁶⁴ Press Release: Leader, Scientists Call for Cooperation in Agro-Technology. Ministry of Agriculture of the People's Republic of China (Beijing), 18 September 2014. Access Date: 4 October 2014. http://english.agri.gov.cn/service/ce/201409/t20140919_23957.htm.

⁶⁶⁵ Press Release: China to Boost Water Conservation. Ministry of Agriculture of the People's Republic of China (Beijing), 22 May 2014. Access Date: 13 October 2014. http://english.agri.gov.cn/news/dqnf/201405/t20140522_21972.htm.

contaminated farmland and addressing the problem of excessive and improper use of resources that have affected food safety.⁶⁶⁶

On 4 December 2013, the Chinese Ministry of Agriculture announced that it would partner with Environment Facility to invest USD30.1 million over the next five years in a climate smart agriculture project. The project explores agricultural production systems, patterns and policy innovation in climate smart agriculture, increases adaptation of farming to climate changes and promotes practices for higher sustainable production.⁶⁶⁷

Thus, for its efforts to improve food security, support existing risk-management mechanisms and enhance sustainable agriculture, China is awarded a +1.

Analyst: Alessandra Harkness

France: +1

France has fully complied with its food and agriculture commitment.

It has complied with the following three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) France has successfully refrained from imposing export restrictions for food purchased for noncommercial purposes by the WFP. As an EU member, France export control is subjected to the Commission Regulation (EC) No 376/2008 of 23 April 2008. The regulation lays down common detailed rules for the application of the system of export licenses and advance fixing certificates for agricultural products.⁶⁶⁸ According to this document, members are authorized not to require an export license or licenses for products and/or goods consigned by private individuals or groups of private individuals with a view to their free distribution for humanitarian aid purposes in third countries.

According to the reports published by the World Trade Organization on the G20 trade and investment measures, France has not imposed any restrictions on humanitarian food exports before the St. Petersburg summit.⁶⁶⁹

Also, no instance of France imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) France has complied with its commitment to support new or existing risk-management instruments to mitigate excessive food price volatility. On 22 and 23 January 2014, the members of the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM) including France, along with the

⁶⁶⁶ News: China Focus: Polluted farmland restored for food safety. Xinhua News Agency, 22 January 2014. Access Date: 8 March 2014. http://news.xinhuanet.com/english/china/2014-01/22/c_133066345.htm.

⁶⁶⁷ Press Release: China, GEF to Jointly Invest in Climate Smart Agriculture Project. Ministry of Agriculture of the People's Republic of China (Beijing), 05 December 2013. Access Date: 17 March 2014. http://english.agri.gov.cn/news/dqnf/201312/t20131205_20811.htm.

⁶⁶⁸ Commission Regulation (EC) No 376/2008 of 23 April 2008. European Commission (Brussels). Access Date: 25 February 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008R0376:EN:NOT>.

⁶⁶⁹ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 June 2014. Access Date: 10 October 2014. http://www.wto.org/english/news_e/news14_e/igo_17jun14_e.htm.

French Ministry of Agriculture, and the Montpellier Mediterranean Agronomic Institute, launched the Mediterranean Agriculture Markets Information Network (MED-AMIN) in Paris. The MED-AMIN fosters cooperation and sharing of experiences amongst national information systems on agricultural markets, and will operate in relation with the initiative AMIS (Agricultural Markets Information System) based in Rome.⁶⁷⁰ The Ministers of Agriculture of the CIHEAM officially ratified the creation of the network during their 10th meeting in Algeria on 6 February 2014.⁶⁷¹

On 16 November 2013, the Council of EU Agriculture Ministers adopted the four Basic Regulations for the reformed Common Agriculture Policy (CAP) as well as the Transition Rules for 2014. While some of the aspects of the reformed CAP will apply from 1 January 2014, the majority of them will be implemented from 2015. The promise from EU leaders was more equitable, greener, and less bureaucratic. The deal leaves more flexibility for member states to implement the reforms the way it suits them.⁶⁷² The new CAP maintains the pillars of its previous version while increasing the links between states through better-targeted payments and more responsive safety net measures aimed at increasing the EU's capacity to cope with risks. These measures include a new crisis reserve of EUR400 million, an income stabilization tool, as well as a risk-management toolkit comprising insurance schemes and mutual funds.⁶⁷³

On 2 December 2013, the International Fund for Agricultural Development launched the Platform for Agricultural Risk Management (PARM). Several European partners, including the Agence Française de Développement (AFD), support this four-year initiative, which has a core funding of EUR5.95 million. PARM is an outcome of the G8 and G20 discussions on food security and agricultural growth.⁶⁷⁴

On 22 October 2013, French president François Hollande pledged to improve prevention and risk-management of food price volatility. In order to achieve said objectives, a working group composed of farmers, assurances companies and Ministry members had been set up in June 2013. In November 2013, the working group presented its preliminary results and identified three main areas of improvement: (1) bolstering the ability of farms to cope with environmental and climatic hazards; (2) improving insurance mechanisms; and (3) identifying the responsibilities of all public and private stakeholders and enhancing their participation. The final proposals will be presented to the French Ministry of Agriculture in June 2014.⁶⁷⁵

On 7 October 2013, French Minister of Agriculture Stéphane Le Foll took part in the Second Ministerial Meeting on International Food Prices held at the Food and Agriculture Organization in Rome. The aim of the meeting was to provide a forum for debates on the impacts on price volatility,

⁶⁷⁰ Communiqué: Fight against price volatility on agricultural markets. Ministry of Agriculture (France), 28 January 2014.

Date of Access: 25 February 2014. <http://agriculture.gouv.fr/Lutte-volatilite-prix-agricoles>.

⁶⁷¹ Press Release: 10th meeting of the Ministers of Agriculture of CIHEAM's member countries. CIHEAM (Paris), 6 February 2014. Date of Access: 25 February 2014. <http://www.ciheam.org/images/CIHEAM/PDFs/Cooperation/10mmc%20-%20press%20release.pdf>.

⁶⁷² Press Release: Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 5. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁶⁷³ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁶⁷⁴ Press Release: Agricultural risk management platform to be launched at IFAD. IFAD (Rome), 2 December 2013. Access Date: 28 March 2014. <http://www.ifad.org/media/press/2013/59.htm>.

⁶⁷⁵ Communiqué: Innovation in Agriculture Risk-Management. Ministry of Agriculture (Paris), 18 November 2014. Date of Access: 25 February 2014. <http://agriculture.gouv.fr/Innover-dans-la-gestion-des>.

the policy problems it poses, as well as to identify practices in handling a multidimensional policy problem.⁶⁷⁶

(3) On sustainable agriculture practices and technologies, on 14 October 2014, French President promulgated the “Law for the Future of Agriculture, Food and Forestry.”⁶⁷⁷ This promulgation occurred after almost one year of debates at the French Parliament and Senate.⁶⁷⁸ The law has four pillars, which aim to (1) Make agricultural supply chains more competitive; (2) Drive the adoption of agro-ecological solutions; (3) Focus on educating young people about food; (4) Rekindle debate on agriculture’s place in society. Other key parts of the new set of policies include measures to reduce the use of antibiotics in agriculture, protect agricultural land from land-use change, as well as stricter rules on crop spraying.⁶⁷⁹

On 18-19 September 2014, at the initiative of France, the UN Food and Agriculture Organisation (FAO) hosted its first symposium on agroecology at its headquarters in Rome. The two-day event brought together agroecology experts as well as political leaders, such as French Agriculture Minister Stéphane Le Foll who called to “begin producing food differently.” It featured presentations of the latest research findings, news on the initiatives underway, and produced scientific proceedings for websharing.^{680/681}

On 11 March 2014, the French Ministry of Agriculture announced a new project aimed at building resilient and sustainable family farms in the Savannah region of Togo. The project will provide family farmers with training in agroecology and agroforestry. Stephan Le Foll highlighted the importance of promoting innovative sustainable agriculture in the least developed countries.⁶⁸²

On 16-18 January 2014, France participated in the 6th Berlin Agriculture Minister’s Summit. The 65 ministries of agriculture, experts and international organizations, discussed how to strengthen the agricultural sector and make it more resilient to guarantee food security for a growing population. The summit put emphasis on issues such as climate change, the degradation of natural resources and rising fluctuations on agricultural markets. In their final communiqué, the ministers agreed on the necessity to protect soil and water for future generations in order to safeguard for the income of farming families.⁶⁸³

⁶⁷⁶ Press Release: Proceedings of the second ministerial meeting on international food price. FAO (Rome), 7 October 2013. Date of Access: 25 February 2014. <http://www.fao.org/docrep/019/i3519e/i3519e.pdf>.

⁶⁷⁷ Press Release: Publication on the Law for the Future of Agriculture, Food and Forestry. Ministry of Agriculture (Paris), 14 October 2014. Access Date: 15 October 2014. http://agriculture.gouv.fr/IMG/pdf/141014_CP_Publication_LAAF_GIEE_cle4ee76e.pdf.

⁶⁷⁸ Report: Law for the Future of Agriculture, Food and Forestry. Ministry of Agriculture (Paris), 1 October 2014. Access Date: 15 October 2014. <http://agriculture.gouv.fr/Loi-d-Avenir-pour-l-agriculture-l-22721>.

⁶⁷⁹ Report: Law for the Future of Agriculture, Food and Forestry. Ministry of Agriculture (Paris), October 2014. Access Date: 15 October 2014. http://agriculture.gouv.fr/IMG/pdf/LoiAvenir_cle8e43b9.pdf.

⁶⁸⁰ Press Release: First international symposium on agroecology at the FAO. Food security and nutrition: two major issues. Ministry of Agriculture (Paris), 19 September 2014. Access Date: 15 October 2014. <http://agriculture.gouv.fr/Premier-symposium-international-agroecologie-2014-engagement-de-la-France>.

⁶⁸¹ Press Release: International symposium on agroecology for food security and nutrition. FAO (Rome), September 2014. Access Date: 15 October 2014. <http://www.fao.org/agriculture/crops/thematic-sitemap/theme/spi/international-symposium/en/>.

⁶⁸² Press Release: A new project for the agroecological transition and family farming in Togo. Ministry of Agriculture (Paris), 11 March 2014. Access Date: 15 October 2014. <http://agriculture.gouv.fr/projet-agriculture-familiale-durable-Togo>.

⁶⁸³ Press Release: Global Forum for Food and Agriculture 2014. German Federal Ministry of Food and Agriculture (Berlin), 16-18 January 2014. Access Date: 16 October 2014. http://www.gffa-berlin.de/images/stories/GFFA2014/PDFs/Results_of_the_GFFA_2014.pdf

On 5 December 2013, the French Ministry of Agriculture launched a project that seeks to analyse the problems and opportunities associated with the use of biocontrol products in large cultivated areas and set out a strategy to promote them in the country.⁶⁸⁴

On 16 November 2013, the Council of EU Agriculture Ministers adopted the four Basic Regulations for the reformed CAP as well as the Transition Rules for 2014.⁶⁸⁵ In order to improve sustainability performance, the CAP created a simplified and more targeted system of environmental requirements and obligations to be met to receive the full payments. More especially, the reform introduced a new policy instrument in the first pillar: the Green Direct Payment. This will account for 30 per cent of the national payments and will reward farmers for respecting sustainable practices such as crop diversification, maintenance of permanent grassland, and ecological focus areas.⁶⁸⁶

In October 2013, the French Ministry of Agriculture launched the sixth edition of the Sustainable Agriculture Award competition. The awards are given to farmers who have developed and adopted the most innovative sustainable agricultural practices, especially in the field of agroecology.⁶⁸⁷

On 18 September 2013, the French Ministry of Agriculture and GDF Suez, a French multinational energy utility company (electricity generation and distribution, natural gas and renewable energy) signed a partnership agreement on “promoting energy transition actions in the agricultural sector.” The cooperation will focus on three main objectives. It will support: (1) the development of collective farm biogas projects; (2) the development of the wood biomass sector and increase the amount of forest areas engaged in a process of sustainable economic management; and (3) the energy transition in the food industry sector to make it more competitive.⁶⁸⁸

Thus, for its efforts to improve food security, reduce the effects of price volatility and enhance sustainable agriculture, France is awarded a +1.

Analyst: Mickael Deprez

Germany: +1

Germany has complied with its food and agriculture commitment.

It has complied with the following three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) Germany has refrained from imposing any restrictions that could negatively impact the movement of food for humanitarian aid. As an EU member, Germany export control is subject to the Commission

⁶⁸⁴ Press Release: Call for expressions of interest on biocontrol products. Ministry of Agriculture (Paris), 5 December 2013. Date of Access: 25 February 2013. <http://agriculture.gouv.fr/manifestation-interet-biocontrole>.

⁶⁸⁵ The Common Agricultural Policy. European Commission (Brussels). Access Date: 11 October 2014. <http://ec.europa.eu/agriculture/cap-post-2013/>.

⁶⁸⁶ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf

⁶⁸⁷ Press Release: Agroecology in Action. Ministry of Agriculture (Paris), 18 October 2013. Date of Access: 25 February 2013. <http://agriculture.gouv.fr/L-agro-ecologie-en-action-Stephane>.

⁶⁸⁸ Press Release: Stéphane Le Foll and Gérard Mestrallet signed a partnership for the ecological transition in the agriculture, agribusiness and forestry sectors. Ministry of Agriculture (Paris), 19 September 2013. Date of Access: 25 February 2013. <http://agriculture.gouv.fr/Stephane-LE-FOLL-et-Gerard>.

Regulation (EC) No 376/2008 of 23 April 2008. The regulation lays down common detailed rules for the application of the system of export licenses and advance fixing certificates for agricultural products. According to this document, members are authorized not to require an export license or licenses for products and/or goods consigned by private individuals or groups of private individuals with a view to their free distribution for humanitarian aid purposes in third countries.⁶⁸⁹

According to the reports published by the World Trade Organization on the G20 trade and investment measures, Germany has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁶⁹⁰

No instance of Germany imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) Germany has taken first steps to implement the reformed CAP that introduced new risk-management mechanisms.

On 14 February 2014, the Bundesrat passed an act that grants a redistribution premium to small and medium-sized farms. By December 2014, farmers will receive an additional payment for the first 46 hectares alongside the single farm payment. The act enshrines the payment of EUR50/ha for the first 30 hectares and EUR30/ha for the next 16 hectares. The overall sum allocated to this redistribution totals EUR352 million. Highlighting the need for a diverse agricultural sector, German Minister of Agriculture called this act “the successful start of the transposition of the CAP reform at national level.”⁶⁹¹

On 16 November 2013, the Council of EU Agriculture Ministers adopted the four Basic Regulations for the reformed CAP as well as the Transition Rules for 2014.⁶⁹² While some of the aspects of the reformed CAP will apply from 1 January 2014, the majority of them will be implemented from 2015. The promise from EU leaders was from a more equitable, greener and less bureaucratic. The deal leaves more flexibility for member states to implement the reforms the way it suits them.⁶⁹³ The new CAP maintains the pillars of its previous version while increasing the links between them through better-targeted payments and more responsive safety net measures aimed at increasing the EU’s capacity to cope with risks. These measures include a new crisis reserve of EUR400 million, a risk-management toolkit including insurance schemes, mutual funds, as well as an income stabilization tool.⁶⁹⁴

⁶⁸⁹ Commission Regulation (EC) No 376/2008 of 23 April 2008. European Commission (Brussels). Access Date: 25 February 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008R0376:EN:NOT>.

⁶⁹⁰ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 June 2014. Access Date: 10 October 2014. http://www.wto.org/english/news_e/news14_e/igo_17jun14_e.htm.

⁶⁹¹ Press Release: Small and medium-sized farms to be placed on a better footing in 2014, Federal Ministry of Food and Agriculture, 14 February 2014, (Berlin). Access Date: 8 March 2014. http://www.bmel.de/SharedDocs/Pressemitteilungen/EN/2014/046-BauernbetriebeDirektzahlungen.html?searchArchive=0&cl2Categories_Themen=LandwirtschaftLaendlicheRaeume&submi%20t=Search&monat=monat&jahr=2014&searchIssued=1.

⁶⁹² The Common Agricultural Policy. European Commission (Brussels). Access Date: 11 October 2014. <http://ec.europa.eu/agriculture/cap-post-2013/>.

⁶⁹³ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 5. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁶⁹⁴ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

(3) Germany has taken steps to enhance the development of sustainable practices through international exchange. Furthermore, the country will implement the environmentally friendly components of the reformed CAP.

On 19 January 2014, the German and Zambian Ministries of Agriculture signed a bilateral agreement for the establishment of German-Zambian Agricultural Training and Knowledge Centre. It will provide farmers and technicians with practice-oriented training in modern agricultural equipment and sustainable cultivation methods regarding crop farming.⁶⁹⁵

On 10 December 2013, the German Federal Ministry of Food and Agriculture announced a new project on forest management in emerging and developing countries in conjunction with the Food and Agriculture Organization (FAO). Its goal is to ensure the sustainable management of private forests in order to improve living conditions, nutrition, and income situations of the communities that live around them. The project has started a couple of days earlier with an international conference organized in the Chinese city of Guilin by the FAO. Over 140 experts gathered to discuss living conditions and food security problems in rural areas.⁶⁹⁶

On 6 November 2013, the German Federal Ministry of Food and Agriculture announced the introduction of a bio-economy module into the schools' curriculum. The class provides ninth grade pupils with a solid overview of the bio-economy, including food security challenges, climate change, biodiversity conservation, and the gradual replacement of dwindling fossil fuels with renewable resources.⁶⁹⁷

Improved sustainability performance is one of the main objectives of the new CAP that was approved in November 2013. The reformed CAP introduced a new policy instrument in the first pillar: the Green Direct Payment, a scheme under which the farmers will be rewarded for respecting sustainable practices such as crop diversification, maintenance of permanent grassland, and ecological focus areas. Overall, the reform created a simplified and more targeted system of environmental requirements and obligations to be met to receive the full payments granted by the CAP.⁶⁹⁸

Germany has participated in international discussions on challenges and opportunities related to agriculture risks and sustainable agriculture.

On 16-18 January 2014, the German Federal Ministry of Food and Agriculture organized the sixth Berlin Agriculture Ministers Summit. The participants, which included 65 ministries of Agriculture, experts, and international organizations, discussed how to strengthen the agricultural sector and make it more resilient to guarantee food security for a growing population. The summit put emphasis on issues such as climate change, the degradation of natural resources, and rising fluctuations on agricultural

⁶⁹⁵ Press Release: Friedrich signs contract for the creation of a German-Zambian agricultural training centre. Federal Ministry of Food and Agriculture (Berlin), 20 January 2014. Access Date: 15 March 2014. <http://www.bmel.de/SharedDocs/Pressemitteilungen/2014/021-FR-Agrartrainingszentrum-Sambia.html?searchArchive=0&submit=Suchen&monat=monat&jahr=2014&searchIssued=1>.

⁶⁹⁶ Press Release: BMELV and FAO launch new forest protection project. Federal Ministry of Food and Agriculture (Berlin), December 2013. Access Date: 15 March 2014. <http://www.bmel.de/SharedDocs/Pressemitteilungen/2013/303-BL-BMELV-FAO-Waldschutz-Projekt.html?searchArchive=0&submit=Suchen&monat=monat&jahr=2013&searchIssued=1>.

⁶⁹⁷ Press Release: Bio-Economy as part of the curriculum. Federal Ministry of Food and Agriculture (Berlin), 6 November 2013. Access Date: 24 March 2013. <http://www.bmel.de/SharedDocs/Pressemitteilungen/2013/289-bbw-Unterrichtsmodul.html?searchArchive=0&submit=Suchen&monat=monat&jahr=2013&searchIssued=1>.

⁶⁹⁸ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

markets. In their final communiqué, the ministers agreed on the necessity to protect soil and water for future generations in order to safeguard for the income of farming families.⁶⁹⁹

As a result of its full compliance with the three parts of the agriculture commitment, Germany is awarded a score of +1.

Analyst: Andrei Burloiu

India: +1

India has complied with its food and agriculture commitment.

It has complied with the following three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) On food export restrictions, on 23 September 2014, United States Department of Agriculture published a report revealing that India's agricultural exports have surged in the last 10 years, especially to developing countries, which now account for nearly 80 per cent of India's exports. In 2013, the country became the first agricultural supplier to least developed countries with USD5.2 billion worth of sales.⁷⁰⁰

During this compliance cycle, the Indian government removed three restrictive measures implemented at an earlier date.

On 5 July 2014, the Indian government removed the quantitative ceiling on exports of organic sugar till the time export of sugar is permitted freely. However, the export of organic sugar would be permitted as long as it was subject to registration of quantity and certified by Agricultural and Processed Food Products Export Development Authority (APEDA).⁷⁰¹

On 24 January 2014, the Indian Agriculture Ministry announced its decision to move a Cabinet note for lifting the eight-year ban on the export of pulses in order to protect farmers from sharp fall in domestic prices. The Indian Ministry is considering allowing export of pulses without quantitative restrictions and placing the commodity under the open general license category.⁷⁰²

⁶⁹⁹ Global Forum for Food and Agriculture 2014. German Federal Ministry of Food and Agriculture (Berlin), 16-18 January 2014. Access Date: 16 October 2014. http://www.gffa-berlin.de/images/stories/GFFA2014/PDFs/Results_of_the_GFFA_2014.pdf.

⁷⁰⁰ India Sees Surge in Agricultural Exports to Least Developed Countries. United States Department of Agriculture (Washington DC). Access Date: 7 October 2014. <http://www.fas.usda.gov/data/india-sees-surge-agricultural-exports-least-developed-countries>.

⁷⁰¹ News: Govt Lifts Quantitative Ceiling on Organic Sugar Exports. Business Standard (New Delhi), 23 September 2014. Access Date: 07 October 2014. http://www.business-standard.com/article/markets/govt-lifts-quantitative-ceiling-on-organic-sugar-exports-114070500658_1.html.

⁷⁰² Agriculture Ministry To Move Cabinet Note To Lift Pulses Export Ban. The Economic Times (New Delhi), 14 January 2014. Access Date: 10 March 2014. http://articles.economictimes.indiatimes.com/2014-01-14/news/46185541_1_pulses-export-export-ban-cabinet-note.

On 9 January 2014, the Indian government issued “Removal of (Licensing requirements, Stock limits and Movement Restrictions) on Specified Foodstuffs Order, 2002,” exempting stocks of edible oil, oil seeds, and rice meant for export from the stock holding limit under the Essential Commodities Act.⁷⁰³

Furthermore, on 16 June 2014, the Indian government announced it would exempt Bhutan from any ban on export of milk powder, wheat, edible oil, pulses, and non-basmati rice.⁷⁰⁴

However, the Indian government introduced two restrictive measures during this compliance cycle:

On 27 June 2014, it imposed a USD450 per tonne minimum price export (MEP) on potatoes to ensure its adequate availability should the domestic production suffer because of poor monsoon.⁷⁰⁵

On 1 November 2013, the Indian government reintroduced a MEP on onions and then raised it several times to restrain exports and boost domestic supplies. On 5 March 2014, the Indian government removed the restrictions on onion exports in order to boost shipments.⁷⁰⁶ On 17 June 2014, it reintroduced the MEP.⁷⁰⁷

Despite removing the newly introduced restrictive measure during the same compliance cycle during which it introduced it, the Indian Government nevertheless failed to comply with its commitment to refrain from imposing any new measure. As such, full marks cannot be awarded to India for this sub-commitment.

(2) On mitigating food price volatility, on 4 September 2014, the Indian Ministry of Agriculture said it planned to introduce a Farm Income Insurance scheme that aims at protecting the farmers by giving them insurance coverage for their production and market risks.⁷⁰⁸

On 15 July 2014, the Indian Ministry of Food Processing Industries said that it was working to create a national food grid, which would connect deficient areas with producing regions. This would help reduce wastage of fruits and vegetables while ensuring stable prices that can help reduce food inflation. As part of the plan, the government is developing a food map and a national cold chain grid.⁷⁰⁹

⁷⁰³ India: Stock limits on edible oil, oil seeds and rice meant for exports removed, Global Trade Alert, Centre for Economic Policy Research (London) 17 January 2014. Access Date: 12 April 2014. <http://www.globaltradealert.org/measure/india-stock-limits-edible-oil-oil-seeds-and-rice-meant-exports-removed>.

⁷⁰⁴ News: India Exempts Bhutan From Any Ban or quantitative restrictions on food exports. The Hindu (Chennai), 16 June 2014. Access Date: 9 October 2014. <http://www.thehindubusinessline.com/economy/india-exempts-bhutan-from-any-ban-or-quantitative-restrictions-on-food-exports/article6119244.ece>.

⁷⁰⁵ News: Minimum export price of \$450 per tonne on potato. The Economic Times (New Delhi), 27 June 2014. Access Date: 27 June 2014. http://articles.economictimes.indiatimes.com/2014-06-27/news/50912422_1_mep-finance-minister-agriculture-minister.

⁷⁰⁶ News: Government Removes Minimum Export Price on Onions. Press Trust of India (New Delhi), 5 March 2014. Access Date: 10 March 2014. <http://profit.ndtv.com/news/industries/article-government-removes-minimum-export-price-on-onions-382178>.

⁷⁰⁷ Notification No 82 (RE – 2013)/2009-2014: Subject:- Export Policy of Onions. Ministry of Commerce (New Delhi), 27 June 2014. Access Date: 9 October 2014. <http://dgft.gov.in/Exim/2000/NOT/NOT13/not8214.htm>.

⁷⁰⁸ Press release: Farm Income Insurance Scheme to Provide Protection to Farmers Against Natural Calamities is on the Cards: Radha Mohan Singh. Ministry of Agriculture (New Delhi), 4 September 2014. Access Date: 10 October 2014. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=109321>.

⁷⁰⁹ News: Government Plans National Food Grid to Rein in Prices. The Times of India (Mumbai), 16 July 2014. Access Date: 8 October 2014. <http://timesofindia.indiatimes.com/business/india-business/Govt-plans-national-food-grid-to-rein-in-prices/articleshow/38457265.cms>.

On 10 July 2014, while presenting the first budget of the Modi's government Arun Jaitley, the Indian Minister of Finance, announced the creation of a Price Stabilisation Fund with a corpus of INR5 billion to help the farmers to deal with price volatility. The Indian government will also provide funding to 500,000 joint farming groups of "Bhoomi Heen Kisan" through the National Bank for Agriculture and Rural Development (NABARD) to help as a large number of landless farmers who are denied institutional finance.⁷¹⁰

On 4 February 2014, the Indian Ministry of Agriculture issued the operational guidelines for the implementation of the National Crop Insurance Programme. The National Agriculture Insurance Scheme (NAIS) was upgraded to the Modified NAIS (MNAIS), which was originally in its pilot stages in 2013. The modification will bring two major advantages to the farmers. First, the unit area for determining the damage will be smaller. Previously, an insured farmer would only be eligible for relief if his entire revenue circle suffered crop damage. Second, the indemnity level will be raised from 60 per cent to 80 or 90 per cent depending on the vulnerability of the area. Furthermore, the central and state governments will now subsidize the half premium in MNAIS.⁷¹¹

On 1 November 2013, the Indian Ministry of Agriculture launched a new plan that opens agriculture insurance to the private sector and merged NAIS, Pilot Weather Based Crop Insurance Scheme, Pilot MNAIS and Pilot Coconut Palm Insurance Scheme into the "Rashtriya Fasal Bima Karyakram" or National Crop Insurance Program. Private sector companies with adequate infrastructure and experience will be allowed to implement this program alongside the Agriculture Insurance Company of India (AIC). This is expected to ease the burden on AIC and provide farmers with better service and alternative insurance schemes.⁷¹²

On 7 October 2013, the Indian Minister of Consumer Affairs, Food and Public Distribution stated during the Food and Agriculture Organization's Ministerial Meeting on International Food Prices that India was supporting the initiatives launched by the G20 forum, especially the Agricultural Market Information System (AMIS) and the Rapid Response Forum (RRF). India has already taken steps in this direction by appointing the nodal points for AMIS and RRF to make these mechanisms fully operative, he said.⁷¹³ However, no further indication was found on the implementation of the two initiatives in India.

On 10 September 2013, Indian president Shri Pranab Mukherjee signed into law the National Food Security Act, which guarantees the "right to food" to 67 per cent of the population by ensuring that they will have access to food grains at the most affordable prices, thereby protecting them against price volatility.⁷¹⁴

(3) On agricultural technologies, on 10 September 2014, the Indian Prime Minister Narendra Modi met with the Food and Agriculture Organization (FAO) Director-General Jose Graziano da Silva to discuss how to strengthen efforts to promote India's food security and sustainable agricultural development.

⁷¹⁰ Budget 2014-2015. Speech of Arun Jaitley, Minister of Finance (New Delhi), 10 July 2014. Access Date: 8 October 2014. http://finmin.nic.in/fmspeech/fm_budgetspeech_july2014.pdf.

⁷¹¹ Operational guidelines for the implementation of the National Crop Insurance Programme. Ministry of Agriculture (New Delhi), 4 February 2014. Access Date: 15 March 2014. <http://agricoop.nic.in/imagedefault/whatsnew/finalOP-Ncip.pdf>.

⁷¹² India Opens Agriculture Insurance to Private Sector. Oryza (New Delhi), 1 November 2013. Access Date: 12 March 2014. <http://oryza.com/news/rice-news/india-opens-agriculture-insurance-private-sector>.

⁷¹³ Statement by Prof. K.V Thomas, Minister of Consumer Affairs, Food and Public Distribution. FAO Ministerial Meeting on International Food Prices. FAO (Rome), 7 October 2013. Access Date: 2 March 2014. http://www.fao.org/fileadmin/user_upload/faoweb/docs/MM2-statements/2013-MM2-India.pdf.

⁷¹⁴ The National Food Security Act, 2013. Ministry of Law and Justice (New Delhi), 10 September 2013. Access Date : 23 March 2014. http://egazette.nic.in/WriteReadData/2013/E_29_2013_429.pdf.

Reducing food loss and waste and improving food storage were the specific areas in which the Indian Prime Minister has decided to seek help from the FAO.⁷¹⁵

On 10 July 2014, the Indian Minister of Finance, Arun Jaitley, announced in the 2014-2015 budget a national agriculture sector that is based on a more effective and sustainable use of nature resources. To move towards this goal, the Indian government intends (1) to provide farmers with Soil Health Cards, which would inform them about the strengths and weaknesses of their soils and contain recommendations on how to improve productivity by wisely using inputs; (2) to set up Mobile Soil Testing Laboratories in 2014/2015; (3) to establish a National Adaptation Fund for climate change.⁷¹⁶

On 28 February 2014, the Indian Cabinet approved the National Mission for Sustaining the Himalayan Ecosystem (NMHSE) to develop capacity to assess the status of the Himalayan ecosystem, as well as facilitated policy formulation for the development of the mountainous region. The mission was launched under the National Action Plan on Climate Change with a budget of INR550 billion to be allocated during the 12th plan. NMHSE is expected to address a variety of issues such as Himalayan glaciers, prediction and management of natural hazards, bio-diversity and wildlife conservation.⁷¹⁷

On 26 and 27 February 2014, in New Delhi, the Indian Ministry of Agriculture organized the National Conference on Agriculture for Kharif Campaign 2014. Policymakers from the central and state governments and scientists gathered to discuss the maximization of the production of various crops in the coming Kharif season. Group discussion about topics such as the strategy for enhancement of crop production and the adoption of improved technology for efficient use of water, nutrients and plant protection chemicals were organised.⁷¹⁸

On 10-14 February 2014 the World Agroforestry Centre, the Indian Council of Agricultural Research and the Indian Society of Agroforestry and Global Initiatives organized the World Congress on Agroforestry. With its goal to discuss the contribution of agroforestry to sustainability, climate change mitigation and how best to boost innovative initiatives in the area, the congress brought together leading researchers and businesses. During the congress, Rita Sharma, Indian Secretary of the National Advisory Council, announced an investment of USD30–40 million in the national agroforestry policy.⁷¹⁹

On 6 February 2014, the Indian Cabinet approved the National Agroforestry Policy to meet the demand of an increasing population for food, timber, fuel, and fodder given climate change and shrinking natural resources. It will also improve productivity, create employment opportunities and

⁷¹⁵ Press Release: Food Security tops agenda with India's Prime Minister Modi. FAO (Rome), 10 September 2014. Access Date: 8 October 2014. <http://www.fao.org/news/story/fr/item/243183/icode/>.

⁷¹⁶ Budget 2014-2015. Speech of Arun Jaitley, Minister of Finance (New Delhi), 10 July 2014. Access Date: 8 October 2014. http://finmin.nic.in/fmspeech/fm_budgetspeech_july2014.pdf.

⁷¹⁷ News: Cabinet Approves Plan to Sustain Himalayan Ecosystem. News Track India (New Delhi), 28 February 2014. Access Date: 16 March 2014. <http://www.newstrackindia.com/newsdetails/2014/02/28/361--Cabinet-approves-plan-to-sustain-Himalayan-ecosystem-.html>.

⁷¹⁸ News: Shri Pawar Calls for Greater Research Intervention for Raising Crop Production, Greater focus on Oilseeds and Coarse Cereals Contingency Plans Ready to Deal with the Eventuality of Poor Monsoon National Conference for Kharif Campaign Begins. Ministry of Agriculture (New Delhi), 26 February 2014. Access Date: 8 March 2014. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=104264>.

⁷¹⁹ World Congress on Agroforestry. Trees for Life: Accelerating the Impacts of Agroforestry. Delhi, India, 10 – 14 February 2014. Access Date: 15 March 2014. <http://www.wca2014.org>.

generate income. The Indian Parliament also approved the policy that was inspired by the government of India's target to increasing forest or tree cover to 33 per cent from the present level of 25 per cent.⁷²⁰

On 24 December 2013, the Uttarakhand government announced that it is preparing an investment of INR9,000 billion to tackle climate change in the state, as it is one of the frequent causes of natural disasters. According to the plan, INR80 billion will be spent on agriculture to improve soil health in the plains and conserve soil and water. The state will spend INR832 billion on the following: afforestation, rehabilitation of degraded forests and increase of forest density. INR369 billion will be allocated for the study of climate parameters, community-level planning, threat perception and the management of water reservoirs.⁷²¹

On 9 December 2013, the Indian Ministry of Agriculture launched the National Mission for Sustainable Agriculture (NMSA), as part of the National Action Plan for Climate Change, to support the transformation of the Indian agriculture into a climate resilient production system through climate mitigation and adaptation strategies. The NSMA will focus on the promotion of on integrated farming, resource conservation technologies, comprehensive soil health management, efficient on-farm water management and mainstreaming rain-fed technologies.⁷²²

Furthermore, India participated in international discussions on challenges and opportunities related to agriculture risks and sustainable agriculture:

On 16-18 January 2014, India participated in the 6th Berlin Agriculture Ministers Summit in which 65 ministries of agriculture, experts and international organizations discussed how to strengthen the agricultural sector and make it more resilient to guarantee food security for a growing population. The summit put emphasis on issues such as climate change, the degradation of natural resources and rising fluctuations on agricultural markets.⁷²³

Thus, for its efforts to improve food security, support existing risk-management mechanisms and enhance sustainable agriculture, India is awarded a +1.

Analyst: Ishita Guptan

Indonesia: +1

Indonesia has fully complied with its food and agriculture commitment

It has complied with the three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

⁷²⁰ National Agroforestry Policy. Ministry of Agriculture (New Delhi), 2014. Access Date: 15 March 2014. <http://agricoop.nic.in/imagedefault/whatsnew/Agroforestry.pdf>.

⁷²¹ Uttarakhand Prepares Rs9k-cr Action Plan on Climate Change. Business Standard (Uttarakhand), 24 December 2013. Access Date: 12 March 2014. http://www.business-standard.com/article/current-affairs/uttarakhand-prepares-rs-9k-cr-action-plan-on-climate-change-113122400633_1.html.

⁷²² National Mission for Sustainable Agriculture (NMSA): Operational Guidelines. Department of Agriculture & Cooperation. (New Delhi), 2014. Access Date: 6 March 2014. <http://agricoop.nic.in/imagedefault/whatsnew/nmsaguidelines.pdf>.

⁷²³ Global Forum for Food and Agriculture 2014. German Federal Ministry of Food and Agriculture (Berlin), 16-18 January 2014. Access Date: 16 October 2014. http://www.gffa-berlin.de/images/stories/GFFA2014/PDFs/Results_of_the_GFFA_2014.pdf.

(1) Indonesia has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

According to the reports published by the World Trade Organization on the G20 trade and investment measures, Indonesia has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁷²⁴

No instance of imposition of new export restrictions during the compliance period has been found.

(2) On food price volatility, on 23 October 2013, Bank Indonesia and the Ministry of Agriculture, in cooperation with insurance companies, launched the Cattle Insurance Scheme.⁷²⁵ The program will increase farmers' access to financing sources in the agricultural sector. It will assist farmers in mitigating risks, in the form of insurance, associated with death and loss of cattle, as well as price fluctuations.

From October 2013 to March 2014, the Indonesia Ministry of Agriculture will continue implementing agriculture insurance programs. Since October 2012, the Ministry of Agriculture has tested Rice Farm Insurance on 3000 hectares of land in three provinces. The trial has involved state-owned fertilizing companies financing 80 per cent of the insurance premiums while farmers cover the remaining 20 per cent. From October The Japan International Cooperation Agency (JICA) has supported this pilot project through the so-called "Capacity Development for Climate Change Strategies in Indonesia" programme.⁷²⁶

On 1 August 2013, Indonesia's Agriculture Ministry proposed to allocated USD 33.6 million in the 2014 state budget draft to finance a farmer insurance programme expected to start early in 2014.⁷²⁷

According to the ministry's financing director, the insurance program provides services to farmers owning less than two hectares of land.⁷²⁸ Also, this proposal is an extension of the newly adopted Protection and Empowerment of Farmers Law, which "includes an obligation for the government to provide agricultural insurance to cover losses caused by harvest failure due to natural disasters, pests and weeds, infectious crop disease outbreaks and climate change."⁷²⁹ Currently, the government allocates a budget of IDR 200 billion to farmers who suffer crop failures.

⁷²⁴ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 25 September 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁷²⁵ News: Bank Indonesia, Agriculture Ministry Launch Cattle Insurance Scheme. Antara News (Jakarta), 23 October 2013. Access Date: 17 October 2014. <http://www.antaranews.com/en/news/91220/bank-indonesia-agriculture-ministry-launch-cattle-insurance-scheme>.

⁷²⁶ Agriculture Insurance in Indonesia- Opportunities and Challenges. Presentation made at COP19 Japan Pavilion in Warsaw-Poland. Ministry of Finance of the Republic of Indonesia (Jakarta), 14 November 2013. Access Date: 17 October 2014. http://www.env.go.jp/earth/cop/cop19/event/file/131114/09301100/1114_0930_03_IrfaAmpri.pdf.

⁷²⁷ Indonesia to Spend US\$33m on Farmer Insurance Programme, 1 August 2013. Access Date: 22 February 2014. [http://www.asianewsnet.net/indonesia-to-spend-US\\$33m-no-farmer-insurance-prog-49762.html](http://www.asianewsnet.net/indonesia-to-spend-US$33m-no-farmer-insurance-prog-49762.html).

⁷²⁸ News: Indonesia to Spend US\$33m on Farmer Insurance Programme. Asia News Network (Bangkok), 1 August 2013. Access Date: 22 February 2014. [http://www.asianewsnet.net/Indonesia-to-spend-US\\$33m-on-farmer-insurance-prog-49762.html](http://www.asianewsnet.net/Indonesia-to-spend-US$33m-on-farmer-insurance-prog-49762.html).

⁷²⁹ Press Release: Indonesian Law on Protection and Empowerment of Farmers. USDA (Washington DC), August 2013. Access Date: 28 February 2014. <http://usdaindonesia.org/?p=1949>.

The Indonesia Agency for Agricultural Research and Development (Ministry of Agriculture) continues to collaborate with the Food and Agriculture Organization of the United Nations in conducting research on the applicability of insurance to protect farmers to support farming.⁷³⁰

However, one significant discordant action must be mentioned: on 1 March 2014, the Indonesian Government announced that the proposed agriculture insurance was delayed and is now set to begin in 2015, as the bill is currently being drafted by the House of Representatives, and thus, will not be available for the April-September planting season of 2014. In particular this state-run insurance program seeks to provide protection to landless farmers on the island of Java, to protect them from uncertainties caused by anomalies in weather, climate change, and natural disasters. Also, the agriculture minister, Suswono, said that not all commodities will be covered by the insurance, and that rice and other crops will be the priorities.⁷³¹

(3) Indonesia has taken steps to promote technologies, practices, and techniques on greater efficient use of water and soil in a sustainable manner.

From 30 September to 2 October 2014, the Ministry of Agriculture, in cooperation with the Ministry of Manpower, the Asian Productivity Organisation (APO), and the ASEAN secretariat, organised a forum on “Mitigating the Negative Effects of Climate Change on Agriculture” in Bali. This four-day event aimed to (1) Review the potential impact of climate change on agriculture; (2) Share good practices of climate change mitigation; (3) Formulate recommendations.⁷³² During the opening ceremony, the Director of Indonesian Center for Agricultural Land Resources Research and Development (ICALRRD) presented some of his innovations such as the development of rice varieties that are tolerant to extreme weather conditions such as drought and the Integrated Cropping Calendar, which generates data on drought and flood risk areas.⁷³³

On 27 February 2014, the International Institute for Applied Systems Analysis, the Indonesian Delivery Unit to the President, and the recently created National REDD+ Agency for Indonesia formally agreed on collaborating for the Tropical Flagship Initiative.⁷³⁴ This initiative promotes collaborations amongst scientists and policymakers to address tropical deforestation by developing sustainable land use options.

⁷³⁰ Press Release: Farming Insurance, Farmers Protection Alternative. Indonesian Agency for Agricultural Research and Development- Ministry of Agriculture (Indonesia), 23 September 2013. Access Date: 19 February 2014. <http://en.litbang.deptan.go.id/news/one/332/>.

⁷³¹ News: Farmers Must Wait; Agriculture Insurance Delayed. Tempo.co (Jakarta), 6 March 2014. Access Date: 25 September 2014. <http://en.tempo.co/read/news/2014/03/06/056559892/Farmers-Must-Wait-Agriculture-Insurance-Delayed>.

⁷³² Press Release: Indonesia Hosts Forum on Mitigating Negative Effects of CC in Agriculture. Indonesian Agency for Agricultural Research and Development (Jakarta), 1 October 2014. Access Date: 18 October 2014. <http://en.litbang.deptan.go.id/news/one/353/>.

⁷³³ Press Release: IAARD Develops Approaches to Adaptation Actions of Climate Change Threats. Indonesian Agency for Agricultural Research and Development (Jakarta), 2 October 2014. Access Date: 18 October 2014. <http://en.litbang.deptan.go.id/news/one/354/>.

⁷³⁴ News: Policy Makers And Scientists Team Up to Fight Deforestation in Indonesia. Global Landscape Forum, 21 February 2014. Access Date: 1 March 2014. <http://www.landscapes.org/policy-makers-scientists-team-fight-deforestation-indonesia/#.UxkB5PIdWdY>.
Indonesia Establishes REDD+ Managing Agency. Access Date: 16 October 2014. <http://forests-iiisd.org/news/indonesia-establishes-redd-managing-agency/>.

In February 2014, Indonesia and the Netherlands agreed to set up projects in the area of climate smart agriculture to increase production and quality of dairy, fish, and poultry.⁷³⁵

On 22 January 2014, the Indonesian Agency for Agricultural Research and Development (IAARD) and the Government of Pamekasan Regency signed a memorandum of understanding to continue the effort in implementing development programs of integrated sugarcane-based farming within Pamekasan developed by IAARD.⁷³⁶ Also, the collaborative effort seeks to develop bio-industry for post-mining land.

Indonesia has taken action to fully comply with the three pillars of this commitment. It has fully complied with the commitment to remove food export restrictions, implemented risk management systems, and taken action to implement environmentally friendly agricultural practices. It has thus been awarded a score of +1.

Analyst: Jasper Lim

Italy: +1

Italy has fully complied with its food and agriculture commitment.

It has complied with the following components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) On food export restrictions, Italy has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

According to the World Trade Organization on the G20 trade and investment measures, Italy has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁷³⁷

Also, no instance of Italy imposing new food export restriction measures during this compliance cycle has been found.⁷³⁸

(2) On mitigating food price volatility, on 13 September 2014 the Ministry of Agriculture and Forestry announced that it would anticipate the direct payments from the CAP to provide financial assistance to the farmers whose fields have flooded in the Foggia province.⁷³⁹

⁷³⁵ Press Release. Indonesian Visit: Onion Export Resumed and Major Food Security Programme. Government of Netherlands (Den Haag), 22 November 2013. Access Date: 16 October 2014. <http://www.government.nl/news/2013/11/22/indonesian-visit-onion-export-resumed-and-major-food-security-programme.html>.

⁷³⁶ Press Release: Cooperation for Developing Alternative and Post Mining Agriculture. Indonesian Agency for Agricultural Research and Development (Jakarta), 22 January 2014. Access Date: 26 February 2014. <http://en.litbang.deptan.go.id/news/one/339/>.

⁷³⁷ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 8 March 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁷³⁸ Commission Regulation (EC) No 376/2008 of 23 April 2008. European Commission (Brussels), Access Date: 8 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008R0376:EN:NOT>.

On 27 December 2013, the Italian President promulgated the Stability Law 2014. This law, which contains provisions for preparing the annual state budget, will increase the competitiveness of the products “Made in Italy” on international markets. Measures put forth by the law include the allocation of EUR120 million to the National Solidarity Fund for agriculture insurance.⁷⁴⁰

On 12 December 2013, the Italian Ministry of Agriculture, Food and Forestry organized the first meeting of the Partnership on Risk Management in Agriculture to discuss the implementation of risk management tools planned in the Rural Development Regulation for 2014-2020. Those instruments including insurance, mutual funds and income stabilization tools aim at supporting effective risk management in a context in which the farmers are increasingly exposed to economic and environmental challenges. Before the meeting, farmers and insurance companies had been called to send their suggestions and ideas to the Italian Ministry.⁷⁴¹

On 16 November 2013, the Council of EU Agriculture Ministers adopted the four Basic Regulations for the reformed Common Agriculture Policy (CAP) as well as the Transition Rules for 2014.⁷⁴² While some of the aspects of the reformed CAP will apply from 1 January 2014, the majority of them will be implemented from 2015. The promise from EU leaders was from a more equitable, greener and less bureaucratic. The deal leaves more flexibility for member states to implement the reforms the way it suits them.⁷⁴³ The new CAP maintains the pillars of its previous version while increasing the links between them through better-targeted payments and more responsive safety net measures aimed at increasing the EU’s capacity to cope with risks. These measures include a new crisis reserve of EUR400 million, an income stabilization tool, as well as a risk-management toolkit comprising insurance schemes and mutual funds.⁷⁴⁴ On 31 July 2014, the Italian Ministry of Agriculture, Food and Forestry announced that it had approved the document “The New CAP: National Choices-Regulation (EU).”⁷⁴⁵

On 6 December 2013, the Italian Ministry of Agriculture, Food and Forestry approved the Agricultural Insurance Plan for 2014. The goal of the plan is to increase the use of subsidized insurances against climate-related risks and support the development of multi-risk insurances.⁷⁴⁶

On 2 December 2013, the International Fund for Agricultural Development launched the Platform for Agricultural Risk Management (PARM). Several European partners including the Government of Italy

⁷³⁹ Press Release: Gargano: 90 million Advanced CAP Payment for Business. Ministry of Agriculture, Food and Forestry (Rome) 13 September 2014. Access Date: 10 October, 2014.

<http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/7981>.

⁷⁴⁰ Press Release: Connected with agriculture, more competitive and less red tape for the industry. Ministry of Agriculture, Food and Forestry (Rome), 31 January 2014. Access Date: March 6 2014.

<http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/7187>.

⁷⁴¹ Press Release: Risk Management, Risk management: the start-stop on-line to collect proposals and reflections. National Rural Network, Ministry of Agriculture, Food and Forestry (Rome), 12 December 2013. Access Date: 28 March 2014.

<http://www.reterurale.it/gestionedelrischio>.

⁷⁴² The Common Agricultural Policy. European Commission (Brussels). Access Date: 11 October 2014.

<http://ec.europa.eu/agriculture/cap-post-2013/>.

⁷⁴³ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 5. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁷⁴⁴ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁷⁴⁵ Press Release: CDM Approves Document on the Reform of the CAP. Ministry of Agriculture, Food and Forestry (Rome), 31 July 2014. Access Date: 16 October 2014 2014.

<http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/7877>.

⁷⁴⁶ Press Release: Insurance Plan 2014. Ministry of Agriculture, Food and Forestry (Rome), 6 December 2013. Access Date: 28 March 2013. <http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/4617>.

support this four-year initiative, which has a core funding of EUR5.95 million. PARM is an outcome of the G8 and G20 discussions on food security and agricultural growth.⁷⁴⁷

On 20 September 2013, the Italian Ministry of Agriculture, Food and Forestry organized a seminar based on an EU study to identify ways to offset the volatility of agricultural commodity prices. The seminar called “instruments and perspectives of the agricultural commodity markets” include discussions on “the contract as an opportunity to manage the risk related to price — trade of raw materials in the main stock markets,” “function of contracts and opportunities for the agro-food chain.”⁷⁴⁸

(3) On supporting environmental friendly practices, on 9 October 2014, the Minister of Agriculture, Maurizio Martina, and the Minister of the Environment, Gian Luca Galletti, sent a letter to the Minister for Relations with Parliament regarding the law of “containment of land consumption and rehabilitation of built soil,” urging him to schedule its review in Parliament as soon as possible, preferably before the end of the year. The bill in question intends to introduce measures to limit the progression of soil consumption, increase land restoration, and promote urban biodiversity and agricultural activities.⁷⁴⁹

On 9 October 2014, the Italian Ministry of Agriculture, Food and Forestry and the Energy Services Operator (GSE) signed a Memorandum of Understanding to strengthen their cooperation and promote renewable energy sources for agricultural production and processing. The two entities will establish monitoring tools, reports, and investigations and analyze the effects of the policies implemented in the sector.⁷⁵⁰

On 12 August 2014, the Ministry of Agriculture, Food and Forestry announced that it had approved the Sector Plan for Bioenergy under the Rural Development Programme 2014-2020. The plan intends to analyze the environmental and socio-economic impacts of bioenergy, increase its opportunities, and promote its sustainable production and use through effective policies.⁷⁵¹

On 28 January 2014, Commissioner Victorinus Facciolla of the Molise region in Italy announced the second edition of Measurement 1.2.5, which will improve traffic flow at the service of farms and restructure the rural water supply, while promoting a rational use of water and environmental protection. The second edition of the measurements hopes to improve access to agricultural land and strengthen green growth through the sustainable management of natural resources and the balanced development of the territory.⁷⁵²

⁷⁴⁷ Press Release: Agricultural Risk Management Platform to be launched at IFAD. IFAD (Rome), 2 December 2013. Access Date: 28 March 2014. <http://www.ifad.org/media/press/2013/59.htm>.

⁷⁴⁸ Press Release: Agricultural Risk Management Platform to be launched at IFAD. IFAD (Rome), 2 December 2013. Access Date: 28 March 2014. <http://www.ifad.org/media/press/2013/59.htm>.

⁷⁴⁹ Press Release: Consumption soil, Galetti and Martina Call for Action on the Presidency of the Chamber by Law Within the Year. Ministry of Agriculture, Food and Forestry (Rome), 9 October 2014. Access Date: 16 October 2014. <http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/8047>.

⁷⁵⁰ Press Release: MIPAAF, a MoU for Renewable Energy Development in the Agricultural Sector was Signed. Ministry of Agriculture, Food and Forestry (Rome), 9 October 2014. Access Date: 16 October 2014. <http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/8049>.

⁷⁵¹ Press Release: Approved the Sector Plan for Bioenergy and the National Plan of Sector Florovivaistico. Ministry of Agriculture, Food and Forestry (Rome), 12 August 2014. Access Date: 10 October 2014. <http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/7920>.

⁷⁵² News: Molise: Agriculture and Forestry, Improvement and Development of Infrastructure. Agricoltura Italiana Online (Rome), 28 January 2014. Access Date 16 March 2014. <http://www.aiol.it/contenuti/agricoltura/sviluppo-rurale/molise-agricoltura-e-silvicoltura-miglioramento-e-sviluppo-del>.

On 15-16 January 2014, the Italian Ministry of Agriculture, Food and Forestry organized a national conference on Forestry Policies and Rural Development for 2014-2020 to define “a new and more efficient national forestry policy with a long-term strategic vision” and “ensure sustainable management.” In their final communiqué, the participants agreed on the necessity to create a directorate-general for forestry within the Ministry of Agriculture, Food and Forestry and to simplify the regulations in order to improve the forestry management.⁷⁵³

On 5 December 2013, the Italian government approved a decree, which provides incentives for the production of biomethane. “The decree to encourage biomethane opens new opportunities for Italian farms, giving them impetus to do energy chain-intensive work and allowing farmers to supplement their incomes, producing food and energy in a sustainable way,” the Italian Farmers Confederation said. Under the directive announced on 9 December 2013 by the Ministry of Agriculture, Italian farmers who produce methane gas derived from biomass such as livestock manure and crop by-products will be provided financial incentives. Furthermore, the decree will help the government to meet its sustainable requirements under the European Union’s Common Agricultural Policy.⁷⁵⁴

On 16 November 2013, the Council of EU Agriculture Ministers adopted the four Basic Regulations for the reformed CAP as well as the Transition Rules for 2014.⁷⁵⁵ In order to improve sustainability performance, the CAP created a simplified and more targeted system of environmental requirements and obligations to be met to receive the full payments. More especially, the reform introduced a new policy instrument in the first pillar: the Green Direct Payment. This will account for 30 per cent of the national payments and will reward farmers for respecting sustainable practices such as crop diversification, maintenance of permanent grassland and ecological focus areas.⁷⁵⁶

Thus, for its efforts to improve food security, reduce the effects of price volatility and promote climate-smart agriculture, Italy has been awarded a score of +1.

Analyst: Ishita Guptan

Japan: 0

Japan has partially complied with its food and agriculture commitment.

It has only complied with two of the three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones, and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment. However, it has failed to support new or existing risk-management instruments to mitigate excessive food price volatility.

(1) Japan has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

⁷⁵³ Press Release: Forestry Policies and Rural Development for 2014-2020. National Rural Network 2007-2013, Ministry of Agriculture, Food and Forestry (Rome), 23 January 2014. Access Date: 28 March 2014. <http://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/13388>.

⁷⁵⁴ News: Italian farmers hail coming of biomethane production incentives. UPI Business News (Rome), 21 February 2014. Access Date: 27 February 2014. http://www.upi.com/Business_News/Energy-Resources/2014/02/21/Italian-farmers-hail-coming-of-biomethane-production-incentives/UPI-19701392959040/.

⁷⁵⁵ The Common Agricultural Policy. European Commission (Brussels). Access Date: 11 October 2014. <http://ec.europa.eu/agriculture/cap-post-2013/>.

⁷⁵⁶ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

According to the World Trade Organization on the G20 trade and investment measures, Japan has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁷⁵⁷

No facts of Japan imposing new export restrictions on food related to the purchases by WFP have been found during the compliance period. The most recent revision of the Export Trade Control Order, dated 22 July 2014 does not include foodstuffs typically purchased for non-commercial humanitarian purposes by the WFP in Japan.⁷⁵⁸

(2) Japan has taken first steps to make its agricultural sector more competitive but has failed to support the development of risk-management instruments.

In December 2013, Shinzo Abe's government announced its reform for "Aggressive Agriculture, Forestry and Fisheries" aimed at doubling the agricultural income in the next decade. Designed to revitalize the national agricultural sector, the plan comprises four main pillars: (1) increasing domestic and promoting exports; (2) creating value chains connecting supply and demand; (3) reforming and modernizing the production sites; (4) strengthening the industry's multifunctional role including tourism. The plan was revised in July 2014.⁷⁵⁹

On 26 November 2013, the Japanese Ministry of Agriculture announced a plan to end a four-decade policy, known as *gentan*, under which the government has subsidized the rice farmers to reduce their production.⁷⁶⁰ The subsidy will be halved effective April 2014 and abolished by March 2019 to improve competitiveness and support consolidation in the sector, streamlining rice production.⁷⁶¹ Rice growers will be able to produce crops based on "their own management decisions," Shinzo Abe said. Further deregulation may follow according Economy Minister Akira Aamari.⁷⁶² Government subsidies for farmers who change from rice production to other crops will still be maintained and perhaps expanded.⁷⁶³

(3) Japan has taken some steps to disseminate its agricultural practices and work with developing countries, particularly through the use of university forums in collaboration with Asian and African

⁷⁵⁷ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 June 2014. Access Date: 10 October 2014.

http://www.wto.org/english/news_e/news14_e/igo_17jun14_e.htm.

⁷⁵⁸ Partial Revision of the Export Trade Control List, Ministry of Economy, Trade and Industry of Japan 10 July 2009. Ministry of Economy, Trade and Industry (Tokyo), 22 July 2014. Access Date: 4 October 2014.

http://www.meti.go.jp/english/press/2014/0722_05.html.

⁷⁵⁹ Abe Cabinet Agricultural Reform. Ministry of Agriculture, Forestry and Fisheries (Tokyo), July 2014. Access Date: 13 October 2014. <http://fpcj.jp/wp/wp-content/uploads/2014/07/a89885aa705c72d976dd953518d82140.pdf>.

⁷⁶⁰ News: Japan Dismantles Rice Output Policy as Abe Targets Farming. Bloomberg. 26 November 2013. Access Date: 16 April 2014. <http://www.bloomberg.com/news/2013-11-26/japan-to-dismantle-rice-output-policy-as-abe-targets-farm-reform.html>.

⁷⁶¹ News: Japan's Micro Farms Face Extinction as Abe's Reforms Advance. Bloomberg. 2 January 2014. Access Date: 16 April 2014. <http://www.businessweek.com/articles/2014-01-02/japans-micro-farms-face-extinction-as-abes-reforms-advance>.

⁷⁶² News: Japan Dismantles Rice Output Policy as Abe Targets Farming. Bloomberg. 26 November 2013. Access Date: 16 April 2014. <http://www.bloomberg.com/news/2013-11-26/japan-to-dismantle-rice-output-policy-as-abe-targets-farm-reform.html>.

⁷⁶³ Agricultural ministry proposes ending rice production adjustment program in five years. The Japan Agri News. 7 November 2013. Accessed 16 April 2014. <http://english.agrinews.co.jp/?p=1225>. Prime Minister Shinzo Abe stresses drastic agricultural reform at Diet opener. 25 January 2014. Accessed 16 April 2014. <http://english.agrinews.co.jp/?p=1580>.

nations, to exchange research and technology for sustainable agricultural development.⁷⁶⁴ Furthermore, it has taken action to improve the sustainability of its domestic agriculture sector during this compliance cycle.

On 11 February 2014, Japan's International Research Center for Agricultural Sciences, the Office of Agricultural Economics, Ministry of Agriculture and Cooperatives, and Department of Agriculture conducted an international workshop on "Small scale oil palm farmers in Southeast Asia — Partnership for sustainable production." The objective of the workshop was to learn and discuss the experiences of supporting programs for small-scale oil palm producers in Indonesia and Thailand. The workshop provided a forum for participants to exchange information and discuss the current constraints, future directions of small-scale oil palm production, and discuss the potential of regional collaboration to enhance roles of small-scale farmers in sustainable oil palm production in Southeast Asia.⁷⁶⁵

On 22 January 2014, the Japanese Ministry of Agriculture, Forestry and Fisheries proposed agricultural food related cooperation through universities in the Southeast Asian countries. According to Takako Ito, Japanese Minister-Counselor and Deputy Chief of Mission to the Association of Southeast Asian Nations (ASEAN), the purpose of Japan's proposal to cooperate with ASEAN universities is to ascertain the transfers of research, technology, and sustainability of its development programme.⁷⁶⁶

On 14 January 2014, Japan's International Research Center for Agricultural Sciences held a seminar for the JIRCAS-Tigray Project "Establishment of sustainable rural society with GHG [greenhouse gas] emission." The seminar will discuss the development of a model for sustainable rural communities with low emissions. Participants in the seminar will discuss the results and progress of the project in this year and will also exchange opinions on how to proceed with the project.⁷⁶⁷

On 18 December 2013, the Diet, Japan's parliament, enacted the Rural Area Renewable Energy Act.⁷⁶⁸ Under this Act, the national government establishes the national basic policy on renewable energy in connection with agriculture, forestry and fishery. Its main objectives are to increase the use of renewable energies in the rural areas and develop sustainable rural communities.⁷⁶⁹

Thus, Japan has been awarded a score of 0.

Analysts: Taylor Grott and Maria Fakebruddin

⁷⁶⁴ Boosting Sustainable Agricultural Growth for Inclusive and Dynamic Development in Africa. Japan International Cooperation Agency. 26 September 2013. Access Date: 16 April 2014.

http://www.jica.go.jp/english/about/president/speech/130926_01.html; Japan proposes agricultural cooperation with ASEAN universities. Antara News. 22 January 2014. Access Date: 16 April 2014.

⁷⁶⁵ JIRCAS International Workshop "Small scale oil palm farmers in Southeast Asia – Partnerships for sustainable production". Japan International Research Centre for Agriculture Sciences (Kraji) 11 February 2014. Access Date: 27 April 2014. <https://www.jircas.affrc.go.jp/english/event/s20140211e.html>.

⁷⁶⁶ Japan proposes agricultural cooperation with ASEAN universities. Antara News (Jakarta) 22 January 2014. Access Date: 27 April 2014. <http://www.antaranews.com/en/news/92322/japan-proposes-agricultural-cooperation-with-asean-universities>.

⁷⁶⁷ 2014 Seminar for the JIRCAS-.Tigray Project "Establishment of sustainable rural society with low GHG emission. Japan International Research Center for Agricultural Sciences (Mekelle) 14 January 2014. Access Date: 27 April 2014. <https://www.jircas.affrc.go.jp/english/event/s20140114e.html>.

⁷⁶⁸ FY 2013 Annual Report on Food, Agriculture and Rural Areas in Japan, Summary. Ministry of Agriculture, Forestry and Fisheries (Tokyo), 2014. Access Date: 14 October 2014. <http://www.maff.go.jp/e/pdf/summary.pdf>.

⁷⁶⁹ Japan: Renewable Energy Production to Aid Agricultural, Forestry and Fishing Villages. Library of Congress (Washington DC), 18 November 2013. Access Date: 14 October 2014. http://www.loc.gov/lawweb/servlet/lloc_news?disp3_1205403794_text.

Korea: +1

Korea has fully complied with its food and agriculture commitment.

It has complied with the following components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) On food export restrictions, Korea has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

According to the World Trade Organization on the G20 trade and investment measures, Korea has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁷⁷⁰

No instance of Korea imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) On food price volatility, on 21 March, 2014 the Korean Ministry of Agriculture, Food and Rural Affairs (MAFRA) announced that it will increase the unit price of fixed direct payment for rice per unit area from KRW800 thousand per hectare for 2013 to KRW900 thousand per hectare for 2014. The measure aims at stabilizing the incomes of farmers who are currently suffering from sluggish agricultural incomes.⁷⁷¹

On 5 March 2014, the Korean Ministry of Agriculture, Food and Rural Affairs announced the 2013 Performance and 2014 Implementation Guidelines for the Comprehensive Plan for Agricultural Product Distribution Structure Improvement. During the fiscal year 2013, the ministry developed a supply and demand systematization system by strengthening proactive handling of items related to supply and demand instability and improving agriculture forecasts. For 2014, the ministry announced that it would improve the accuracy of information and increased its access through, for example, mobile apps and support incentives for farms to induce autonomous adjustment of supply and demand.⁷⁷²

On 1 October 2013, the Korean Ministry of Agriculture, Food and Rural Affairs launched a new horticulture facility insurance plan to increase protection against natural disasters and strengthen rural economies. The plan contains a wide range of changes such as a simplified registration process, the introduction of new crops, and an insurance coverage for facility products, damage to facility houses, and ancillary facilities.

⁷⁷⁰ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 June 2014. Access Date: 10 October 2014

http://www.wto.org/english/news_e/news14_e/igo_17jun14_e.htm.

⁷⁷¹ Press Release: MAFRA Increase the Unit Price for Fixed Direct Payment for Rice for 2014. Ministry of Agriculture Food and Rural Affairs (Seoul), 21 March 2014. Access Date: 07 October 2014.

http://english.mafra.go.kr/eng/list.jsp?id=28620&pageNo=1&NOW_YEAR=2014&group_id=1001&menu_id=1020&link_menu_id=1020&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

⁷⁷² Press Release: MAFRA to Reduce Distribution Costs and Elevate Performance of Price Stabilization. Ministry of Agriculture Food and Rural Affairs (Seoul), 5 March 2013. Access Date: 12 March 2014.

http://english.mafra.go.kr/eng/list.jsp?id=28597&pageNo=1&NOW_YEAR=2014&group_id=1001&menu_id=1020&link_menu_id=&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

Furthermore, the ministry announced that it would increase the budget allocated to agriculture insurance by 34 per cent from KRW201.6 billion in 2013 to KRW270.1 billion in 2014. This decision reflects “the government’s strong commitment to initial disaster insurance settlement.”⁷⁷³

(3) On agricultural technologies, on 19 June 2014 the Animal and Plant Quarantine Agency held a seminar to discuss ways to develop eco-friendly sterilization techniques in order to ensure the stable import and export of agricultural products. The Agency is continuing to conduct research on heat treatments without using fumigants in order to meet the consumers’ needs for organic and eco-friendly agricultural products.⁷⁷⁴

On 3 March 2014, the Korean Ministry of Agriculture, Food and Rural Affairs (MAFRA) decided to move forward with its Three Strategic Objectives and Nine Policy Projects to spread the outcome of the second-year government projects of the Park Geun-Hye administration under the 2014 MAFRA Work Plan.

Under this plan, MAFRA will carry out step-by-step pilot projects starting with projects whose benefits are tangible to North Korean residents, like the support of greenhouses and agricultural materials and joint farming. It would also cut the interest rate for government financing by KRW3.2 trillion and introduce pilot variable interest rate programs for KRW1.2 trillion. It will also establish plans for reinforcing dry-field competitiveness in preparation for the Korean-Chinese Free Trade Agreement and plans for livestock reinforcement in preparation for Free Trade Agreements with three Commonwealth countries.⁷⁷⁵

On 6 December 2013, as part of the Pilot Project for Voluntary Greenhouse Gases in Agriculture and Rural Areas, MAFRA first awarded certificates emissions to five farms/corporations that reduced a total of 4,859 tCO₂ by using low-carbon technology. The government will pay KRW10 thousand per 1 tCO₂ reduced by a farmer during the pilot project period (2012-2014).⁷⁷⁶

In 2013-2014, the Sustainable Living: Agricultural Food and Rural Development Plan was adopted as part of President Park Geun Hye’s Agricultural Policy. The Plan has safety management and distribution systems for the agri-food industry that is reliable and satisfactory to the people. It protects agricultural enterprises from natural disasters and livestock diseases. It focuses on the development of agricultural water system in drought regions, the renovation of irrigation facilities, and the provision of

⁷⁷³ Press Release: New Horticulture Facility Insurance Plan will be launched on October 1st. Ministry of Agriculture, Food and Rural Affairs.(Seoul), 8 October 2013. Access Date: 5 March 2014.

http://english.mafra.go.kr/eng/list.jsp?id=28292&pageNo=4&NOW_YEAR=2013&group_id=1001&menu_id=1020&link_menu_id=&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

⁷⁷⁴ Press Release: Seminar Held for Developing Eco-Friendly Sterilization Techniques. Ministry of Agriculture Food and Rural Affairs (Seoul), 23 June 2014. Access Date: 07 October 2014.

http://english.mafra.go.kr/eng/list.jsp?id=28832&pageNo=3&NOW_YEAR=2014&group_id=1001&menu_id=1020&link_menu_id=1020&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

⁷⁷⁵ MAFRA pushes ahead with Three Strategic Objectives and Nine Policy Projects. Ministry of Agriculture Food and Rural Affairs (Seoul), 3 March 2014. Access Date 1 April 2014.

<http://www.noodls.com/view/716B7EF3D59AC55191059A61370E50F42EACE757?61.25xxx1393881564>

⁷⁷⁶ Press Release: First Certificate of GHGs Emissions Reduction in Agriculture. Ministry of Agriculture, Food and Rural Affairs (Seoul), 17 December 2013. Access Date 12 March 2014.

http://english.mafra.go.kr/eng/list.jsp?id=28459&pageNo=1&NOW_YEAR=2013&group_id=1001&menu_id=1020&link_menu_id=&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

agricultural disaster insurance. It also improves living conditions in rural communities by providing roads in farming and fishing communities, and providing the water supply and drainage system.⁷⁷⁷

Thus, for its efforts to improve food security, reduce the effects of price volatility and promote climate smart agriculture, Korea has been awarded a score of +1.

Analyst: Ishita Gupta

Mexico: +1

Mexico has fully complied with its food and agriculture commitment.

It has complied with all three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and the development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) On food export restrictions, Mexico has successfully refrained from imposing food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by the WFP.⁷⁷⁸

According to the World Trade Organization on the G20 trade and investment measures, Mexico has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.

Also, no instance of Mexico imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) On food price volatility, on 17 September 2014, the Federal Government announced that it set aside resources to insure 20,595 hectares and 64,919 animal units this year.⁷⁷⁹ The insurance will directly benefit low-income producers that do not account for private or commercial insurance. The objective of this project is to maintain capacity productivity in the state of Baja California Sur.

On 29 May 2014, at the Latin American Congress for the Development of Agriculture Insurance, SAGARPA announced that agriculture insurance is a motivating factor for primary production. The Mexican Government's current goal is to have 75% of food production consumed within the country by 2018 — current indicator is at 58%.⁷⁸⁰

On 13 December 2013, the Mexican Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) approved the 2013-2018 Agricultural, Fisheries and Food Development Programme. The document outlines a diagnosis of the agro-food sector, its main challenges and the

⁷⁷⁷ Opening a New Era of "Hopeful Agriculture, Lively Rural Areas, Happy People" Ministry of Agriculture Food and Rural Affairs (Seoul), 3 March 2014. Access Date : 1 April 2014.

http://www.maf.go.kr/eng/list.jsp?group_id=1177&menu_id=1177&link_menu_id=1188&division=H.

⁷⁷⁸ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 25 September 2014.

http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁷⁷⁹ Press Release: Available insurance coverage and direct supports to address natural disasters in agriculture BCS. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 17 September 2014. Access Date: 21 October 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B721.aspx>.

⁷⁸⁰ Press Release: Agriculture insurance, driving factor for primary production: SAGARPA. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Puebla) 29 May 2014. Access Date: 21 October 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B416.aspx>.

strategies deemed necessary to improve its productivity and make it reach its full potential. It also proposes a strategy that is based on ten “change pillars” including the management and prevention of climate and market risks.⁷⁸¹

On 6 September 2013, SAGARPA announced the launch of “Basic Hedging Mechanism of Coffee” for the Marketing Year 2013/14. With this instrument, the Secretariat will provide coffee growers with more certainty about the international markets and facilitate the placement of the coffee according to the market conditions of the new harvest.⁷⁸²

(3) On sustainable agriculture, on 18 June 2014, SAGARPA in coordination with the Government of the Federal District (GDF) will invest 78.4 million pesos in the rural sector surrounding Mexico’s capital city. The investment will be used to execute projects that will contribute to the growth of sustainability and agricultural productivity. These resources will also be used for regional development, capitalization of the sector, and to ensure the public’s rights to nutritious, adequate, and quality food.⁷⁸³

On 13 June 2014, Rodolfo Lacy Tamayo, the Undersecretary of Planning and Environmental Policy of SEMARNAT (Ministry of the Environment and Natural Resources), recognized SAGARPA for its good environmental practices and sustainable models present in its facilities.⁷⁸⁴

On 4 April 2014, Secretary Enrique Maritnez was able to strike cooperation between Secretary of Agriculture, Livestock, Rural Development, Food and Fishing (SAGARPA) and the National Commission for Research and Use of Biodiversity (CONABIO) to begin sustainable development projects in the province of Chiapas.⁷⁸⁵ SAGARPA will put forth 26.5 million pesos (MX) for the Strategic Project for Food Security (PESA) in Chiapas. The project will focus on the conservation of biodiversity and sustainable agriculture and forestry.

On 18 February 2014, the Mexican Secretariat of Agriculture announced its plans to increase the budget for the Program for Sustainable Modernization of Traditional Agriculture (MasAgro) by 45 per cent, from MXN400 million in 2013 to MXN582 million in 2014. One of MasAgro’s commitments is to work with local farmers in providing technology that prevents soil erosion and water conservation to ensure that the Mexican farmland stays fertile.⁷⁸⁶

In addition, MasAgro Productive, a new component, was incorporated into the programme. It will promote the use of technological innovations to increase grain production and the protection of

⁷⁸¹ Mexico Announces Ambitious New 6-Year Agricultural Development Plan. USDA Foreign Agricultural Service, (Washington) 22 January 2014. Access Date: 6 March 2014.

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Mexico%20Announces%20Ambitious%20New%206-year%20Agricultural%20Development%20Plan%20_Mexico_Mexico_1-22-2014.pdf.

⁷⁸² Mexico Announces Coffee Hedging Mechanism. USDA Foreign Agricultural Service (Washington), 13 September 2013. Access Date: 6 March 2014. http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Mexico%20Announces%20Coffee%20Hedging%20Mechanism_Mexico_Mexico_9-13-2013.pdf.

⁷⁸³ Invest 78.4 billion pesos to raise agricultural productivity in Mexico City. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 18 June 2014. Access Date: 3 October 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B476.aspx>

⁷⁸⁴ Press Release: They deliver a distinctive SAGARPA for good environmental practices. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 13 June 2014. Access Date: 21 October 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B462.aspx>.

⁷⁸⁵ Press Release: SAGARPA and Conabio sign cooperation agreement to promote sustainable production projects in Chiapas. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 4 April 2014. Access Date: 21 October 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B259.aspx>.

⁷⁸⁶ Sustainable Modernization of Traditional Agriculture, MasAgro. MasAgro. Access Date: 10 March 2014. <http://masagro.mx/index.php/en/questions-and-answers>.

environment mainly in marginalized areas. However, no concrete indication was found about how the Ministry intends to foster sustainable agriculture in these areas.⁷⁸⁷

On 14 February 2014, the Mexican Secretariat of Agriculture launched the National Rangeland Rehabilitation Program whose goal is to rehabilitate one million hectares of rangeland in pastoral areas within five years.⁷⁸⁸

Furthermore, the Ministry stated that CONAZA (National Commission for Arid Zones) would receive MXN2.5 billion in funding in 2014 to promote programs and methods of sustainable soil and water use in arid zones.⁷⁸⁹

On 24 January 2014, SAGARPA and the Secretariat of Environment and Natural Resources announced their joint launch of the Livestock Environmental Program, aiming to fulfill the government's commitment to improving the efficient use of natural resources in the livestock sector. A strong emphasis will be placed on capacity building and the use of new technologies.⁷⁹⁰

On 24 December 2013, SAGARPA announced the creation of National Association for Conservation Agriculture. It will aim to raise awareness about the benefits of conservation agriculture and the strengthening of sustainable agricultural production systems in Mexico. The creation of the association was initiated and coordinated by certified scientists working for the MasAgro Program with the support of the Secretariat of Agriculture and the International Maize and Wheat Improvement Center.⁷⁹¹

On 13 December 2013, SAGARPA approved the 2013-2018 Agricultural, Fisheries and Food Development Program. The document outlines a diagnosis of the agro-food sector, its main challenges and the strategies deemed necessary to improve its productivity and make it reach its full potential. It also proposes a strategy that is based on ten "change pillars" including the sustainable, optimal use and modernization of water.⁷⁹²

On 3 December 2013, Arturo Sanchez Osornio, the Undersecretary of SAGARPA, announced the reinforcement of the government's action to bring about change in the food industry and to transform the country's poverty into opportunities for sustainable growth. He also said that the Conservation and

⁷⁸⁷ Press Release: Strengthen MASAGRO for Sustainable and Productive Agriculture. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 18 February 2014. Access Date: 7 March 2014.

⁷⁸⁸ Press Release: SAGARPA Starts National Rangeland Rehabilitation Program, Seeks to Impact One Million Hectares. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 14 February 2014. Access Date: 10 March 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B109.aspx>

⁷⁸⁹ Press Release: Projects. SAGARPA Expands the National Rangeland and Rehabilitation Program. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 7 March 2014. Access Date: 7 March 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B164.aspx>

⁷⁹⁰ Press Release: SAGARPA and SEMARNAT Join Efforts to Mitigate Climate Change in Livestock Sector. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City). 24 January 2014. Access Date: 16 March 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B050.aspx>.

⁷⁹¹ Press Release: Certified Technicians MasAgro Form the National Association of Conservation Agriculture. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City). 24 December 2013. Access Date: 10 March 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2013B815.aspx>

⁷⁹² Mexico Announces Ambitious New 6-Year Agricultural Development Plan. USDA Foreign Agricultural Service, (Washington) 22 January 2014. Access Date: 6 March 2014. http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Mexico%20Announces%20Ambitious%20New%206-year%20Agricultural%20Development%20Plan%20_Mexico_Mexico_1-22-2014.pdf.

Sustainable Use of Soil and Water Program, which received over MXN5 million in funding, had exceeded the goals set for 2013.⁷⁹³

On 16 November 2013, Francisco Jose Gurria, the General Coordinator of Livestock with SAGARPA, announced that the Secretariat would increase its support for the implementation of holistic management methods by strengthening the cooperation between the farmers and Produce Foundations, and working closer with the Savory Institute and the Sierra Gorda Ecological. He also reiterated that the Savory Institute would provide experts from SAGARPA with a special training in holistic management methods.⁷⁹⁴ These methods are designed to re-enact the movements of the prehistoric herds that once nurtured global grasslands with their manure deposits and “hoof action.” By mimicking the natural symbiosis between plants and animals, holistic grazing would, the Savory Institute argues, encourage the regrowth of carbon-sequestering grasslands.⁷⁹⁵

Furthermore, Mexico partook in international discussions on challenges and opportunities related to agriculture risks and sustainable agriculture:

On 16-18 January 2014, Mexico participated in the sixth Berlin Agriculture Ministers Summit in which 65 ministries of agriculture, experts and international organizations discussed how to strengthen the agricultural sector and make it more resilient to guarantee food security for a growing population. The summit put emphasis on issues such as climate change, the degradation of natural resources and rising fluctuations on agricultural markets.⁷⁹⁶

Thus, for its effort to contribute to food security, to reduce the effects of price volatility and enhance sustainable agriculture, Mexico is awarded a score of +1.

Analyst: Alessandra Harkness

Russia: +1

Russia has fully complied with the commitment on food and agriculture.

Russia has no existing export restrictions and extraordinary taxes on food purchased by the World Food Programme (WFP) in place, and has not introduced such restrictions during the monitoring period.

Russia has supported the implementation of risk-management instruments in agriculture.

Russia continues to implement the State Program for Development of Agriculture and Regulation of Agricultural Commodities Markets in 2013-2020, adopted in July 2012. The State Program provides for the utilization of the risk-management mechanisms, such as insurance and credit to the farmers prone to elevated risks. The program also increases the share of insured agricultural lands and reduces

⁷⁹³ Press Release: SAGARPA Monitors Progress of the Strategic Project for Food Security in Guerrero. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 3 December 2013. Access Date: 7 March 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2013B770.aspx>

⁷⁹⁴ Press Release: SAGARPA Drives Sustainable Practices in The Livestock Sector. Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico City), 16 November 2013. Access Date: 16 March 2014. <http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2013B719.aspx>

⁷⁹⁵ Patrick Holden on Holistic Management. Savoy Institute, 24 September 2014. Access Date: 17 October 2014. <http://www.savoryinstitute.com/>

⁷⁹⁶ Global for Food and Agriculture 2014. German Federal Ministry of Food and Agriculture (Berlin), 16-18 January 2014. Access Date: 28 February 2014. <https://www.gffa-berlin.de/en/programme/berlin-summit-of-agriculture-ministers.html>

insurance costs for agricultural producers.⁷⁹⁷ In 2013 Russia assisted in providing insurance to 4,661 agricultural producers.⁷⁹⁸ According to the report on the implementation of the State Program, in 2013 the government spent RUB4.397 billion (USD114 million) on agricultural insurance reimbursements to producers.⁷⁹⁹

On 22 August 2014, at the special meeting of the Russian Government devoted to agricultural development, the Minister of Agriculture Nikolai Fedorov stated that in 2014 the Government would provide additional support to reach the performance target of 40 per cent of cultivated land area covered by insurance. Currently state support amounts to RUB6 billion (approximately USD155 million).⁸⁰⁰

Russia has taken steps to promote innovative agricultural technologies that minimize harm to the environment.

On 9 December 2013, Russian Ministry of Agriculture issued a decree No. 459 “On approval of the sectoral program ‘Implementation of technologies based on appliance of renewable commodities in agricultural sector of Russia in 2014-2020.’” The program enables the implementation of innovative resource-efficient biotechnologies of advanced processing of agricultural commodities, which would ensure high efficiency and safety of agricultural production as well as safety and biological value of the produce. The Ministry plans to spend RUB2.81 billion on the implementation of the program.⁸⁰¹

Thus, Russia has been awarded a score of +1 for refraining from export restrictions and extraordinary taxes on food purchased by the WFP, supporting the implementation of risk-management instruments in agriculture and taking steps to promote innovative agricultural technologies that minimize harm to the environment.

Analyst: Andrei Sakharov

Saudi Arabia: 0

Saudi Arabia has partially complied with its food and agricultural commitment.

It has complied with the following component: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones. However, it has failed with the second and third components: support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) Saudi Arabia has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

⁷⁹⁷ State Program for Development of Agriculture and Regulation of Agricultural Commodities Markets in 2013-2020, Russian Ministry of Agriculture 25 January 2013. Access Date: 22 April 2014. <http://www.mcx.ru/documents/document/show/22026.htm>.

⁷⁹⁸ “Agropromstrakh”: agricultural insurance outcomes of 2013, Russian Ministry of Agriculture 16 April 2014. Access Date: 22 April 2014. http://www.mcx.ru/news/news/v7_show/22962.285.htm.

⁷⁹⁹ Intermediary report on the implementation of the State program in 2013, Russian Ministry of Agriculture 25 February 2014. Access Date: 22 April 2014. http://www.mcx.ru/documents/file_document/v7_show/26751..htm.

⁸⁰⁰ NSA took part in the Russian Government meeting in Kursk, Russian Ministry of Agriculture 25 August 2014. Access Date: 23 September 2014. http://www.mcx.ru/news/news/v7_show/28083.285.htm.

⁸⁰¹ Decree No. 459 “On approval of the sectoral program ‘Implementation of technologies based on appliance of renewable commodities in agricultural sector of Russia in 2014-202,’” Russian Ministry of Agriculture 9 December 2013. Access Date: 22 April 2014. <http://mcx.consultant.ru/page.aspx?429327>.

According to the World Trade Organization on the G20 trade and investment measures, Saudi Arabia has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁸⁰²

No facts of Saudi Arabia imposing new export restrictions on food related to the purchases by WFP have been found during the compliance period.

(2) On food price volatility, Saudi Arabia has taken steps to minimize the risks its investors may face abroad but has failed to support new or existing risk-management instruments for its domestic producers.

From 7-10 September 2014, Saudi Arabia held the 33rd International Agriculture, Water Industry and Agro Show in Riyadh. In order to protect its citizens against food price volatility and reduce water consumption, the government incentivizes the private sector to invest abroad with the objective to import back the products. As part of this strategy, the conference aims to facilitate business deals between local and international companies on one platform covering major industry fields.⁸⁰³

On 30 December 2013, Director General of the Agriculture Development Fund, Abdullah Al-Awain, announced that the Agriculture Development Fund, the Islamic Development Bank (IDB), and the Arab Authority for Agriculture Investments & Development are holding talks to provide insurance on the agricultural projects being funded by King Abdullah's Initiative for Saudi Agricultural Investment Abroad. The IDB wants to assist the initiative by safeguarding the investments and minimizing the risks that these investments may face.⁸⁰⁴

On 29 December 2013, Agriculture Minister Fahd Balghunaim inaugurated a portal for the King Abdullah Initiative for Agricultural Investment Abroad. The objective of the website is to create a link between agriculture investors abroad and the Saudi Agriculture Ministry and the partners in the initiative. The website services will include; investment forms that can be filled out online, providing essential information about the investment atmosphere and rules and regulations in the countries where investments are planned, and providing a list of basic agricultural products to be cultivated in each country as part of the food security program. The website is expected to activate the investment initiative abroad to ensure national, regional, and global food security.⁸⁰⁵

On 8 to 10 December 2013, Saudi Arabia hosted the Saudi Food Forum. The forum focused on the development of the local food and agriculture industry, food safety and security, supply chain logistics, harmonization of Halal food standards, and food investment and marketing opportunities. Given that Saudi Arabia relies heavily on imports to meet its growing consumption requirements, the Saudi Food Forum will devise strategies to sustainably manage the country's internal food consumption demands while improving its Food and Beverage Sector.⁸⁰⁶

⁸⁰² Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 4 October 2014.

http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁸⁰³ 40 Countries to Offer Latest Solutions at Saudi Agriculture 2014. Arab News (Riyadh), 8 July 2014. Access Date: 14 October 2014. <http://www.arabnews.com/news/598161>.

⁸⁰⁴ Overseas farm project to be insured. Arab News (Riyadh) 30 December 2013. Access Date: 21 April 2014. <http://www.arabnews.com/news/500671>.

⁸⁰⁵ Portal to facilitate investments in agriculture abroad. Arab News (Riyadh), 28 December 2013. Access Date: 21 April 2014. <http://www.arabnews.com/news/499701>.

⁸⁰⁶ Industry Leaders To Converge At Foodex For The Saudi Food Forum. Middle East Events (Jeddah) 12 November 2013. Access Date: 17 October 2014.

<http://neareast.fao.org/Pages/NewsDetails.aspx?lang=EN&Cat=0&I=0&Did=10003&Cid=0&CMSId=5003133&id=2406970>.

On 11 November 2013, Saad Khalil, director of King Abdullah's Initiative for Saudi Agriculture Investment Abroad, revealed that 35 countries have been targeted for agro-investment thus far. The investments in these countries aim to produce basic and strategic commodities for food security for both the Kingdom and the target countries. The Initiative seeks to promote and enhance investment opportunities in food and animal resources in several countries, including Saudi Arabia, in order to ensure a supply of commodities at affordable prices.⁸⁰⁷

(3) Saudi Arabia has failed to comply with its commitment to developing environmentally sustainable agricultural methods.

From 7-10 September 2014, Saudi Arabia held the 33rd International Agriculture, Water Industry and Agro Show in Riyadh. Some of the aims of the exhibition are to attract leading regional and international exhibitors from around the world, provide a platform to view the latest equipment and technologies in the agriculture and agro-food industry, and discuss topics such as the Saudi Arabia's irrigation challenges and future water solutions.⁸⁰⁸

During the week of 7 April 2014, Saudi Arabia and Food and Agriculture Organization (FAO) representatives made a speech highlighting their 60-year collaboration during the opening ceremony of Saudi Arabia's 60th Agriculture Week. The collaboration between the two parties has proven to be a huge success. According to Deputy Minister for Agricultural Affairs, Khaled al Fuhaid, efforts were focused on scaling up the cooperation between the two parties to ensure that natural resources, especially water, are sustainably managed and conserved. The current agreement mainly focuses on raising the efficiency of crop productions in the Kingdom while at the same time reducing water consumption. Saudi Arabia will reduce water consumption by 5.5 billion cubic metres by 2030.⁸⁰⁹

On 23 September 2013, Agriculture Minister Fahd Balghunaim unveiled the ministry's new vision for agriculture through collaboration to deliver food security, environmental sustainability, and economic opportunity. This new vision stresses the need to produce more food with fewer resources while reinvigorating rural economies. The minister stressed that "there are many alternatives to fulfill the domestic requirements and the ministry is working out several plans to cover the market demand."⁸¹⁰

On 15 September 2013, Saudi Minister of Agriculture, Dr. Fahd Bin Abdul Rahman Balghunaim inaugurated Saudi Agriculture 2013, the 32nd International Agriculture, Water and Agro-Industry Show. The event enhanced communication, exchange of knowledge and business networks among corporate and government entities. Saudi Agriculture 2013 offers a wide scope of exhibits that include animal health and production, agriculture products and services, chemicals and fertilizers, cold storage and crop production, organic farming, seeds and soil nutrition products, water treatments, and water management among others.⁸¹¹

⁸⁰⁷ Saudi Arabia to target agro-investment abroad. MENAFN News (Saudi Arabia) 11 November 2013. Access Date: 21 April 2014. <http://neareast.fao.org/Pages/NewsDetails.aspx?lang=EN&Cat=0&I=0&DId=0&CId=0&CMSId=21&id=2406961>.

⁸⁰⁸ Saudi Agriculture 2014. Accessed 5 October 2014. http://www.saudi-agriculture.com/get_pagecontent.php?amp;menu_id=2&menu_text='Why%20Exhibit'&page=1&show_id=185&submenu='Why%20Exhibit'&appearpage=Saudi_Agri_2012_Why_Exhibit.

⁸⁰⁹ Saudi Arabia agriculture week highlights collaboration success. RNE Communications (Cairo) 13 April 2014. Access Date: 21 April 2014. <http://neareast.fao.org/Pages/NewsDetails.aspx?lang=EN&Cat=0&I=0&DId=0&CId=0&CMSId=21&id=2408364>.

⁸¹⁰ Pioneering Saudi farm techniques bear fruit, Arab News (Riyadh) 23 September 2013. Access Date: 10 May 2014. <http://www.arabnews.com/news/465523>.

⁸¹¹ Saudi Agriculture 2013 kicks off, over 13 countries show products. Saudi Gazette (Riyadh) 15 September 2013. Access Date: 21 April 2014. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20130916180543>.

Furthermore, Saudi Arabia participated in international discussions on challenges and opportunities related to agriculture risks and sustainable agriculture. On 16-18 January 2014, Saudi Arabia participated in the sixth Berlin Agriculture Ministers Summit. The participants, who included 65 ministries of agriculture, experts, and international organizations, discussed how to strengthen the agricultural sector and make it more resilient to guarantee food security for a growing population. The summit put emphasis on issues such as climate change, the degradation of natural resources, and rising fluctuations on agricultural markets. In their final communiqué, the ministers agreed on the necessity to protect soil and water for future generations in order to safeguard for the income of farming families.⁸¹²

Saudi Arabia has thus been awarded a score of 0.

Analysts: Antonia Tsapralis and Maria Fakbruddin

South Africa: 0

South Africa has partially complied with its food and agriculture commitment.

It has complied with two components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment. However, it has failed to comply with the second component: support of new or existing risk-management instruments to mitigate excessive food price volatility.

It thus registers partial compliance with this commitment and the associated score of 0.

(1) South Africa has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

According to the reports published by the World Trade Organization on the G20 trade and investment measures, South Africa has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁸¹³

Also, no instance of South Africa imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

On 13 February 2014, South Africa President Jacob Zuma, in his state of the nation address, referenced the success of South Africa's agriculture support program, Fetsa Tlala, in helping 88 South African smallholder farmers supply the WFP with 268 tons of maize and beans to send to Lestho in December 2013.⁸¹⁴

(2) South Africa has not complied with the commitment on developing or implementing risk management mechanisms to combat food price volatility.

On 24 October 2013, South Africa launched the Fetsa Tlala Integrated Food Production Initiative, an integrated governmental framework to promote food security via increasing food production, and

⁸¹² Global Forum for Food and Agriculture 2014. German Federal Ministry of Food and Agriculture (Berlin), 16-18 January 2014. Access Date: 16 October 2014. http://www.gffa-berlin.de/images/stories/GFFA2014/PDFs/Results_of_the_GFFA_2014.pdf.

⁸¹³ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Genva), 18 December 2013. Access Date: 25 September, 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁸¹⁴ State of the Nations Address by His Excellency President Jacob Zuma, Cape Town, 13 February 2014. Access Date: 27 March 2014. <http://www.gov.za/speeches/view.php?sid=43620>.

address the structural causes of food insecurity.⁸¹⁵ However, this program does not include the development or implementation of risk management mechanisms, such as agricultural insurance, in targeting the volatility of food price.

(3) South Africa has taken steps to promote sustainable techniques.

On 3 October 2014, the Western Cape Government announced its partnership with the University of Cape Town and the agricultural sector to develop SmartAgri, a “platform for long-term response to climate change.” Through the project, stakeholder workshops will be hosted around the province to develop feasible risk management approaches, new technologies, and effective implementation for specific climate risks.⁸¹⁶

From 22 to 25 October 2014, the Department of Agriculture, Forestry and Fisheries held the 6th Biennial National Land-Conference under the theme “LandCare- Restoring Sustainable Livelihood for All.” The conference provided a platform to showcase strategies on sustainable land management and rehabilitation of degraded lands. LandCare is a government-supported programme, whose objective is to optimise productivity and enhance sustainable use of natural agriculture resources.⁸¹⁷

In addition, South Africa has implemented policies on improving water-use efficiency in agricultural practices. On 21 November 2013, South Africa signed a bilateral agreement with the Kingdom of Netherlands to maintain cooperation in managing, developing, and implementing water security measures, with technical assistance and primary funding from the Netherlands.⁸¹⁸ Projects with the Netherlands in South Africa will generate about EUR 180 million of investments in the water sectors in South Africa. Specifically, the Department of Water Affairs, alongside the Dutch Association of Regional Water Authorities and the Association of Netherlands Municipalities, are implementing the Local Government Capacity Programme until 2016. Above all, these cooperative activities seek to improve the functioning of Catchment Management Agencies in water management and regulations, as well as providing a foundation for Integrated Water Management.

South Africa has taken actions to comply with two of the three pillars of this commitment. It has thus been awarded a score of 0.

Analyst: Jasper Lim

Turkey: 0

Turkey has partially complied with its food and agriculture commitment.

⁸¹⁵ Address by His Excellency President Jacob Zuma at the Launch of Fetsa Tlala Integrated Food Production Initiative, Kuruman, Northern Cape Province, 24 October 2013. Access Date: 25 September 2014. <http://www.gov.za/speeches/view.php?sid=40902>.

⁸¹⁶ SmartAgri Project Provides Platform for Long-term Response to Climate Change. South Africa Government Online (Pretoria), 3 October 2014. Access Date: 3 October, 2014. <http://www.gov.za/speeches/view.php?sid=49009&tid=164632>

⁸¹⁷ Media Invite: 6th Biennial National LandCare Conference. Department of Agriculture, Forestry and Fisheries (Pretoria), 18 September 2014. Access Date: 14 October 2014.

<http://www.daff.gov.za/docs/media/Media%20invite%20for%20LandCare%202014.pdf>.

⁸¹⁸ Speech by the Minister of Water and Environmental Affairs Mrs Edna Molewa on the Occasion of the Signing of a Bilateral Agreement on Cooperation in the Field of Water Resources with the Netherlands. Department of Agriculture, Forestry and Fisheries (Pretoria), 21 November 2013. Access Date: 16 October 2014. <http://www.gov.za/node/633037>. Integrated Water Management. Access Date: 2 March 2014. <http://southafrica.nlembassy.org/key-topics/water-management>.

It has complied with the first component: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones. However, it has failed to comply with the second and third components: support of new or existing risk-management instruments to mitigate excessive food price volatility and; development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) Turkey has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

According to the World Trade Organization on the G20 trade and investment measures, Turkey has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit and has, in fact, imposed no new trade restrictions or taxes since the summer of 2013.⁸¹⁹

(2) Turkey has only supported a new drought risk-management system and has failed to decrease food price volatility.

On 10 April 2014, representatives from Turkey participated in the Roundtable Discussion on Agricultural Insurance.⁸²⁰ This roundtable was held in Slovenia with the aim of exploring new possibilities, future challenges, and best-practice information in the agricultural insurance sector. In February 2014, Turkish farmers stepped up pressure on the authorities to include drought provisions into crop insurance following the increasing drought risks.⁸²¹ The Agricultural Insurance Pool (TARSIM), established in 2005, provides loss coverage against damages caused by natural disasters except drought.⁸²²

While the Government of Turkey continues to support Tarsim and its Strategic Action Plan to Combat with Drought,⁸²³ no new programs or improvements of existing insurance policies have been announced during the compliance cycle. Furthermore, the Government of Turkey has failed to stabilize its national food price volatility during the first period of the compliance cycle:

On 3 April 2014, Burak Kanli, a prominent economist at Finans Invest, said in an interview with the Hurriyet Daily News that “food price volatility in Turkey is seven times higher than the EU-27 average and the volatility is consistently increasing.”⁸²⁴ Thus, the government of Turkey has not taken adequate steps to decrease its national food price volatility for the period in question.

⁸¹⁹ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 June 2014. Access Date: 10 October 2014.

http://www.wto.org/english/news_e/news14_e/igo_17jun14_e.htm.

⁸²⁰ Press Release: The Roundtable Discussion on Agricultural Insurance, Centre of Excellence in Finance (Slovenia) 15 April 2014. Access Date: 19 April 2014. <http://www.cef-see.org/news/the-roundtable-discussion-on-agricultural-insurance-2014-04-15>.

⁸²¹ News: Farmers in Turkey Pressure for Drought Insurances. The Hurriyat Daily News (Izmir), 20 February 2014. Access Date: 19 April 2014.

<http://www.hurriyetdailynews.com/farmers%E2%80%90in%E2%80%90turkey%E2%80%90pressure%E2%80%90for-drought%20insurances.aspx?PageID=238&NID=62683&NewsCatID=344>.

⁸²² Ozan Evkaya: Nonlinear Optimization of the Indemnity Level under Drought Hazard and Basis Risk. Atılım University (Ankara), 24 January 2014. Access Date: 17 October 2014. http://orafm.udl.cat/wp/wp-content/uploads/nonlinear-optimization-of-indemnity-level-under-drought-hazard-and-basis-risk_oevkaya.pdf.

⁸²³ Structural Changes and Reforms on Turkish Agriculture 2003-2013, Republic of Turkey Ministry of Food, Agriculture and Livestock (Ankara), April 2013. Access Date: 19 April 2014. http://www.tarim.gov.tr/Belgeler/ENG/changes_reforms.pdf.

⁸²⁴ News: Turkish Inflation at Eight Month High Due to High Food Prices, The Hurriyet Daily News (Istanbul) 3 April 2014. Access Date: 19 April 2014. <http://www.hurriyetdailynews.com/turkish-inflation-at-eight-month-high-due-to-high-food-prices-.aspx?pageID=238&nID=64499&NewsCatID=344>.

During March 2014, according to new figures from the Turkish Statistical Institute, inflation rose above expectations due to a steep increase in food prices fuelled by drought. The data revealed that the consumer price index in March increased by 1.13 per cent, the highest level reached since July 2013. The rise in inflation was mainly the result of an above-average surge in food prices. The consumer price index came in at 2.10 per cent for food and non-alcoholic beverages in comparison to 1.13 per cent for all goods. The rise in food prices is mainly a result of the high temperatures and a lack of rain, hampering agriculture and causing supply shortages.⁸²⁵

In February 2014, the price had increased to TL3-4 per kilogram, increasing from just over TL1 in a year.⁸²⁶ The Producer Index reflects the cost for farmers to produce agricultural products like potatoes as it went from -0.13 in 2013 to 1.38 in 2014.⁸²⁷ Examples like this are important to consider as they demonstrate that the price of food is a highly significant factor in determining the Consumer and Producer Indexes. Hence changes in these indexes represent changes in the price (and/or supply) of agricultural products.

(3) Turkey has not complied with its commitment to develop and implement sustainable agricultural practices. While it carries out existing projects and practices, the Government of Turkey has not initiated new technologies, techniques and well-known practices that produce minimal harm to the environment.

On 28 May 2014, Turkish Minister of Agriculture Nevzat Birışık participated at the DuPont Turkey Sustainable Agriculture and Food Summit held in Istanbul to discuss the regions food security and reliability, the role of sustainable agriculture, and innovative food and nutrition solutions. During this summit, he reiterated the need for sustainable agricultural practices.⁸²⁸

According to the key findings of the Global Food Security Index, Turkey stands at the 39th spot in 2014 rankings on an overall food security score based on affordability, availability, quality, and safety.⁸²⁹

On 18-22 November 2013, the European Commission conducted an on-site inspection of Turkish imports and exports of organic products in Izmir.⁸³⁰ The purpose of these inspections is to assess the quality of the products according to European Union standards. Indeed, organic farming is one of the few areas of sustainable farming the Turkish Government has supported, and it plans to increase the

⁸²⁵ News: Turkish inflation at eight-month high due to high food prices. The Hurriyet Daily News (Istanbul), 3 April 2014. Access Date 17 October 2014. <http://www.hurriyetdailynews.com/turkish-inflation-at-eight-month-high-due-to-high-food-prices-.aspx?pageID=238&nID=64499&NewsCatID=344>.

⁸²⁶ News: Surge in Potato Price Adds Political Pressure in Turkey. The Hurriyet Daily News (Istanbul), 5 February 2014. Access Date: 19 April 2014. <http://www.hurriyetdailynews.com/surge-in-potato-price%E2%80%90adds-political-pressure%E2%80%90in%E2%80%90turkey.aspx?pageID=238&nID=62080&NewsCatID=344>.

⁸²⁷ Consumer Price Index, Turkish Statistical Institute (Ankara) 2014. Access Date: 20 April 2014. <http://www.turkstat.gov.tr/UstMenu.do?metod=temelist>.

⁸²⁸ Press Release: Officials Drawn to DuPont Turkey Sustainable Agriculture and Food Summit. DuPont Türkiye (Istanbul), 28 May 2014. Access Date: 17 October 2014. <http://foodsecurity.dupont.com/2014/06/09/officials-drawn-to-dupont-turkey-sustainable-agriculture-and-food-summit/>.

⁸²⁹ Global Food Security Index. DuPont (Paris), 5 October 2014. Access Date: 17 October 2014. <http://foodsecurityindex.eiu.com/Country/Details#Turkey>.

⁸³⁰ 2013 Progress Report Prepared by Turkey, Republic of Turkey Ministry for EU Affairs (Ankara) December 2013. Access Date: 19 April 2014. http://www.abgs.gov.tr/files/AB_Iliskileri/AdaylikSureci/IlerlemeRaporlari/2013_tr_progress_report.pdf.

share of organic agriculture from its current 1.9 per cent to 3 per cent by 2016 and 5 per cent by 2023.⁸³¹

All except two companies certified by Good Agricultural Practices (GAP) listed on the Ministry of Food, Agriculture and Livestock website have contracts that have expired. During the compliance cycle, there is no information of any new companies being added or the renewal of the contracts of the existing companies.⁸³² GAP is an important tool the Ministry of Food, Agriculture and Livestock uses to promote the use of sustainable agricultural practices. This programme issues special certification, for a two-year period, to companies that comply with sustainable development practices.

In 2012, the Ministry of Food Agriculture and Livestock renewed its Strategic Plan on Agriculture and will come into effect in 2013 until 2017.⁸³³ The Plan will cover five strategic areas; Agriculture Production and Security of Supply, Food Safety, Providing High Quality Supply of Food and Feed, Plant Health, Animal Health and Welfare, Agriculture Infrastructure and Rural Development, and Institutional Capacity. These plans all include aspects of sustainable agricultural use and development however, no new initiatives were issued throughout the compliance cycle.

Turkey has only partially complied with the three pillars of this commitment. Thus, Turkey has been awarded a score of 0.

Analysts: Aurora Hudson and Maria Fakebruddin

United Kingdom: +1

The United Kingdom has fully complied with its food and agriculture commitment.

It has complied with the three components: removal of food export restrictions on food purchased by the World Food Programme (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) The United Kingdom has refrained from imposing new export restrictions for food purchased for non-commercial purposes by the World Food Program.

According to the reports published by the World Trade Organisation on the G20 trade and investment measures, China has not imposed any restrictions on humanitarian food exports before the Saint Petersburg summit.⁸³⁴

Also, no instance of the United Kingdom imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

⁸³¹ Agriculture Policy Monitoring and Evaluation 2013 OECD Countries and Emerging Economies, Organization for Economic Cooperation and Development 2013. Access Date: 18 April 2014. http://www.keepeek.com/Digital-Asset-Management/oced/agriculture-and-food/agricultural-policy-monitoring-and-evaluation-2013/turkey_agr_pol-2013-25-en#page1.

⁸³² Companies Authorized for GAP Certification. Republic of Turkey Ministry of Food, Agriculture and Livestock (Ankara) Accessed 5 October 2014. <http://www.tarim.gov.tr/Konular/Good-Agricultural-Practices/Companies-Authorized-For-GAP-Certification>.

⁸³³ Structural Changes and Reforms on Turkish Agriculture 2003-2013. Republic of Turkey Ministry of Food, Agriculture and Livestock (Ankara) April 2013. Access Date: 19 April 2014. http://www.tarim.gov.tr/Belgeler/ENG/changes_reforms.pdf.

⁸³⁴ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 June 2014. Access Date: 10 October 2014. http://www.wto.org/english/news_e/news14_e/igo_17jun14_e.htm.

(2) On food price volatility, on 25 February 2014, the Government of the United Kingdom announced the Farming Recovery Fund, a GBP10 million-fund aimed to aid farmers directly affected by the ongoing floods. British Farming Minister George Eustice stated that the purpose of the fund is to “get their businesses back on track as soon as possible.” The fund will cover up to 100 per cent of the farm’s business costs, this way ensuring that farmers can continue to grow crops and to raise livestock.⁸³⁵

On 16 November 2013, the Council of EU Agriculture Ministers adopted the four Basic Regulations for the reformed Common Agriculture Policy (CAP) as well as the Transition Rules for 2014.⁸³⁶ While some of the aspects of the reformed CAP will apply from 1 January 2014, the majority of them will be implemented from 2015. The promise from EU leaders was from a more equitable, greener, and less bureaucratic. The deal leaves more flexibility for member states to implement the reforms the way it suits them.⁸³⁷ The new CAP maintains the pillars of its previous version while increasing the links between them through better-targeted payments and more responsive safety net measures aimed at increasing the EU’s capacity to cope with risks. These measures include a new crisis reserve of EUR400 million, an income stabilization tool, as well as a risk-management toolkit comprising insurance schemes and mutual funds.⁸³⁸

On 13 November 2013, British Farming Minister George Eustice, discussed a range of measures taken to assist famers in increasing their resilience to adverse weather in order to protect their crops and livestock. The measures ranged from encouraging local groups of farmers to share information, to developing tailored weather forecasts and information for farmers. Such measures have led to the governmental publication of a “Get Ready for Winter” webpage that will give farmers accurate and up-to-date information on the weather coming their way.⁸³⁹

(3) On environmentally friendly agricultural practices, on 28 March 2014, the Government of the United Kingdom announced a grant programme totaling GBP 4 million to advance innovate ideas in the agricultural sector lead by businesses and spin-offs from universities.⁸⁴⁰ British Farming Minister George Eustice stated “The 11 projects announced today will be invaluable in helping them [farmers] take advantage of the latest science and innovation, supporting our world-class agricultural technology sector.” Some projects will focus on topics such as the quantification of the economic and environmental potential of sustainable urban farming and the reduction of the cost and carbon footprint of wheat production.

26 February 2014, British Farming Minister George Eustice announced a new environmental land management scheme for farmers to implement environmentally friendly practices. Farmers will be

⁸³⁵ Press Release: 10 million Farming Flood Recovery Fund to Open on Friday. Government of the United Kingdom (London), 25 Feb 2014. Access Date: 9 March 2014. <https://www.gov.uk/government/news/10-million-farming-flood-recovery-fund-to-open-on-friday>.

⁸³⁶ The Common Agricultural Policy. European Commission (Brussels). Access Date: 11 October 2014. <http://ec.europa.eu/agriculture/cap-post-2013/>.

⁸³⁷ Press Release: Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 5. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁸³⁸ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁸³⁹ Press Release: Support for farmers to boost their resilience to severe weather. Department for Environment, Food & Rural Affairs (London), 13 November 2013. Access: Date 26 March 2014. <https://www.gov.uk/government/news/support-for-farmers-to-boost-their-resilience-to-severe-weather>.

⁸⁴⁰ Press Release: 4 Million for Agriculture Innovation (London), 28 March 2014. Access Date: 17 October 2014. <https://www.gov.uk/government/news/4-million-for-agricultural-innovation>.

reimbursed for increasing biodiversity, helping wildlife and improving water quality. This environmental management scheme will be implemented in 2016.⁸⁴¹

On 2 December 2013, the Government of the United Kingdom accepted all recommendations outlined by the Bystander Risk Assessment Working Group regarding pesticide use. The UK government will work with European Union members to implement the recommendations for safer pesticide use in agricultural use among the others listed.⁸⁴²

On 16 November 2013, the Council of EU Agriculture Ministers adopted the four Basic Regulations for the reformed CAP as well as the Transition Rules for 2014.⁸⁴³ In order to improve sustainability performance, the CAP created a simplified and more targeted system of environmental requirements and obligations to be met to receive the full payments. More especially, the reform introduced a new policy instrument in the first pillar: the Green Direct Payment. This will account for 30 per cent of the national payments and will reward farmers for respecting sustainable practices such as crop diversification, maintenance of permanent grassland and ecological focus areas.⁸⁴⁴

On 11 October 2013, the UK's Department for Environment, Food and Rural Affairs announced that farmers will be able to obtain funding, under a government-funded loan scheme, to establish small anaerobic digestion (AD) plants. The new technology has the ability to turn farm waste into energy, which will reduce greenhouse gas emission and produce a renewable source of bio-fertilizer. This three million pound initiative will allow farmers to apply for up to GBP400,000 from the AD Loan Fund to assist in financing on-site AD technology.⁸⁴⁵

On 10 October 2013, Minister David Willetts announced the UK's new GBP70 million Agri-Tec Catalyst aimed to help new agricultural technologies bridge the gap between the lab and the market place. The investment package will finance eight great technologies of the future that will accelerate high-tech progress to tackle some of the greatest challenges such as climate change, energy storage, food production, and population growth.⁸⁴⁶

On sustainable practices through international projects, on 4 October 2013, the Department of Agriculture and Cooperative Development of the Brazilian Ministry of Agriculture launched the Sustainable Agriculture for Rural Development Program in the city of Passo Fundo. With the goal of restoring over 6000 hectares of degraded forests and pastures, the four-year programme will be run in conjunction with the United Kingdom's Ministry of Environment with an investment of BRL80 million.

⁸⁴¹ Press Release: New environmental scheme for farmers to prioritise biodiversity. Department for Environment, Food and Rural Affairs (London), 26 February 2014. Access Date: 28 Feb 2014. <https://www.gov.uk/government/news/new-environmental-scheme-for-farmers-to-prioritise-biodiversity>.

⁸⁴² Press Release: BRAWG report (risk assessment to pesticide exposure) – government response. Department for Environment, Food and Rural Affairs (London), 2 Dec 2013. Date of Access: 28 Feb 2014. <https://www.gov.uk/government/publications/brawg-report-risk-assessment-to-pesticide-exposure-government-response>.

⁸⁴³ The Common Agricultural Policy. European Commission (Brussels). Access Date: 11 October 2014. <http://ec.europa.eu/agriculture/cap-post-2013/>.

⁸⁴⁴ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 5 October 2013, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf

⁸⁴⁵ Press Release: Loan Fund to turn farm waste to energy. Department for Environment, Food & Rural Affairs (London), 11 October 2013. Access Date: 26 March 2014. <https://www.gov.uk/government/news/loan-fund-to-turn-farm-waste-to-energy>.

⁸⁴⁶ Press Release: 186 million pound boost for technologies of the future. Department for Environment, Food & Rural Affairs. (London) 10 October 2013. Date of Access: 26 March 2014. <https://www.gov.uk/government/news/186-million-boost-for-technologies-of-the-future>.

It will also include training courses on planting commercial forests, management of production systems and rehabilitation of degraded areas.⁸⁴⁷

On 2 October 2013, the Brazilian Ministry of Agriculture announced a cooperation project on Sustainable Agriculture for Rural Development with the UK government. The project will demonstrate to farmers how to recover the productive potential of degraded agricultural areas by using low carbon agricultural technologies.⁸⁴⁸

The UK has taken actions to address all three sections of this commitment by removing existing export restrictions, implementing risk management systems and implementing environmentally friendly agricultural practices. Thus, it has been awarded a score of +1.

Analyst: Christine Jacob

United States: +1

The United States has fully complied with its food and agriculture commitment.

It has complied with the three components: removal of food export restrictions on food purchased by the World Food Program (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) The United States has fully complied with its commitment to remove food export restrictions and extraordinary taxes on food purchased for the WFP.

According to the World Trade Organization on the G20 trade and investment measures, the US has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁸⁴⁹

Also, no instance of the US imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

(2) On food price volatility, on 11 March 2014, the United States Department of Agriculture released the Agriculture Act of 2014, also known as the Farm Bill, which includes new and continuing crop insurance products that will protect producers against losses resulting from price and yield risks.⁸⁵⁰ The Farm Bill also introduced the most sweeping changes to US farm policy in nearly two decades: farmers will no longer receive direct fixed payments. Instead, they will have to choose of the two commodity programs. On 25 September 2014, the USDA unveiled these two new programs: Agricultural Risk

⁸⁴⁷ Press Release: Caio Rocha launches program for sustainable agriculture in RS. Ministry of Agriculture (Brasilia), 1 November 2013. Date of Access: 7 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/11/caio-rocha-lanca-programa-de-agricultura-sustentavel-no-rs>.

⁸⁴⁸ Press Release: Authority of the United Kingdom highlights partnership with Brazil. Ministry of Agriculture (Brasilia), 2 October 2013. Date of Access: 7 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/10/autoridade-do-reino-unido-destaca-parceria-com-o-brasil>.

⁸⁴⁹ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 8 March 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁸⁵⁰ Agriculture Act of 2014: Highlights and Implications, Crop Insurance. United States Department of Agriculture. (Washington DC) 11 April 2014. Access Date: 26 March 2014. <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications/crop-insurance.aspx#.UzMp5a1dXHR>.

Coverage (ARC) and Price Loss Coverage (PLC). It also announced new tools to help the producers to choose the program that best suits their needs.⁸⁵¹

During the compliance cycle, the USDA has announced several risk management options that will help farmers manage risks beyond their control. All of them were made possible by the Farm Bill:

On 21 May 2014, the USDA has expanded the 2014 Farm Bill Crop Insurance options to include Whole-Farm Revenue Protection. As a result, farmers will be able to insure all crops on their farm, rather than insuring commodity by commodity. Furthermore, the new policy also includes fruits and vegetables, which were not previously covered.⁸⁵² On 26 September 2014, the USDA announced to a new revenue insurance coverage for peanut producers.⁸⁵³

On 14 February 2014, the White House issued a press release announcing its response to the drought in California. The press release stated that the government would invest USD100 million in livestock disaster assistance to mitigate the effects of the drought on California producers.⁸⁵⁴ The press release also announced plans to provide emergency agriculture loans to farmers.

(3) On environmentally friendly agricultural practices, on 31 July 2014, the Department of Agriculture has released the Quantifying Greenhouse Gas Fluxes in Agriculture and Forestry: Methods for Entity-Scale Inventory report. The report contains new methods to track greenhouse gas emissions that will lead to the development of new ways for farmers, ranchers, and forest landowners to participate in emerging carbon markets.⁸⁵⁵

On 24 February 2014, the American Agriculture Secretary announced that USDA's National Institute of Food and Agriculture will make a USD6 million grant available this year and up to a total of USD30 million available over the next five years as part of its new initiative to provide solutions to agricultural

⁸⁵¹ News Release: USDA Unveils Key New Programs to Help Farmers Manage Risk. USDA (Washington DC), 25 September 2014, Access Date: 15 October 2014,

http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/09/0209.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

⁸⁵² News Release: New Pilot Program Offers Coverage for Fruits and Vegetables, Organic and Diversified Farms. USDA (Washington DC), 21 May 2014, Access Date: 15 October 2014

http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/05/0100.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

⁸⁵³ News Release: USDA Implements New Farm Bill Provision for Peanut Producers. USDA (Washington DC), 26 September 2014. Access Date: 15 September 2014,

http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/09/0214.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

⁸⁵⁴ FACT SHEET: President Obama Leading Administration-wide Drought Response. The White House. (Washington DC) 14 Feb 2014. Access Date: 9 March 2014. <http://www.whitehouse.gov/the-press-office/2014/02/14/fact-sheet-president-obama-leading-administration-wide-drought-response>.

⁸⁵⁵ News Release: Greenhouse Gas Report to Assist Producers Facing Climate Challenges. USDA (Washington DC), 31 July 2014, Access Date: 15 October 2014.

http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/07/0161.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

water challenges.⁸⁵⁶ Farmers, ranchers, forest owners, and citizens will be able to use the grants to develop management practices, technologies, and tools to improve water resource quantity and quality.

On 6 February 2014, the USDA began accepting applications for competitive grants to develop and accelerate conservation approaches and technologies on private agriculture and forestlands.⁸⁵⁷ According to Agriculture Secretary Tom Vilsack, Conservation Innovation Grants allow the government to invest in new conservation technologies and approaches that farmers, ranchers, and forest landowners can use to achieve their production and conservation goals.

On 11 December 2013, the USDA National Institute of Food and Agriculture (NIFA) awarded five grants to support research, education, and extension programs that will improve the competitiveness of organic livestock and crop produces.⁸⁵⁸ According to Vilsack, “the discoveries these grants enable can help farmers who wish to adopt the best organic practices that will make their operations more competitive and sustainable.”

On 28 October 2013, US Secretary of Agriculture Tom Vilsack, released the first USDA report on the advancement of agroforestry. Vilsack stated that the increased use of agroforestry in future years would have many benefits “including reduced greenhouse gas emissions and more resilient agricultural lands.” In addition, he stated agroforestry practices can “act as filters that can help keep water clean.”⁸⁵⁹

The United States has taken actions to address the three components of the food and agriculture commitment. It has taken actions to remove food export restrictions, has implemented risk management strategies, and has taken action to implement environmentally friendly agricultural practices. It has thus been awarded a score of +1.

Analysts: Andrei Burloiu and Christine Jacob

European Union: +1

The European Union has fully complied with its food and agriculture commitment.

It has complied with the three components: removal of food export restrictions on food purchased by the World Food Program (WFP) and non-imposition of new ones; support of new or existing risk-management instruments to mitigate excessive food price volatility; and development and

⁸⁵⁶ News Release: USDA Announces New Grants to Help Communities Meet Water Challenges in Coming Years, \$6 Million in Fiscal Year 2014, Up to \$30 Million Over Next Five Years Available. USDA (Washington DC) 24 February 2014. Access Date: 26 March 2014.

http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/02/0027.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

⁸⁵⁷ News Release: Grant Program Links Public, Private Groups to Improve the Environment and Preserve Resources. USDA (Washington DC), 6 February 2014. Access Date 26 March 2014.

http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/02/0018.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

⁸⁵⁸ News Release: USDA Grants Support Organic Agriculture Research. USDA (Washington DC), 11 December 2013. Access Date: 26 March 2014.

http://www.usda.gov/wps/portal/usda/usdahome?contentid=2013/12/0236.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

⁸⁵⁹ News Release: US Forest Service lands in North Dakota listed on the Secretary Vilsack highlights first-ever report on USDA efforts to expand agroforestry practices on farms, ranches and woodlands. United States Forest Service (North Dakota), 28 Oct 2013. Access Date: 28 Feb 2014. <http://www.fs.fed.us/news/2013/releases/10/agroforest-north-dakota.shtml>.

implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

(1) On food export restrictions, the EU has refrained from imposing any restrictions or taxes that would negatively affect the movement of food for humanitarian aid and it has committed to the lift of the production quota on sugar.

The EU and its members are bound by the Commission Regulation (EC) No 376/2008 of 23 April 2008, which sets detailed rules for the application of the system of export licenses and advance fixing certificates for agricultural products.⁸⁶⁰ Members are authorized not to require an export license or licenses for products and/or goods consigned by private individuals or groups of private individuals to be distributed for humanitarian aid purposes in third countries.

No information indicating the imposition of new food export restriction measures by the EU in this compliance cycle has been found.

As part of its reformed Common Agricultural Policy (CAP), the EU will lift the sugar production quota that is currently in place on 30 September 2017, and which has been responsible for artificial shortages in of the good in the EU.⁸⁶¹

(2) On excessive food price volatility, on 1 January 2014, the CAP reform package for 2014-2020 has entered into force.⁸⁶² It increases support for producers and rural development while also increasing ties between them. The overall goal is to address the issues of viable food production, sustainable management and climate action, and lastly, to balance territorial development.⁸⁶³ The CAP increases the links between its pillars through better-targeted payments, an enhanced safety net, and more efficient policy instruments. A total amount of EUR362 billion has been allocated out of which EUR277 billion will go to targeted payments and EUR85 billion towards rural development. The new CAP will provide three types of payments, the basic ones under the first pillar, the green direct payment, and lastly, additional support for areas of natural constraints.⁸⁶⁴

The CAP allows for a fairer distribution of funds between members.⁸⁶⁵ The package involves the use of EUR100 billion for the development and implementation of new technologies such as crop diversification, maintaining permanent grassland, and conserving areas of ecological interest.⁸⁶⁶ The package offers more responsive safety measures and it increases the European Union's capacity to

⁸⁶⁰ Commission Regulation (EC) No 376/2008 of 23 April 2008 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products (Codified version), EUR-Lex, 23 April 2008, (Geneva). Date Accessed 25 February 2014 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008R0376:EN:NOT>.

⁸⁶¹ Impact Assessment for CAP towards 2020, European Commission, 20 October 2011, (Brussels). Date Accessed 28 February 2014 http://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/cap-towards-2020/index_en.htm.

⁸⁶² Impact Assessment for CAP towards 2020, European Commission, 20 October 2011, (Brussels). Date Accessed 28 February 2014 http://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/cap-towards-2020/index_en.htm.

⁸⁶³ Political agreement on new direction for common agricultural policy, European Commission Press releases database, 26 June 2013 (Brussels). Date Accessed 5 March 2014. http://europa.eu/rapid/press-release_IP-13-613_en.htm.

⁸⁶⁴ The Common Agricultural Policy after 2013, European Commission, December 2013 (Brussels). Date Accessed 5 March 2014 <http://ec.europa.eu/agriculture/cap-post-2013/>.

⁸⁶⁵ Political agreement on new direction for common agricultural policy, European Commission Press releases database, 26 June 2013 (Brussels). Date Accessed 5 March 2014. http://europa.eu/rapid/press-release_IP-13-613_en.htm.

⁸⁶⁶ EU funding under new CAP, European Commission, (Brussels). Date Accessed 8 March 2014 http://ec.europa.eu/agriculture/organic/eu-funding/eu-funding-and-the-new-cap/index_en.htm.

manage risks. A crisis reserve fund of EUR400 million was created along with insurance schemes for crops, animals and plants, mutual funds, and an income stabilisation tool.⁸⁶⁷

(3) The EU was successful in developing and implementing agricultural technologies, well-known practices, and techniques that produce minimal harm to the environment.

The reformed CAP introduced a new policy instrument in the first pillar: the Green Direct Payment, a scheme under which the farmers will be rewarded for respecting sustainable practices such as crop diversification, maintenance of permanent grassland, and ecological focus areas. Overall, the reform created a simplified and more targeted system of environmental requirements and obligations to be met to receive the full payments granted by the CAP.⁸⁶⁸

Furthermore, the EU partook in international discussions on challenges and opportunities related to agriculture risks and sustainable agriculture

On 16-18 January 2014, the EU participated in the 6th Berlin Agriculture Ministers Summit in which 65 ministries of agriculture, experts, and international organizations discussed how to strengthen the agricultural sector and make it more resilient to guarantee food security for a growing population. The summit put emphasis on issues such as climate change, the degradation of natural resources, and rising fluctuations on agricultural markets.⁸⁶⁹

The EU has fully complied with the agricultural commitment for the current compliance cycle. First, EU members have agreed to lift the internal sugar production quota in 2017 and have not imposed further restrictions on foods traded for humanitarian reasons. On 1 January 2014, the EU introduced the newest version of the CAP, a program that seeks to mitigate risks to the sustainability of agriculture by stimulating international cooperation, the development of new technologies, and best practices as well as by increasing financial support.

Thus, the EU is awarded a score of +1.

Analyst: Andrei Burloiu

⁸⁶⁷ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 28 February 2014, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁸⁶⁸ Agricultural Policy Perspectives Brief: Overview of CAP Reform. European Commission (Brussels), 28 February 2014, page 6. Access Date: 10 October 2014. http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf.

⁸⁶⁹ Global for Food and Agriculture 2014. German Federal Ministry of Food and Agriculture (Berlin), 16---18 January 2014. Access Date: 28 February 2014. <http://www.gffa-berlin.de/en/review-gffa/gffa-2014/356-abschlusskommunique-2014.html>.

6. Climate Change

“We support the operationalization of the Green Climate Fund (GCF).”

St. Petersburg Summit Leaders Declaration

Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Argentina	-1		
Australia	-1		
Brazil	-1		
Canada	-1		
China	-1		
France			+1
Germany			+1
India	-1		
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico	-1		
Russia	-1		
Saudi Arabia	-1		
South Africa		0	
Turkey	-1		
United Kingdom			+1
United States		0	
European Union	-1		
Average Score		-0.20	

Background

The G20 first addressed the issue of climate change at its inaugural summit in Washington, D.C. in 2008.⁸⁷⁰ The topic remains of enormous importance for all members moving forward. It is recognized that, “climate change represents an urgent and potentially irreversible threat to human societies and the planet, and thus requires to be urgently addressed by all [countries].”⁸⁷¹ Many commitments made at past G20 summits have either dealt directly with climate change, or have had climate change as an underlying theme. These include commitments relating to clean energy, food and agriculture, among others. At the London Summit in 2009, G20 members expressed their support for the United Nations Framework Convention on Climate Change (UNFCCC).⁸⁷²

⁸⁷⁰ Declaration of the Summit on Financial Markets and the World Economy, 2008 Washington Summit, G20 Information Centre (Toronto) 15 November 2008. Access Date: 7 December 2012. <http://www.g20.utoronto.ca/2008/2008declaration1115.html>.

⁸⁷¹ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Access Date: 7 December 2012. <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

⁸⁷² Global Plan for Recovery and Reform, 2009 London Summit, G20 Information Centre (Toronto) 2 April 2009. Access Date: 7 December 2012. <http://www.g20.utoronto.ca/2009/2009communique0402.html>.

The UNFCCC is an international treaty joined by countries in 1992 in their effort to “cooperatively consider what they could do to limit average global temperature increases and the resulting climate change, and to cope with whatever impacts were, by then, inevitable.”⁸⁷³ The Conference of the Parties (COP) is the supreme decision-making body of the Convention. All countries that are Parties to the Convention are represented at the COP. The COP is tasked with reviewing the national communications and emission inventories submitted by Parties to the Convention. Based on the information gathered, the COP evaluates the effects of measures taken by Parties as well as the progress made on the road to the ultimate goal of the Convention. The COP meets annually.⁸⁷⁴

During the 16th session of the COP to the UNFCCC, from 20 November to 10 December 2010, in Cancun Mexico, the Parties decided to establish the Green Climate Fund (GCF) — decision 1/CP.16.⁸⁷⁵ The GCF was established as an operating entity of the financial mechanism of the Convention under Article 11. The objective of the GCF is to “support projects, programmes, policies and other activities in developing country Parties.” The GCF Board governs the GCF, however a trustee will administer its assets only for the purposes of, and in accordance with, the relevant decisions of the GCF Board. The COP invited the World Bank to serve as the interim trustee of the GCF, but is subject to review after three years of the GCF’s operationalization. Further, the COP decided that an independent secretariat will support the operations of the GCF and that it was to be designed by the Transitional Committee (TC).⁸⁷⁶

During the 17th session of the COP to the UNFCCC from 20 November to 11 December 2011, in Durban South Africa, the Parties adopted decision 3/CP.17, which approved the governing instrument for the GCF proposed by the TC.⁸⁷⁷ Upon adopting the governing instrument of the GCF under decision 3/CP.17, the GCF was launched.⁸⁷⁸ The GCF’s Board of Directors estimates that it will begin operations in September 2014.⁸⁷⁹

Commitment Features

This commitment requires G20 member states to support the operationalization of the GCF.

For G20 member states (as defined by the Frame Convention) “support” will refer to preparing for the initial resource mobilization phase of the GCF. This requires that all “contributing countries need to reassure all stakeholders that they will indeed be ready to mobilize resources so that they can play a key

⁸⁷³ Background on the UNFCCC: The international response to climate change, United Nations Framework Convention on Climate Change (Bonn) 2012. Access Date: 8 December 2012. http://unfccc.int/essential_background/items/6031.php.

⁸⁷⁴ Conference of the Parties (COP): What is the COP?, United Nations Framework Convention on Climate Change (Bonn) December 2012. Access Date: 8 December 2012. <http://unfccc.int/bodies/body/6383.php>.

⁸⁷⁵ Background, Green Climate Fund (Incheon City) 2014 Date of Access: 18 February 2014. <http://gcfund.net/about-the-fund/background.html>.

⁸⁷⁶ Background: Green Climate Fund, United Nations Framework Convention on Climate Change (Bonn). Access Date: 18 February 2014. http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php.

⁸⁷⁷ Background: Green Climate Fund, United Nations Framework Convention on Climate Change (Bonn). Access Date: 18 February 2014. http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php.

⁸⁷⁸ Background, Green Climate Fund (Incheon City) 2014. Access Date: 18 February 2014. <http://gcfund.net/about-the-fund/background.html>.

⁸⁷⁹ Press Release: Green Climate Fund moves towards full operations and rallies support at COP 19, Green Climate Fund (Warsaw) 19 November 2013. Access Date: 18 February 2014. http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_Press_release_fin_20131119.pdf.

role in channeling new, additional, adequate and predictable financial resources to developing countries to act on climate change” once the resource mobilization phase begins.⁸⁸⁰

During its meeting on 11 October 2013, the Board decided that “an initial resource mobilizing will start within three months of the adoption of a set of key policies and procedures that enable the Fund to receive, manage and disburse fund.”⁸⁸¹ Furthermore, the Board decided that the Fund will be open to receiving financial support in the form of “grants from public and private sources, and capital contributions and concessional loans from public sources when it starts its initial resource mobilization process.”⁸⁸²

According to the governing instruments for the GCF, under section IV, *Financial Inputs*, paragraphs 29-30, “The Fund will receive Financial inputs from developed country Parties to the Convention” and “The Fund may also receive financial inputs from a variety of other sources, public and private, including alternatives sources.”⁸⁸³

Therefore in order to receive full compliance, G20 countries must provide reassurance to stakeholders that they are prepared to contribute to the initial mobilization phase by either providing public grants, or capital contributions and concessional loans from public sources, or by encouraging grants and contributions from private sources within their countries.⁸⁸⁴

Scoring Guidelines

-1	Member does not pledge any financial contribution to the Green Climate Fund.
0	Member pledges to financially contribute to the Green Climate Fund, but it does not make any specific pledge.
+1	Member pledges specific financial contribution to the Green Climate Fund.

Lead Analyst: Jelena Djuric

Argentina: -1

Argentina has not complied with its commitment to pledge specific financial contribution to the Green Climate Fund (GCF).

On 3 October 2013, various Argentina-registered and -based non-governmental organizations, among a larger number of Latin American organizations, enjoined the Green Climate Fund to adopt environmental and social protections. These Argentina-registered NGOs included Eco Sitio; M’Biguá,

⁸⁸⁰ Press Release: Green Climate Fund moves towards full operations and rallies support at COP 19, Green Climate Fund (Warsaw) 19 November 2013. Access Date: 18 February 2014.

http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_Press_release_fin_20131119.pdf.

⁸⁸¹ Press Release: Green Climate Board sets out roadmap to mobilize resources, Green Climate Fund (Paris) 11 October 2013. Access Date: 18 February 2014.

http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_Press_Release_11_Oct_2013.pdf.

⁸⁸² Press Release: Green Climate Board sets out roadmap to mobilize resources, Green Climate Fund (Paris) 11 October 2013. Access Date: 18 February 2014.

http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_Press_Release_11_Oct_2013.pdf.

⁸⁸³ Annex: Governing instrument for the Green Climate Fund, Report of the Conference of the Parties on its seventeenth session (Durban) 15 March 2012. Access Date: 18 February 2014.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=55>

⁸⁸⁴ Annex: Governing instrument for the Green Climate Fund, Report of the Conference of the Parties on its seventeenth session (Durban) 15 March 2012. Access Date: 18 February 2014.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=55>

Ciudadanía y Justicia Ambiental, Entre Ríos; FUNAM, Fundación para la defensa del ambiente; and Taller Ecologista.⁸⁸⁵

Their requests to the GCF Board were the following: (1) an utmost respect for the sovereignty and the self-determination of developing countries and their peoples and (2) the implementation of a “do no harm” principle by which GCF activities should not have harmful impacts, whether social, gender, economy or environmental.⁸⁸⁶

Having more direct bearing to this report, these organizations are opposed to the use of international financial intermediaries (FIs) by the GCF and formally requested that the GCF upholds financial integrity and anti-corruption standards. They further requested that the GCF carries out regular public consultations about its operations, programs and projects in a manner that is responsive and appropriate to the needs and concerns of affected groups and communities.⁸⁸⁷

They asked that the GCF develop principles, criteria and a clear system for equitable and fair allocation of climate finance across countries, founded on consensus and agreement by developing countries with full input by civil society groups from developing countries. Finally, they appealed to the GCF to operate in compliance with international law and binding obligations pertaining to human rights (including economic, social, cultural, gender, indigenous, and labour rights, among others), and the environment.⁸⁸⁸

In addition, Argentina presented a study on the economic impacts that climate change would have in the state. On 20 May 2014, Argentina hosted a presentation and analysis of the study “The Economics of Climate Change in Argentina.” During the presentation, the Secretary of Environment and Sustainable Development, Ing. Omar Judis, also criticized lack of adherence by core countries to climate change protocols, and stated that combating climate change “depends on the planet as a whole.”⁸⁸⁹

On 9 July 2014, the United Nations approved a project to combat deforestation and climate change in Argentina at the UN-REDD Programme Policy Board meeting in Lima, Peru. The 20 members of the Political Council of Argentina approved USD 3,800,000 in funding for the UN-REDD programme to curb deforestation and combat climate change. In addition, it was decided at the meeting that Argentina will represent Latin America and the Caribbean in the Political Council of the Programme.⁸⁹⁰

Furthermore, Argentina hosted a meeting wherein experts and officials discussed the impacts of climate change on the region. On 30 and 31 July 2014, Argentina hosted a meeting on Climate Change,

⁸⁸⁵ Letters to the GCF Board, Inter-American Association for Environmental Defence, October 2013. Access Date: March 2014. <http://www.aida-americas.org/en/pubs/letter-board-green-climate-fund>

⁸⁸⁶ Letters to the GCF Board, Inter-American Association for Environmental Defence, October 2013. Access Date: March 2014. <http://www.aida-americas.org/en/pubs/letter-board-green-climate-fund>

⁸⁸⁷ Letters to the GCF Board, Inter-American Association for Environmental Defence, October 2013. Access Date: March 2014. <http://www.aida-americas.org/en/pubs/letter-board-green-climate-fund>

⁸⁸⁸ Letters to the GCF Board, Inter-American Association for Environmental Defence, October 2013. Access Date: March 2014. <http://www.aida-americas.org/en/pubs/letter-board-green-climate-fund>

⁸⁸⁹ “Presentaron estudio sobre el impacto económico del Cambio Climático en la Argentina,” Secretaria de Ambiente, 20 May 2014. Access Date: 5 October 2014.

<http://www.ambiente.gov.ar/?aplicacion=noticias&idarticulo=12675&idseccion=12>.

⁸⁹⁰ “ONU aprobó un proyecto para luchar contra la deforestación y el cambio climático en el país,” Secretaria de Ambiente, 21 July 2014. Access Date: 5 October 2014.

<http://www.ambiente.gov.ar/?aplicacion=noticias&idarticulo=12840&idseccion=12>.

organized by the UN, which highlighted work that Argentina has previously undertaken and to discuss further action in climate change.⁸⁹¹

Despite Argentina-based organizations and civil societies appealing to the GCF Board to uphold financial integrity and a fair allocation of climate finance across countries, thus de facto preparing for the operationalization of the fund, the Government of Argentina has not itself taken concrete action by pledging financial contribution to the Fund.

Thus, Argentina is awarded a score of -1.

Analyst: Alicia Robinson

Australia: -1

Australia has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution.

On 15-17 November 2013, Australia attended the Commonwealth Heads of Government Meeting in Colombo, Sri Lanka. In the final communiqué of this meeting, it was revealed that Australia and Canada could not support a Green Climate Fund at this time.⁸⁹²

The document also indicated Australia's reservations about the language of Paragraph 21 of the Communiqué, which states: "Heads recognized the importance attached to both the operationalization and the capitalization of the Green Climate Fund. Heads looked forward to progress at COP [Conference of the Parties] 19/CMP [Meeting of the Parties to the Kyoto Protocol] 9. Heads agreed to continue to take steps to help build national capacities for improved access to and use of climate financing, and to ensure the transparency of these flows."⁸⁹³ On 7 November 2013, when interviewed about Australia's views toward the fund, the Australian Foreign Affairs Minister said, "The Australian government is currently considering budget and funding priorities, including for its foreign aid program. The government will consider any future climate finance contributions in due course."⁸⁹⁴

At the UN Climate Summit in September of 2014, Julie Bishop, Australia's Minister for Foreign Affairs, told members of the Major Economies Forum that Australia will not raise its target of a 5 per cent reduction of greenhouse gas emissions by 2020.⁸⁹⁵

As of 30 September 2014, Australia has not submitted any financial contribution to the Green Climate Fund nor pledged any specific amount.⁸⁹⁶

⁸⁹¹ "Debaten en Mendoza sobre Cambio Climático," Secretaria de Ambiente, 1 August 2014. Access Date: 5 October 2014. <http://www.ambiente.gov.ar/?aplicacion=noticias&idarticulo=12886&idseccion=12>.

⁸⁹² CHOGM 2013 Communiqué, Commonwealth Heads of Government Meeting (Colombo) 15-17 November 2013. Date Accessed: March 6 2014. Access Date: 30 September 2014.

http://thecommonwealth.org/sites/default/files/events/documents/CHOGM%202013%20Communique_0.pdf

⁸⁹³ CHOGM 2013 Communiqué, Commonwealth Heads of Government Meeting (Colombo) 15-17 November 2013. Access Date: March 6 2014.

http://thecommonwealth.org/sites/default/files/events/documents/CHOGM%202013%20Communique_0.pdf

⁸⁹⁴ Cabinet rethinks Australia's backing of global Green Climate Fund, The Guardian UK edition (London) 8 November 2013. Access date: 6 March 2014. <http://www.theguardian.com/environment/2013/nov/08/australian-ministers-rethink-green-climate-fund-commitment>

⁸⁹⁵ Australia's Climate Stance Savaged at UN Summit, Sydney Morning Herald, 27 September 2014. Access Date: 30 September 2014. <http://www.smh.com.au/environment/climate-change/australias-climate-stance-savaged-at-un-summit-20140927-3gsr3.html>

Thus, Australia is awarded a score of -1.

Analyst: Daniel Hart

Brazil: -1

Brazil has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution to the Fund.

Brazil implemented new green energy schemes as well as enhanced existing initiatives however it has not made any specific financial pledge to the Fund. While it is acknowledged that Brazil has laid out a highly conducive ground to investment by the Fund, it has not made any specific financial pledge to it.

The latest International Energy Agency (IEA) report features Brazil as a world leader in renewable energy. Brazil's renewable energy sector offers more opportunity for private investment. However, the already significant public and private investment in wind, solar, hydro, and biofuel projects suggests that Brazil's green energy industry will be able to take advantage of Latin America's growing economy.⁸⁹⁷

The largest increase in contributions has come from wind power, which currently supplies around 1 per cent of Brazil's electricity, but would supply up to 7 per cent by 2020 under the current plans. Despite its 9 650 km of Atlantic coastline and its Northeast coast having some of the strongest and most consistent winds in the world, Brazil only currently reaches 1 GW of wind power.

As of April 2014, Brazil has fifty-one wind farms and thirty more under construction. However, this number is projected to significantly rise with an estimated BRL25 billion which was invested on wind projects throughout 2013. "The solar potential for Brazil is huge," said Fuiza of El Paso Electric. "We have to explore wind sources that are cheaper in the first instance and think about solar in four or five years." Tolmasquim of the EPE agrees: "We are probably not going to use all the hydro potential in the Amazon because we have to balance the potential with the environment."⁸⁹⁸

Brazil has reduced deforestation in the Amazon over the past decade, keeping an estimated 3.2 billion tons of CO₂ kept out of the atmosphere. A recent study claimed, "The decline in deforestation in 2013 alone represented a 1.5 percent reduction in global emissions for that year." Brazil however declined to sign the UN backed Climate Fund, and Brazil's Environment Minister, Izabella Teixeira, claims that "developed nations still haven't fleshed out promises to help emerging economies like Brazil pay for their efforts." While it is recognized that the Brazilian Government has laid out a highly conducive ground to green investment by the Fund, especially in the wind energy sector, Brazil has not made any specific financial pledge to the Green Climate Fund.

Thus, Brazil is awarded a score of -1.

Analyst: Ujwal Ganguly

⁸⁹⁶ Green Climate Fund (GCF): Contributions, World Bank Group, 2014. Access Date: 30 September 2014.

<http://fiftrustee.worldbank.org/index.php?type=contributionpage&ft=gcf>

⁸⁹⁷ Abrams, Evan. Financial Post. 4 December 2013. Access Date: 30 September 2014.

http://business.financialpost.com/2013/12/04/despite-reforms-brazil-and-mexico-lack-energy-investment/?__lsa=54a2-b540

⁸⁹⁸ Yapp, Robin. Renewable Energy World. 28 September 2011. Access Date: 30 September 2014.

<http://www.renewableenergyworld.com/rea/news/article/2011/09/brazil-sets-the-pace-in-clean-energy?page=2>. 7 March 2014

Canada: -1

Canada has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution to the Fund.

On 15-17 November 2013, Canada attended the Commonwealth Heads of Government Meeting in Colombo, Sri Lanka. In the Final Communiqué of this meeting, it was revealed that Canada, alongside Australia, could not support a Green Climate Fund at this time.⁸⁹⁹

During the Conference of the Parties (COP) 19 held on 20 November 2013, the Canadian delegation noted that current global efforts to keep climate below two degrees Celsius were “aspirational” and refused to address compensation for countries that are victims of climate change.

At the UN Climate Summit that took place on 23 September 2014, when the Canadian delegation was asked about the Green Climate Fund, a spokesperson said it was too “premature” to comment on any planned contributions to the Green Climate Fund.⁹⁰⁰

Canada has failed to uphold its commitment to the Green Climate Fund, explicitly declaring that it could not support the Fund as of 15-17 November 2013.

Thus, Canada is awarded a score of -1.

Analyst: Nikhil Pandey

China: -1

China has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution.

On 6 March 2014, China urged developed countries to raise their total contributions to the Green Climate Fund to USD100 billion by 2020 in its submission to UN Framework of Convention on Climate Change.

In the report it asks developed countries to contribute at least one per cent of their Gross Domestic Product to the Green Climate Fund. China suggests that in order for developed countries to better achieve the goal of contributing USD100 billion by 2020, the following schedule should be implemented: “USD40 billion by 2014, USD50 billion by 2015, USD60 billion by 2016, USD70 by 2017, USD80 billion by 2018, USD90 billion by 2019, and USD100 billion by 2020.”⁹⁰¹

However, as of 6 October 2014 China has made no concrete financial pledge to the GCF.

Thus, China is awarded a score of -1.

Analyst: Pin Hui Chen

⁸⁹⁹ CHOGM 2013 Communiqué, Commonwealth Heads of Government Meeting (Colombo) 15-17 November 2013. Access Date: March 6 2014.

http://thecommonwealth.org/sites/default/files/events/documents/CHOGM%202013%20Communiqué_0.pdf

⁹⁰⁰ U.S., China Vow Climate Action, Canada Seeks ‘Fair’ Deal, The Globe and Mail (New York), 24 September 2014. Access Date: 30 September 2014. <http://www.theglobeandmail.com/news/politics/us-china-vow-climate-action-canada-seeks-fair-deal/article20752631/>

⁹⁰¹ China’s Submission on the Work of the Ad Hoc Working Group on Durban Platform for Enhanced Action 6 March 2014. Access Date: 6 October 2014. http://unfccc.int/files/bodies/application/pdf/20140306-submission_on_adp_by_china__without_cover_page.pdf

France: +1

France has fully complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging a specific financial contribution to the Fund.

On 14 February 2014, the Green Climate Fund Meeting of the Board released a financial report prepared by the World Bank, the interim trustee of the Board. The report stated that as of 31 December 2013 France has contributed EUR250 000 of its total financial pledge to the Green Climate Fund.⁹⁰²

Furthermore, France stated it will continue to contribute funding to the GCF. On 23 September 2014, at the UN Climate Change Summit in New York, USA, France announced it will contribute USD1 billion in upcoming years to the GCF.⁹⁰³

France has shown its support to the initial mobilization phase of the GCF through capital contribution.

Thus, France is awarded a score of +1.

Analyst: Alicia Robinson

Germany: +1

Germany has fully complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging a specific financial contribution to the Fund. Germany has thus far made the largest pledge and contribution to the Green Climate Fund.⁹⁰⁴

On 20 January 2014, the German Ministry of Environment announced that EUR30 million would be made available through the GCF for developing countries that require start-up funds for “project standards.” Furthermore, German Minister of Environment Hendricks reiterated Germany’s support for the initial mobilization stage of the GCF by formally declaring: “the money will help them prepare for appropriate climate change mitigation projects and hopefully with this start-up funding, the Green Climate Fund can take up operation soon.”⁹⁰⁵

On 2-3 December 2013, representatives from the GCF and the German Government participated in the Global Forum on Using Country Systems to Manage Climate Change Finance in Incheon, Republic of Korea. The GCF Executive Director stressed “formal support to develop and strengthen country readiness to absorb climate finance through country systems, including support for co-ordination and public financial management.” The director also emphasized the need to “create an enabling

⁹⁰² Green Climate Fund Trust Financial Report: Green Climate Fund (Bali, Indonesia) February 2014. Access Date: 7 March 2014. <http://gcfund.org/documents/board-meeting-documents.html>

⁹⁰³ China’s Submission on the Work of the Ad Hoc Working Group on Durban Platform for Enhanced Action 6 March 2014. Access Date: 6 October 2014. http://unfccc.int/files/bodies/application/pdf/20140306-submission_on_adp_by_china__without_cover_page.pdf

⁹⁰⁴ Green Climate Fund Trust Fund Report – Status as at 31 December 2013 (Bali) 14 February 2014. Date of Access: 5 March 2014. http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_B06_Inf_04_GCFT_Financial_Report_as_of_31Dec2013-Interim_Trustee_fin....pdf

⁹⁰⁵ Federal Environment Ministry contributes to start-up finance for Green Climate Fund. Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (Berlin) 20 January 2014. Access Date: 6 March 2014. http://www.bmub.bund.de/en/bmub/press-and-speeches/press-releases/detailansicht-en/artikel/bundesumweltministerium-finanziert-starthilfe-fuer-den-gruenen-klimafonds/?tx_ttnews%5BbackPid%5D=113

environment for the private sector, including through changes in government policies and incentives,” in line with the requirements of the initial mobilization phase.⁹⁰⁶

As of 31 December 2013, Germany has contributed EUR17 million to the GCF Trust Fund, fulfilling its commitment to support the initial mobilization phase of the GCF.⁹⁰⁷

As of 30 June 2014 Germany has pledged EUR17.785 million to the Green Climate Trust Fund according to the financial contribution statistics of the Eighth Meeting of the Board.⁹⁰⁸

On 17 July 2014 Chancellor Angela Merkel added EU750 million to Germany’s financial pledge to the initial phase of the Green Climate fund during the fifth Petersberg Climate Dialogue, “noting that this is in addition to the EU3.2 billion Germany has already contributed to climate efforts in recent years.”⁹⁰⁹

On 23 September 2014 Federal Environment Minister Hendricks stressed the importance of financial support of the GCF from developed nations at the United Nations Climate Summit: “For this to succeed, the richest countries must stand by the poorer countries as partners. Germany will contribute up to 750 million euros — around one billion US dollars — to the initial financing of the Green Climate Fund.”⁹¹⁰

On 27 September 2014 Germany iterated its support for a binding climate change agreement by 2015 and Foreign Affairs Minister Steinmeier pledged US1 billion to the Green Climate Fund at the United Nations General Assembly Debate.⁹¹¹

Thus, Germany is awarded a score of +1.

Analyst: Akshay Sharma

India: -1

India has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution to the Fund.

As of 1 October 2014, no concrete financial pledge to the GCF has been made by the Government of India.

⁹⁰⁶ Using Country Systems to Manage Climate Change Finance, Global Forum Summary (Incheon) 2-3 December 2013. Access Date: 6 March 2014. <http://www.climatefinance-developmenteffectiveness.org/images/events/globalforum2013/korea-global-forum-on-use-of-country-systems-to-manage-climate-finance-summary-final.pdf>

⁹⁰⁷ Green Climate Fund Trust Fund Report – Status as at 31 December 2013 (Bali) 14 February 2014. Access Date: 5 March 2014. http://gcfund.net/fileadmin/00_customer/documents/pdf

GCF_B06_Inf_04_GCFT_Financial_Report_as_of_31Dec2013-Interim_Trustee_fin....pdf

⁹⁰⁸ Green Climate Trust Fund Status of Resources (Barbados) 25 September 2014. Access Date: 6 October 2014.

http://www.gcfund.org/fileadmin/00_customer/documents/MOB201410-8th/GCF_B.08_Inf.03_Report_on_Status_of_Resources_fin_20141002.pdf

⁹⁰⁹ Petersberg Climate Dialogue Addresses Expectations for Lima (Berlin) 17 July 2014. Access Date: 5 October 2014. <http://climate-l.iisd.org/news/petersberg-climate-dialogue-addresses-expectations-for-lima/>

⁹¹⁰ Statement of the Federal Environment Minister Barbara Hendricks at the UN Climate Summit (New York) 23 September 2014. Access Date: 3 October 2014. http://www.bmub.bund.de/en/press/speeches/detail-page/artikel/statement-of-the-federal-environment-minister-barbara-hendricks-brat-the-un-climate-summit/?tx_ttnews%5BbackPid%5D=1892&cHash=01bfea798d7738ea79928ce9c20ce7c0

⁹¹¹ UNGA General Debate 2014 Addresses Climate Agreement, Financing, SIDS (New York) 27 September 2014. Access Date: 5 October 2014. <http://climate-l.iisd.org/news/unga-general-debate-2014-addresses-climate-agreement-financing-sids/>

Thus, India is awarded a score of -1.

Analyst: Nikhil Pandey

Indonesia: +1

Indonesia has fully complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging a specific financial contribution to the Fund.

Not only has Indonesia pledged and mobilized funds for the operationalization of the Green Climate Fund, it has also laid solid foundations for future GCF investments in the Indonesian renewable energy sector.

Indonesia has pledged USD250 000 to the Green Climate Fund. With this pledge, Indonesia became the second emerging country to contribute money to the Fund after Korea pledged USD40 million in 2013.⁹¹²

The government of Indonesia is committed to reducing greenhouse gas emissions by 26 per cent by 2020. In addition, the Clean Technology Fund (CTF) Investment Plan for Indonesia proposes co-financing of USD400 million to support Indonesia's goals of providing 17 per cent of total energy use from renewable energy by 2025.⁹¹³ Specifically, the Investment Plan proposes CTF financing for two areas: (1) the scale-up of large-scale geothermal power, and (2) the acceleration of initiatives to promote renewable energy (especially from biomass) and energy efficiency. CTF investments will mobilize financing of up to USD2.7 billion from multilateral financiers, state-owned enterprises, and the private sector. It is estimated that Indonesia will accelerate the use of renewable energy by establishing its first geothermal exploration risk reduction fund and developing technical capacity through exchanges with other large geothermal power-producing countries.⁹¹⁴

Indonesia is committed to mitigating climate change and has announced that the country will reduce greenhouse gas emissions by 26 percent by 2020, predominantly with the use of renewable energy.⁹¹⁵

Indonesia is also reforming fossil fuel subsidies to encourage a shift to cleaner energy. "Moving the climate frontier from negotiations and commitment to real action is not only urgent but also opens a new window of sustainable development opportunity for all in Asia and the Pacific" as stated by Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of the Economic and Social Commission for Asia and the Pacific.⁹¹⁶

Indonesia has fully complied with this commitment as per its pledge and mobilization of funds for the operationalization of the Green Climate Fund, in addition to laying solid foundations for future GCF investments in the Indonesian renewable energy sector.

Thus, Indonesia is awarded a score of +1.

Analyst: Ujwal Ganguly

⁹¹² Pamerindo Indonesia. n.d. <http://www.pamerindo.com/events/4>. 9 March 2014.

⁹¹³ Pamerindo Indonesia. n.d. <http://www.pamerindo.com/events/4>. 9 March 2014.

⁹¹⁴ Indonesia aims to boost electricity capacity, renewable energy, the Jakarta Source (Jakarta) 28 November 2013. <http://www.eco-business.com/news/indonesia-aims-boost-electricity-capacity-renewable-energy/>

⁹¹⁵ Climate Investment Funds - World Bank Group (US). 2014. <https://www.climateinvestmentfunds.org/cif/node/3344>. 9 March 2014.

⁹¹⁶ The Malaysian Insider. 2 October 2014. Date of Access: 6 October 2014.

<http://www.themalaysianinsider.com/sideviews/article/asia-pacific-must-act-now-on-climate-change-shamshad-akhtar>.

Italy: +1

Italy has fully complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging a specific financial contribution to the Fund.

On 21 February 2014, Italy complied with its commitment to support the operationalization of the GCF by pledging to contribute EUR500 000 to the Green Climate Fund.⁹¹⁷

As of 6 October 2014, no further contribution by Italy has been reported.

Thus, Italy is awarded a score of +1.

Analyst: Pin Hui Chen

Japan: +1

Japan has fully complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging a specific financial contribution to the Fund.

As of 31 December 2013, Japan has pledged and contributed USD500 000 to the Green Climate Fund.⁹¹⁸

On 16 November 2013, Japan welcomed and encouraged “significant progress towards the operationalization of the Green Climate Fund...” Japan reassured stakeholders by formally encouraging financial support for the GCF “in order to commence an initial resource mobilization process as soon as possible and transition subsequently to a formal replenishment process.”⁹¹⁹

On 23 November 2013 at the UN Climate Change Conference in Warsaw, a UNFCCC press release stated, “The Warsaw meeting also resulted in concrete announcements of forthcoming contributions of public climate finance to support developing nation action, including...Japan...”⁹²⁰

Japan pledged USD16 million to the GCF “to help developing countries reduce emissions over the next three years” once the fund becomes operational.⁹²¹ Japan’s Ministry of Foreign Affairs affirmed this pledge stating: “On financing, the following decisions were adopted: the acknowledgment of financial pledges and announcements...the holding of a biennial high-level ministerial dialogue on climate finance from 2014 to 2020, the convening of in-session workshops on strategies and approaches for

⁹¹⁷ King, Ed, “Green Climate Fund to ring-fence 25% of cash for ‘vulnerable,” Responding to Climate Change (London), Responding To Climate Change, 21 February 2014. Access Date: 5 March 2014. <http://www.rtcc.org/2014/02/21/green-climate-fund-to-ring-fence-25-of-cash-for-vulnerable-nations/>

⁹¹⁸ Green Climate Fund Trust Fund Report – Status as of 31 December 2013 (Bali), 14 February 2014. Access Date: 8 March 2014. http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_B06_Inf_04_GCFT_Financial_Report_as_of_31Dec2013-Interim_Trustee_fin....pdf

⁹¹⁹ Agenda item 11c – Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund Submission on behalf of Canada, Japan, New Zealand, and the United States (Warsaw), 16 November 2013. Access Date: 9 March 2014.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/submission_gcf_guidance_ug.pdf

⁹²⁰ UN Climate Change Conference in Warsaw keeps governments on a track towards 2015 climate agreement (Warsaw), 23 November 2013. Access Date: 9 March 2014. <http://www.un.org/climatechange/blog/2013/11/25/un-climate-change-conference-in-warsaw-keeps-governments-on-a-track-towards-2015-climate-agreement/>

⁹²¹ Langley, Claire and Hultman, Nathan, Climate Change Negotiations in Warsaw Result in a Timeline for Agreement in 2015 (Warsaw), Brookings, 27 November 2013. Access Date: 9 March 2014. <http://www.brookings.edu/blogs/up-front/posts/2013/11/27-climate-change-warsaw-cop19-timeline-hultman>

scaling up climate finance, and an agreement on arrangements between COP and the Green Climate Fund (GCF).⁹²²

As of 30 June 2014, Japan has pledged US\$1.5 million to the initial phase according to the Green Climate Fund Trust Fund Resource Update.⁹²³

Prime Minister Shinzo indicated on 23 September 2014 at the United Nations Climate Summit that Japan will increase upon its already existing pledges in the near future: “regarding the Green Climate Fund, when the relevant conditions for receiving the contributions are met, we will consider to contribute the fair share of the burden.”⁹²⁴

Japan has thus complied with its commitment to the GCF by contributing funds to its mobilization phase and by pledging future funds for a specific time period.

Thus, Japan is awarded a score of +1.

Analyst: Akshay Sharma

Korea: +1

Korea has fully complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging a specific financial contribution to the Fund.

On 10 September 2013, Korean Vice President of Strategy and Finance, Kyung-Ho Choo, pledged to contribute USD 40 million to the GCF at a United Nations long term finance event in Icheon.⁹²⁵

As of 31 March 2014, Korea has contributed twice towards Green Climate Fund in USD\$11 million and USD\$3.58 million.⁹²⁶

On 23 September 2014, Korean president promised Korea will contribute up to USD\$100 million towards the Green Climate Fund.⁹²⁷

Thus, Korea is awarded a score of +1.

Analyst: Pin Hui Chen

⁹²² Summary and Evaluation of COP 19 / CMP 9 (the 19th Conference of Parties to the UNFCCC and the 9th Session of the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol) (Tokyo), Ministry of Foreign Affairs Japan, 23 November 2013. Access Date: 10 March 2014. http://www.mofa.go.jp/policy/page3e_000130.html

⁹²³ Green Climate Trust Fund Status of Resources (Barbados), 25 September 2014. Access Date: 6 October 2014.

http://www.gcfund.org/fileadmin/00_customer/documents/MOB201410-8th/GCF_B.08_Inf.03_Report_on_Status_of_Resources_fin_20141002.pdf

⁹²⁴ Pledges made towards GCF at the United Nations Climate Summit 2013 (New York), 23 September 2014. Access Date: 6 October 2014. <http://news.gcfund.org/pledges/>

⁹²⁵ South Korea pledges \$40 million to Green Climate Fund (London), 10 September 2013. Access Date: 6 March 2014. <http://www.rtcc.org/2013/09/10/south-korea-pledges-40-million-to-green-climate-fund/#sthash.b74QRgth.dpuf>

⁹²⁶ Green Climate Fund Trust Fund Financial Report-Status as of 31 March 2014. Access Date: 6 October 2014.

http://gcfund.net/fileadmin/00_customer/documents/MOB201406-7th/GCF_B07_Inf_04_Trust_Fund_Financial_Report_fin_20140501.pdf

⁹²⁷ France to Allocate \$1 Billion to UN's Green Climate Fund (Paris), 23 September 2014. Access Date: 6 October 2014. <http://en.ria.ru/world/20140923/193213512/France-to-Allocate-1-Billion-to-UNs-Green-Climate-Fund.html>

Mexico: -1

Mexico has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution to the Fund.

However, it is worth noting that Mexico has laid down the ground for future CGF investments.

Mexico plans to invest in sustainable modes of transportation from funding given by the GCF. On 1 October 2013, at the 4th International Congress of Sustainable Transportation in Mexico, Director Holger Dalkmann of EMBARQ gave a presentation on the proposed use of climate finance for sustainable transportation. Funding received from the total expected GCF budget of USD100 billion dollars will be injected into both private and public sectors to assist in the shift towards more sustainable modes of transportation.⁹²⁸

On 3 October 2013, Mexico-registered and based Non-Governmental Organizations, including Fronteras Comunes, Equidad, Instituto de Políticas para el Transporte y el Desarrollo and Centro Mexican de Derecho Ambiental, amongst a larger number of Latin American organizations, requested for the GCF Board to implement several principles. These include the preservation of sovereignty and self-determination of all countries, as well as the upholding of a “do no harm” principle.

The Mexico-registered and based NGOs also requested that financial intermediaries (Fis) uphold financial integrity and anti-corruption principles as well as the conclusion of public consultations, full documented, free, prior, and informed consent (FPIC), and grievance mechanisms, non-discrimination and inclusion, equity, transparency, compliance with international law and upward harmonization with the highest national and international standards.⁹²⁹

Despite Mexico-based organizations and civil societies appealing to the GCF Board to uphold financial integrity and a fair allocation of climate finance across countries, thus de facto preparing for the operationalization of the fund, the Government of Mexico has not itself taken concrete action by pledging financial contribution to the Fund.

However, Mexico has developed plans to preserve and expand forested areas. On 9 July 2014, President Enrique Peña Nieto confirmed at the National Reforestation Campaign 2014 that the government is committed to “preserving and expanding forested areas.” The campaign aims to sow 190 million trees, which will recover 170 thousand hectares of land. Reforestation will be used to lower the impact of climate change in the country.⁹³⁰

Thus, Mexico is awarded a score of -1.

Analyst: Alicia Robinson

Russia: -1

Russia has failed to comply with its commitment on climate change.

⁹²⁸ IX Congreso Internacional de Transporte Sustentable, EMBARQ (Mexico) October 2013. Access Date: 7 March 2014. http://congresotransportesustentable.org/home/images/pdf/cits/martes01Oct/ClimateFinanceForSustainableTransport_HolgerDalkman.pdf

⁹²⁹ Letters to the GCF Board, Interamerican Association for Environmental Defence, October 2013. Access Date: 7 March 2014. <http://www.aida-americas.org/en/pubs/letter-board-green-climate-fund>

⁹³⁰ “President Peña Nieto Leads Start of National Reforestation Campaign 2014,” 9 July 2014. Access Date: 4 October 2014. <http://en.presidencia.gob.mx/articles-press/president-pena-nieto-leads-start-of-national-reforestation-campaign-2014/>

On 11 November 2013, Special Presidential Representative on Climate Issues Alexander Bedritsky speaking at the ninth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol) in Warsaw stated that Russia welcomed the progress achieved in establishing the mechanisms of the Green Climate Fund (GCF) and intended to use its potential to provide multilateral and bilateral aid, notably in improving energy efficiency and developing alternative sources of energy, adapting agriculture to changing climate, resolving cross-border environment issues, including through knowledge and experience sharing with the countries in distress.⁹³¹

However, no facts of Russia's financial contribution GCF or its pledges to make such contribution have been registered.

Thus, Russia is awarded a score of -1 for failing to comply with the commitment on climate change.

Analyst: Andrei Sakharov

Saudi Arabia: -1

Saudi Arabia has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution to the Fund.

However, Saudi Arabia has laid down the ground for future CGF investments. Saudi Arabia has introduced a variety of operations to promote sustainable growth and also mobilized capital to fund the proposed projects.

It has announced its goal to become solar-power efficient and capable by 2032. Most specifically, it has announced the installation of seventy stations that will measure the potential for solar, wind and geothermal energy production. Ten of these stations have thus far been installed. They will collect all weather and air data to show renewable energy sources in all parts of the country. Researchers will then be able to access the data through a website, relaying information such as solar radiation and wind speed. Saudi Arabia aims to install 23.9 GW of renewable power capacity by 2020 and then 54.1 GW by 2032.⁹³²

Despite Saudi Arabia laying down the ground for green projects that ought to be perfect recipients for future GCF investments, the Saudi Arabian Government has not pledged any financial contribution to the Green Climate Fund.

Thus, Saudi Arabia is awarded a score of -1.

Analyst: Ujwal Ganguly

South Africa: 0

South Africa has partially complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging to financially contribute to the fund. South Africa has in principle pledged support for the GCF, but has not made any *specific* financial pledges thus far.

⁹³¹ Statement by Alexander Bedritsky at the Conference of the Parties to the UN Framework Convention on Climate Change, President of Russia 11 November 2013. Access Date: 17 April 2014. <http://state.kremlin.ru/administration/19598>.

⁹³² International Business Times (Australia), July 4, 2013. Access Date: 7 March 2014. http://au.ibtimes.com/articles/486391/20130704/saudi-arabia-renewable-energy-solar-power.htm#UxwC_YUvmta

The Eighth Board of the Meeting of the GCF's financial contribution statistics indicate that South Africa has not pledged nor contributed any financial support for GCF Trust Fund as of 30 June 2014.⁹³³

However, on 16 November 2013, Chief Policy Advisor Zaheer Fakir of the South African Department of Environmental Affairs, along with other ministers participating in the Warsaw Climate Change Summit, emphasized the need for both developed and developing nations to finance both private and public sector sustainable projects in line with the GCF.⁹³⁴

However, on 8 August 2014 South African ministers “called for the full operationalization of and close coordination between institutions established in the Bali process, including the Green Climate Fund and ...for the immediate and substantial capitalization of the GCF,” along with ministers from other nations at the BASIC Ministerial Meeting on Climate Change.”⁹³⁵

Furthermore, South Africa's Minister of Environment stated at the same meeting that South Africa and its fellow developing nations should show “political will” in making the Green Climate Fund operational.⁹³⁶

South Africa has partially complied with its commitment to contribute to the initial mobilization phase of the GCF, by pledging support for it in principle but has not made any specific financial pledges as of yet.

Thus, South Africa is awarded a score of 0.

Analyst: Akshay Sharma

Turkey: -1

Turkey has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution to the Fund.

As of 13 April 2014, no concrete financial pledge to the GCF has been made by the Government of Turkey.

As of 1 October 2014, no concrete financial pledge to the GCF has been made by the Government of Turkey.

Thus, Turkey is awarded a score of -1.

Analyst: Jelena Djuric

⁹³³ Green Climate Trust Fund Status of Resources (Barbados), 25 September 2014. Access Date: 6 October 2014. http://www.gcfund.org/fileadmin/00_customer/documents/MOB201410-8th/GCF_B.08_Inf.03_Report_on_Status_of_Resources_fin_20141002.pdf

⁹³⁴ Warsaw Participants Discuss 'Developing Countries in the Driving Seat for Accelerating Green Finance' (Warsaw), 16 November 2013. Access Date: 9 March 2014. <http://climate-liisd.org/news/warsaw-participants-discuss-developing-countries-in-the-driving-seat-for-accelerating-green-finance/>

⁹³⁵ Joint Statement – 18th BASIC Ministerial Meeting on Climate Change (New Delhi), 8 August 2014. Access Date: 7 October 2014. <http://envfor.nic.in/sites/default/files/press-releases/Joint-statement-18th-BASIC-New-Delhi.pdf>

⁹³⁶ BASIC group urges rich countries to act on climate change (New Delhi), 8 August 2014. Access Date: 7 October 2014. <http://www.rtcc.org/2014/08/08/basic-group-urges-rich-countries-to-act-on-climate-change/>

United Kingdom: +1

The United Kingdom has fully complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging to financially contribute and following through on this pledge.

At the UN Climate Summit on 23 September 2014, Prime Minister David Cameron announced that the United Kingdom would set aside nearly GBP4 billion to advance climate change action internationally.⁹³⁷ In addition, the UK has pledged to contribute GBP2.5 million. It has thus far concretely contributed GBP1.882 million to the GCF.⁹³⁸

In light of its official pledge to contribute financially to the GCF, and its existing contribution, the UK has complied with its commitment.

Thus, the United Kingdom is awarded a score of +1.

Analyst: Daniel Hart

United States: 0

The United States has partially complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging to financially contribute to the fund, without however making a *specific* financial pledge.

On 24 October 2013, the United States stated that it is “committed to the goal of mobilizing USD100 billion per year by 2020 from both public and private sources to support mitigation and adaptation in the context of meaningful and transparent action by developing countries,” as part of the Green Climate Fund.⁹³⁹ The United States confirmed, “It is working expeditiously to operationalize an ambitious Green Climate Fund.”⁹⁴⁰

Although the United States has yet to make a specific pledge to the GCF, it is however working on bolstering its national climate change financing capacity by providing grant-based technical assistance, viability gap financing, low-cost long-tenor debt financing and risk mitigation tools to a number of different domestic financial sectors. Including development finance institutions, export credit agencies, multilateral development banks, public-private platform.⁹⁴¹

⁹³⁷ Clare Foran, National Journal, 23 September 2014, Access Date: September 30, 2014.

<http://www.nationaljournal.com/energy/here-s-what-major-nations-pledged-at-the-climate-summit-20140923>

⁹³⁸ World Bank, Access Date: 30 September 2014.

<http://fiftrustee.worldbank.org/index.php?type=contributionpage&ft=gcf>,

⁹³⁹ United Kingdom-Republic of Korea Joint Statement on Climate Change, Department of Energy & Climate Change and Foreign & Commonwealth Office (London), 13 November 2013. Access Date: 5 March 2014.

<https://www.gov.uk/government/news/united-kingdom-republic-of-korea-joint-statement-on-climate-change>

⁹⁴⁰ Progress Report on Joint Efforts To Mobilize Climate Finance, US Department of State (Copenhagen), 24 October 2013. Access Date: 04 March 2014. <http://www.state.gov/e/oes/rls/other/2013/215831.htm>

⁹⁴¹ Strategies and Approaches for Scaling up Long-term Finance Submission by the United States, UNFCCC, 7 October 2013. Access Date: 04 March 2014.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_suf_usa_07102013.pdf

It is also working towards supporting multilateral climate change and environment funds, including the Climate Investment Funds (CIFs) and the Global Environment Facility (GEF), through an additional pledge of USD2 billion to the CIFs and an additional pledge of USD575 million to the GEF.⁹⁴²

By declaratively showing that it is committed to financing the Green Climate Fund, but failing to make any specific pledge, the United States has partially complied with this commitment.

Thus, the United States is awarded a score of 0.

Analyst: Nikhil Pandey

European Union: -1

The European Union has failed to comply with its commitment to support the operationalization of the Green Climate Fund (GCF) through a failure to pledge any financial contribution.

On 23 September 2014, EU Commission President, José Manuel Barroso, gave a speech at the UN Climate Summit that reiterated the EU's promise to dedicate 20 per cent of the 2014-2020 EU budget for external action on climate change.⁹⁴³ However, the EU Commission failed to pledge any funds to the Green Climate Fund, citing "governance issues," as it will not sit on the fund's management board.⁹⁴⁴ Although the EU has yet to make a specific pledge to the GCF, it has committed EUR3 billion for mitigation efforts in developing nations between 2014 and 2020.⁹⁴⁵

While the European Union has taken initiatives on climate change, it has failed to commit any specific funds to the Green Climate Fund.

Thus, the European Union is awarded a score of -1.

Analyst: Natalia Valencia

⁹⁴² 2014 Climate Action Report, US Department of State (Washington D.C.), 24 October 2013. Access Date: 04 March 2014. <http://www.state.gov/documents/organization/214955.pdf>

⁹⁴³ UN Climate Summit: European Commission pretends to be a climate champion, reiterates previous pledges, Oxfam International. Access Date: 4 October 2014. <http://www.oxfam.org/en/grow/pressroom/reactions/un-climate-summit-european-commission-pretends-be-climate-champion-reiterates>

⁹⁴⁴ EU snubs Green Climate Fund, France pledges to contribute. EurActiv (France), 7 July 2014. Access Date: 4 October 2014. <http://www.euractiv.com/sections/development-policy/eu-snubs-green-climate-fund-france-pledges-contribute-303398>

⁹⁴⁵ Pledges made towards GCF at the United Nations Climate Summit 2014, Green Climate Fund. Access Date: 4 October 2014. <http://news.gcfund.org/pledges/>

7. Energy: Clean Technology

“[We commit] to take steps to support the development of cleaner and more efficient energy technologies to enhance the efficiency of markets and shift towards a more sustainable energy future.”

G20 St. Petersburg Leaders Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina		0	
Australia	-1		
Brazil			+1
Canada		0	
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy		0	
Japan		0	
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia		0	
South Africa		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.55	

Background

The G20 leaders made their first commitment to develop energy efficiency and clean energy technologies at the 2009 London Summit. At the Pittsburgh Summit also in 2009, the G20 leaders reiterated their commitment to stimulate investment in clean energy, renewables and energy efficiency, as well as to provide financial and technical support for such projects in developing countries. This commitment was reinforced at the 2010 Seoul Summit. At the 2011 Cannes Summit, leaders developed the commitment further by referencing the United Nations Secretary General’s Sustainable Energy for All initiative.⁹⁴⁶ At the 2013 St. Petersburg Summit, the leaders once again reaffirmed their commitment to cleaner and more efficient technologies, but also highlighted the importance of enhancing the efficiency of markets and shifting towards a more sustainable energy future.

Commitment Features

This commitment states that the G20 members will support the development of clean and energy efficient technologies to enhance the efficiency of markets with the long-term goal of contributing to a

⁹⁴⁶ Cannes Summit Final Declaration: Building Our Common Future, G20 Information Center (Toronto) 4 November 2011. Date of Access: 4 February 2014. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>.

more sustainable future. The United Nations Secretary General’s Sustainable Energy for All initiative suggests the following examples of policies that overcome barriers to energy efficiency:

- Establishment of unified sets of standards for energy efficiency
- Instruments that help overcome the high initial costs of efficiency applications.⁹⁴⁷

Examples of policies that assist in spurring innovation and deployment of clean and efficient energy technologies include:

- 1) The establishment of an emission trading mechanism that would enable private companies to sell carbon credits they gained from investing in clean energy technology research and development
- 2) The implementation of credits and tax credits for private investment in clean energy technology research and development
- 3) The establishment of privileged loans for energy efficiency and clean technology research and development
- 4) Setting up a certification system for companies that invest in energy efficiency and clean energy technology research and development

To achieve full compliance with this commitment the G20 member must support the development of clean and energy efficient technologies while also supporting the development of markets. Actions taken to solely support the development to new clean and energy efficient technologies without consideration or additional support to increase the efficiency of the market will result in a score of partial compliance.

Scoring Guidelines

-1	Member does not take measures to support the development of cleaner and more efficient energy technologies AND to enhance the efficiency of energy markets.
0	Member takes measures to support the development of cleaner and more efficient energy technologies OR to enhance the efficiency of energy markets.
+1	Member takes measures to support the development of cleaner and more efficient energy technologies AND to enhance the efficiency of energy markets.

Lead Analyst: Philip Gazaleh

Argentina: 0

Argentina has partially complied with its commitment to support the development of cleaner and more efficient energy technologies, to enhance the efficiency of markets and shift towards a more sustainable energy future.

On 13 February 2014, the Argentine state-owned enterprise Yacimientos Petrolíferos Fiscales (YPF) purchased reserves of natural gas estimated at 540 billion cubic feet, an expansion of 15 per cent, from Apache Corp.⁹⁴⁸

⁹⁴⁷ Sustainable Energy for All: A Framework for Action, The Secretary General’s High-level Group on sustainable Energy for All (New York) 1 January 2012. Date of Access: 5 February 2014. http://www.se4all.org/wp-content/uploads/2013/09/SE_for_All_-_Framework_for_Action_FINAL.pdf.

⁹⁴⁸ Apache Exits Argentina in \$800 Million Asset Sale to YPF, Bloomberg (Buenos Aires) 13 February 2014. Date of Access: 25 February 2014. <http://www.bloomberg.com/news/2014-02-12/apache-exits-argentine-after-800-million-energy-sale-to-ypf-1-.html>.

On 19 February 2014, Argentina and India announced a bilateral agreement to strengthen renewable energy cooperation.⁹⁴⁹ Antonio Bonafatti, Governor of Santa Fe, said that increased cooperation would encourage Indian investment in solar and wind energy.

On 25 February 2014, the board of directors of Repsol approved a USD5 billion settlement with the Argentine government regarding its 2012 nationalization of Repsol's controlling interest in YPF. The deal was praised by YPF President Miguel Galuccio, who referred to YPF as "a fundamental tool for the country's energy future."⁹⁵⁰ The deal paves the way for YPF to explore the Vaca Muerta shale oil-and-gas fields, which was the intention behind the initial expropriation.⁹⁵¹

In March 2014, the Argentinian government supported the development of the country, which was the intention behind the initial exis going into five projects in different parts of the country, to investigate design, manufacture and maintenance of wind turbines via the government-funded National Agency for Science and Technology.⁹⁵²

On 21 May 2014, Argentina and the United States signed a bilateral agreement to enhance technical exchanges in the fields of unconventional hydrocarbons, smart grids, nuclear and renewable energy, and energy efficiency.⁹⁵³

On 28 August 2014, YPF and the Malaysian state-owned enterprise Petroliam Nasional Berhad signed an agreement to jointly develop the La Amarga Chica oil field within the Vaca Muerta. The deal includes an initial investment of USD500 million, with the potential to add up to USD9 billion over the next decade.⁹⁵⁴

Argentina's combination of steps encouraging investment in clean and efficient energy technologies as well as those significantly expanding oil production, as well as its lack of support for the development of clean energy markets result in its partial compliance.

Thus, Argentina is awarded a score of 0.

Analyst: Colin McEwen and Mie Leonora Heiberg

Australia: -1

Australia has failed to comply with its commitment to support the development of cleaner and more efficient energy technologies, to enhance the efficiency of markets and shift towards a more sustainable energy future.

⁹⁴⁹ India, Argentina to Strengthen Ties in Renewable Energy, The Hindu Business Line (New Delhi) 19 February 2014. Date of Access: 25 February 2014. <http://www.thehindubusinessline.com/economy/india-argentina-to-strengthen-ties-in-renewable-energy/article5705953.ece>.

⁹⁵⁰ Spain's Repsol Agrees to \$5-Billion Settlement with Argentina over YPF, Reuters (Buenos Aires) 25 February 2014. Date of Access: 25 February 2014. <http://www.reuters.com/article/2014/02/25/us-repsol-argentina-idUSBREA101LJ20140225>.

⁹⁵¹ Argentina's YPF: Swallowed Pride, The Economist (Buenos Aires) 28 November 2013. Date of Access: 25 February 2014. <http://www.economist.com/news/americas/21590939-deal-repsol-small-step-towards-reversing-energy-deficit-swallowed-pride>.

⁹⁵² Argentina moves to fund wind industry initiatives, Windpower Monthly (Teddington) 20 March 2014. Access Date: 14 October 2014. <http://www.windpowermonthly.com/article/1286238/argentina-moves-fund-wind-industry-initiatives>

⁹⁵³ Argentina and the U.S. signed an agreement for energy cooperation, Embassy of Argentina in Washington, D.C. (Washington) 22 May 2014. Date of Access: 28 September 2014. <http://embassyofargentina.us/embassyofargentina.us/en/news/140522acuerdoenergetico.html>.

⁹⁵⁴ Fracking Deal Is Reached by YPF, Petronas, The Wall Street Journal (New York) 28 August, 2014. Date of Access: 28 September 2014. <http://online.wsj.com/articles/fracking-deal-is-reached-by-ypf-petronas-1409209249>.

On 13 November 2013, Prime Minister Tony Abbott introduced legislation to repeal the Clean Energy Act 2011, which established a carbon price to be in place for three years before transitioning to an emissions trading mechanism in 2015.⁹⁵⁵ The legislation also includes a provision to reduce funding to the Australian Renewable Energy Agency, which funds renewable energy projects as well as research and development, by AUD435 million over three years.⁹⁵⁶ The legislation passed the Australian House of Representatives on 21 November 2014,⁹⁵⁷ and passed the Senate on 17 July 2014, receiving Royal Assent the same day.⁹⁵⁸

On 23 January 2014, Prime Minister Abbott restated his intent to repeal the Clean Energy Act at the World Economic Forum, saying “to boost private sector growth and employment, the new government is cutting red tape and reducing the tax burden by scrapping the carbon tax and the mining tax.”⁹⁵⁹

On 17 February 2014, Minister for Industry Ian Macfarlane and Minister for the Environment Greg Hunt announced a review of Australia’s Renewable Energy Target (RET) program. The reviewing panel reported on 28 August 2014. Among its recommendations were closing the Large-scale RET or setting annual targets to match demand, abolishing or accelerating the phase-out of the Small-scale Renewable Energy Scheme (SRES), and ceasing statutory reviews to reduce investor uncertainty.⁹⁶⁰

On 15 May 2014, Prime Minister Abbott introduced legislation to repeal the Energy Efficiency Opportunities Act of 2006. On 11 September 2014, having passed both the House of Representatives and the Senate, the bill received Royal Assent.⁹⁶¹ During the program’s first five-year cycle, it had identified opportunities helping to reduce annual energy use by 2.7 per cent, and was generally “effective in addressing information barriers.”⁹⁶²

On 17 July 2014, the Australian Senate passed the repeal of the Clean Energy Act. This abolishes the country’s carbon pricing mechanism from 1 July 2014.⁹⁶³ Prime Minister Tony Abbot claimed, “This is great news for Australian families and for our nation’s small businesses.” Opposition leader Bill Shorten

⁹⁵⁵ Tony Abbott Introduces Legislation to Repeal Carbon Tax After ‘Electricity Bill’ Row, ABC News (Canberra) 13 November 2013. Date of Access: 11 February 2014. <http://www.abc.net.au/news/2013-11-13/abbott-introduces-carbon-tax-repeal-bill/5088524>.

⁹⁵⁶ Renewable Energy Cuts a Disappointing Sting in Carbon Tail, Clean Energy Council (Melbourne) 13 November 2013. Date of Access: 12 February 2014. <https://www.cleanenergycouncil.org.au/media-centre/media-releases/2013-media-releases/november-2013/131113-arena.html>.

⁹⁵⁷ House of Representatives Votes to Scrap the Carbon Tax, Office of Minister for the Environment Greg Hunt (Canberra) 21 November 2013. Date of Access: 12 February 2014. <http://www.greghunt.com.au/media/mediareleases/tabid/86/articletype/articleview/articleid/2667/house-of-representatives-votes-to-scrap-the-carbon-tax.aspx>.

⁹⁵⁸ Clean Energy Legislation (Carbon Tax Repeal) Bill 2014, Parliament of Australia (Canberra) 17 July 2014. Date of Access: 27 September 2014. http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r5311.

⁹⁵⁹ Abbott at Davos: Getting the Fundamentals Right, G20 Information Centre (Toronto) 23 January 2014. Date of Access: 12 February 2014. <http://www.g20.utoronto.ca/2014/2014-abbott-davos.html>.

⁹⁶⁰ Executive Summary, RET Review Report (Canberra) 28 August 2014. Date of Access: 27 September 2014. http://retreview.dpmpc.gov.au/sites/default/files/files/RET_Review_Report_Exec_Summary.pdf.

⁹⁶¹ Energy Efficiency Opportunities (Repeal) Bill 2014, Parliament of Australia (Canberra) 11 September 2014. Date of Access: 27 September 2014.

http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r5232.

⁹⁶² Program Results, Energy Efficiency Opportunities Program (Canberra) 15 August 2014. Date of Access: 27 September 2014. <http://eex.gov.au/energy-management/energy-efficiency-opportunities/>.

⁹⁶³ Carbon Pricing Mechanism Repeal, Australian Government Clean Energy Regulator (Canberra) 18 July 2014. Access Date: 14 October 2014. <http://www.cleanenergyregulator.gov.au/Carbon-Pricing-Mechanism/Carbon-pricing-mechanism-repeal/Pages/default.aspx>

said: “Today Prime Minister Tony Abbott has made Australia the first country to reverse action on climate change.”⁹⁶⁴

On 28 July 2014, Australian Environment Minister, Greg Hunt, approved a coal and rail project worth a total of AUD16.5 billion in the state of Queensland’s Galilee Basin.⁹⁶⁵ According to Mr Hunt, the approval was given under 36 environmental conditions “imposed to ensure the protection of the environment, with a specific focus on the protection of groundwater.”⁹⁶⁶ The Carmichael Coal and Rail project will dig up and transport 60 million tonnes of coal each year.

House of Representatives and the Senate, the bill received Royal Assent.⁹⁶⁷ During the program’s first five-year cycle, it had identified opportunities helping to reduce annual energy use by 2.7 per cent, and was generally “effective in addressing information barriers.”⁹⁶⁸

The Emission Reduction Fund legislation was introduced to the Australian Parliament in June 2014. The Fund aims to provide incentives for emissions reduction activities across the Australian economy. The government has committed \$2.55 billion to fund businesses and organisations to invest in new technologies to improve energy efficiency and reduce emissions in the industrial, commercial and agricultural sectors, using a reverse auction process. Organisations will undertake projects which will be assessed for environmental and commercial viability.⁹⁶⁹

On 26 August 2014, Parliamentary Secretary for Industry Bob Baldwin announced \$21.5 million funding for 12 new solar research and development projects at an Australian Renewable Energy Agency (ARENA) event at the University of New South Wales (UNSW).⁹⁷⁰

As per its reduction of funds for research and development as well as its repeal of both energy efficiency efforts and emissions trading during this compliance cycle, Australia is found to not have complied with this commitment.

⁹⁶⁴ Australia’s carbon tax is gone: A selection of the cheers, jeers and fears, The Guardian (London) 17 July 2014. Access Date: 14 October 2014. <http://www.theguardian.com/world/2014/jul/17/australias-carbon-tax-is-gone-a-selection-of-the-cheers-jeers-and-fears>

⁹⁶⁵ Largest coal mine in Australia: federal government gives Carmichael go-ahead, The Guardian (London) 28 July 2014. Access Date: 14 October 2014. <http://www.theguardian.com/environment/2014/jul/28/largest-coal-mine-in-australia-federal-government-gives-carmichael-go-ahead>

⁹⁶⁶ Strictest condition on the Carmichael Coal Mine project, Greg Hunt MP (Hastings Vic) 28 July 2014. Access Date: 14 October 2014. <http://www.greghunt.com.au/Home/LatestNews/tabid/133/articleType/ArticleView/articleId/2917/categoryId/21/Strictest-conditions-on-Carmichael-Coal-Mine-project.aspx>

⁹⁶⁷ Energy Efficiency Opportunities (Repeal) Bill 2014, Parliament of Australia (Canberra) 11 September 2014. Date of Access: 27 September 2014.

http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bid=r5232.

⁹⁶⁸ Program Results, Energy Efficiency Opportunities Program (Canberra) 15 August 2014. Date of Access: 27 September 2014. <http://eex.gov.au/energy-management/energy-efficiency-opportunities/>.

⁹⁶⁹ Australian Government, Emissions Reduction Fund, Date of Access: 11 November 2014. <http://www.environment.gov.au/climate-change/emissions-reduction-fund>

⁹⁷⁰ Parliamentary Secretary to the Ministry of Industry, Federal Government invests \$21.5 million in home-grown ingenuity, 26 August 2014, Date of Access: 11 November 2014. <http://www.minister.industry.gov.au/ministers/baldwin/media-releases/federal-government-invests-215-million-home-grown-ingenuity>

It is thus awarded a score of -1.

Analyst: Colin McEwen and Mei Leonora Heiberg

Brazil +1

Brazil has fully complied with its commitment to support the development of cleaner and more efficient energy technologies, to enhance the efficiency of markets and shift towards a more sustainable energy future.

Throughout the compliance period, the Brazilian Electrical Regulatory Agency (ANEEL) undertook a number of tariff adjustments and hearings related to both conventional and clean energy plants. These tariffs were given to industries to promote the development of new plants to add to the nation's energy network, and also to residential consumers to offset the cost of using renewable energies. ANEEL used auctions as another financial tool in order to increase competition in, and attractiveness of, renewable energy projects.

In September 2013, an auction for wind power energy procurement generated a savings of 5.55 per cent off the set ceiling megawatt-hour rate for the 66 winning projects.⁹⁷¹ The sales and purchase contracts were set for terms of 20 years, amounting to sustained savings for the project investors. In the November A-3 auction, 15 gigawatts of wind and three gigawatts of solar projects were registered. Over 20 gigawatts of renewables projects competed in December's A-5 tender.⁹⁷²

On 10 December 2013, ANEEL announced that the total value of quotas to fund the Program of Incentive to Alternative Electric Energy Sources (PROINFA) in 2014 would be BRL2.8 billion.⁹⁷³ There would be 131 plants in the program from the clean energy sectors of hydroelectric, wind power, and biomass-powered thermoelectric, which may generate up to 11.1 million megawatt hours.⁹⁷⁴

Brazil's first state-level solar-only tender auction, held on 20 December 2013, generated BRL597 million in investments from both national and international bidders and added 122.82 megawatts of solar projects to the energy sector.⁹⁷⁵

On 26 December 2013, ANEEL announced a voluntary "White Tariff," which assigned three different energy rates to different times of the day — peak, intermediate and off-peak — Monday to Friday, with off-peak charges on weekends and holidays.⁹⁷⁶ The three different rates replaced the conventional flat rate, with the installation of household meters necessary to charge peak rates coming at no cost to the

⁹⁷¹ Wind power auction records an average discount of 5.55%, ANEEL (Brasilia) 2 September 2013. Date of Access: 6 October 2014.

http://www.aneel.gov.br/aplicacoes/noticias_area/arquivo.cfm?tipo=PDF&idNoticia=7333&idAreaNoticia=347.

⁹⁷² Renewable Energy Country Attractiveness Index (RECAI), EY (London) November 2013. Date of Access: 6 October 2014. [http://www.ey.com/Publication/vwLUAssets/RECAI_39_-_Nov_2013/\\$FILE/RECAI_Issue_39_Nov_2013.pdf](http://www.ey.com/Publication/vwLUAssets/RECAI_39_-_Nov_2013/$FILE/RECAI_Issue_39_Nov_2013.pdf).

⁹⁷³ ANEEL Approves Proinfa Funding Value for 2014, ANEEL (Brasilia) 22 December 2013. Date of Access: 6 October 2014. http://www.aneel.gov.br/aplicacoes/noticias_area/arquivo.cfm?tipo=PDF&idNoticia=7671&idAreaNoticia=347.

⁹⁷⁴ ANEEL Approves Proinfa Funding Value for 2014, ANEEL (Brasilia) 22 December 2013. Date of Access: 6 October 2014. http://www.aneel.gov.br/aplicacoes/noticias_area/arquivo.cfm?tipo=PDF&idNoticia=7671&idAreaNoticia=347.

⁹⁷⁵ Brazilian State Approves 123MW of Solar Developments in Energy Auction, PV Tech (London) 2 January 2014. Date of Access: 6 October 2014. http://www.pv-tech.org/news/brazil_gains_122mw_of_solar_developments_after_state_energy_auction.

⁹⁷⁶ White Tariff Category Will Offer Different Tariff Rates Depending on the Consumption Time, ANEEL (Brasilia) 26 December 2013. Date of Access: 6 October 2014.

http://www.aneel.gov.br/aplicacoes/noticias_area/arquivo.cfm?tipo=PDF&idNoticia=7673&idAreaNoticia=347.

consumer.⁹⁷⁷ This type of billing is meant to encourage a reduction in energy consumption during peak hours through monetary savings incentives.⁹⁷⁸

From January 2014 onwards, “turbine models that incorporate a gearbox must assure that the gearbox, generator and DFIG panel are produced locally. For models without a gearbox, at least three of the four main wind-farm elements (towers, blades, nacelles and hubs) must be produced or assembled in Brazil.”⁹⁷⁹ By 2016, 70 per cent of the turbine will be required to be produced in Brazil.⁹⁸⁰ While this requirement for domestic supply has created a bottleneck in supply, it is believed this will contribute to a more sustainable, established domestic market in the near future.⁹⁸¹

On 28 March 2014, the President of Eletrobras, Brazil’s national electricity company, Jose de Costa, presented the Master Plan for Business and Management for 2014-2018. This plan estimates a reduction in electricity costs by EUR1.2 billion per year from the use of green sources of energy. It also calls for studies undertaken in conjunction with the advice of German consultancy Ronald Berger, in order to further reduce costs to the electrical network.⁹⁸²

In order to offset some of the activation costs associated with thermoelectric plants, as well as the cost of power purchases not already covered by the Existing Energy Auction 2013, the Electric Energy Trading Chamber created a new fund to allocate loans to various distributors that will be available to distributors on 2 April 2014.⁹⁸³

On 7 April 2014, ANEEL announced the quota for the Energy Development Account for 2014 as BRL1.6 billion. The Treasury had contributed a further BRL4 million in February, bringing the total to BRL5.6 billion.⁹⁸⁴ Some of these funds will be used towards granting tariffs, subsidies and other financial incentives to the green energy sector in Brazil.

On 10 April 2014, the Minister of Mines and Energy Edison Lobao signed a concession agreement establishing the hydroelectric power plant Hydroelectric Sao Manoel, which will generate 700 megawatts of installed capacity to the National Interconnected System beginning in 2018.⁹⁸⁵

⁹⁷⁷ White Tariff Category Will Offer Different Tariff Rates Depending on the Consumption Time, ANEEL (Brasilia) 26 December 2013. Date of Access: 6 October 2014. http://www.aneel.gov.br/aplicacoes/noticias_area/arquivo.cfm?tipo=PDF&idNoticia=7673&idAreaNoticia=347.

⁹⁷⁸ Interview with Mr. Pepitone da Nobrega Director of ANEEL, IPEEC Newsletter Issue 7, IPEEC (Paris) June 2014. Date of Access: 6 October 2014. <http://ipeec.org/newsletters/download/id/898.html>.

⁹⁷⁹ Wind Energy in Brazil, Ministry of Economic Affairs in The Netherlands (The Hague) March 31 2014. Date of Access: 6 October 2014. <http://www.rvo.nl/sites/default/files/2014/08/Wind Study Brazil 2014.pdf>.

⁹⁸⁰ Wind Energy in Brazil, Ministry of Economic Affairs in The Netherlands (The Hague) March 31 2014. Date of Access: 6 October 2014. <http://www.rvo.nl/sites/default/files/2014/08/Wind Study Brazil 2014.pdf>.

⁹⁸¹ Wind Energy in Brazil, Ministry of Economic Affairs in The Netherlands (The Hague) March 31 2014. Date of Access: 6 October 2014. <http://www.rvo.nl/sites/default/files/2014/08/Wind Study Brazil 2014.pdf>.

⁹⁸² Eletrobras in the World, Eletrobras: Energia Para Novas Tempos (Rio de Janeiro) June 2014. Date of Access: 6 October 2014. <http://www.eletrabras.com/ELB/services/DocumentManagement/FileDownload.EZTsvc.asp?DocumentID=%7B962D62E5-1CF3-4DA5-8C2B-EBE54FAFE6F6%7D&ServiceInstUID=%7BEB1F1DDA-8DEF-44B6-880D-28F13D844095%7D>.

⁹⁸³ Posted decree on the establishment of ACR Account CCEE, Ministry of Mines and Energy (Brasilia) 2 April 2014. Date of Access: 13 April 2014. http://www.mme.gov.br/mme/noticias/destaque2/destaque_399.html.

⁹⁸⁴ ANEEL define quotas da CDE para 2014 no valor de R\$1,6 bilhão, Brazilian Electricity Regulatory Agency (Brasilia) 7 April 2014. Date of Access: 13 April 2014. http://www.aneel.gov.br/aplicacoes/noticias/Output_Noticias.cfm?Identidade=7827&id_area=90.

⁹⁸⁵ Minister signs a contract granting the hydroelectric São Manoel, 700 MW, Ministry of Mines and Energy (Brasilia) 10 April 2014. Date of Access: 13 April 2014. http://www.mme.gov.br/mme/noticias/destaque_foto/destaque_480.html.

For the 2014 World Cup in Brazil, five stadiums were LEED (Leadership in Energy and Environmental Design) certified, including Maracana stadium, which features photovoltaic panels on the roof, the Castelao Arena, which features a 12.7 per cent reduction in annual energy consumption, and Arena Fonte Nova which purchased 35 per cent of its power from renewable sources.⁹⁸⁶

On 10 September 2014, the Brazilian National Electricity Agency stated that by 2023 Brazil would have the capacity to generate 22.4 gigawatts of wind power. The Brazilian government plans to buy 17 gigawatts of wind power over the next ten years. Overall Brazil plans to invest BRL301 billion to increase energy supplies during the next ten years, also including investments in oil production, which are expected to reach BRL879 billion.⁹⁸⁷

Brazil has fully complied with this energy commitment through its efforts to increase the number of clean energy projects and developments, its extensive use of government-sponsored auctions and the provision of new funds to overcome barriers to efficiency, and its investments and other incentives channelled through governmental organizations, which in turn enhances the efficiency of energy markets.

Thus, Brazil is awarded a score of +1.

Analysts: Kayla Rimer and Mei Leonora Heiberg

Canada: 0

Canada has partially complied with its commitment to support the development of cleaner and more efficient energy technologies, to enhance the efficiency of markets and shift towards a more sustainable energy future.

Since 2009, Canada has invested CAD795 million in various projects to create “a suite of clean energy technologies and the knowledge to ensure uptake of the technologies.”⁹⁸⁸ In the Economic Action Plan 2013, the Canadian government committed CAD325 million over eight years to Sustainable Development Technology Canada to support the development of new clean technologies, “which can save businesses money, create high-paying jobs and drive innovation.”⁹⁸⁹

This is a continuation of the Canadian government’s pledge in May 2013 to support new innovation projects across Canada through the ecoENERGY Innovation Initiative,⁹⁹⁰ which is providing CAD268.2 million through 2016 to support projects “that produce and use energy in a cleaner and efficient manner.”⁹⁹¹

⁹⁸⁶ U.S. Green Building Council Announces LEED Certification for World Cup Stadiums, U.S. Green Building Council (Washington) 17 June 2014. Date of Access: 6 October 2014. <http://www.usgbc.org/articles/us-green-building-council-announces-leed-certification-world-cup-stadiums>.

⁹⁸⁷ Brazil Will Boost Wind Energy as Drought Undermines Hydro, Bloomberg 11 September 2014. Access Date: 15 October 2014. <http://www.businessweek.com/news/2014-09-11/brazil-will-boost-wind-energy-as-drought-undermines-hydro>

⁹⁸⁸ Clean Energy Fund, Ministry of Finance (Ottawa) 24 July 2013. Date of Access: 28 February 2014. <http://actionplan.gc.ca/en/initiative/clean-energy-fund>.

⁹⁸⁹ Harper Government Announces Job-Creating Clean Technology Project in Quebec, Natural Resources Canada (Ottawa) 27 September 2013. Date of Access: 28 February 2014. <https://www.nrcan.gc.ca/media-room/news-release/2013/11500>.

⁹⁹⁰ PM announces energy innovation projects across Canada, Office of the Prime Minister (Ottawa) 3 May 2013. Date of Access: 28 February 2014. <http://pm.gc.ca/eng/node/32636>.

⁹⁹¹ Minister Duncan Announces Funding for Clean Technology Project in British Columbia, Natural Resources Canada (Victoria), 8 August 2014. Date of Access: 6 October 2014. <http://news.gc.ca/web/article-en.do?crtr.sj1D=&crtr.mnthndVI=9&mthd=advSrch&crtr.dpt1D=6683&nid=874439&crtr.lc1D=&crtr.tp1D=&crtr.yrStrtVI=2014&crtr.kw=&crtr.dyStrtVI=1&crtr.aud1D=&crtr.mnthStrtVI=1&crtr.page=4&crtr.yrndVI=2020&crtr.dyndVI=4>.

On 8 August 2014, the Canadian government declared that it would invest CAD600,800 in Powering Plug-In Electric Vehicles with Renewable Energy Supply in the province British Columbia through the ecoENERGY Innovation Initiative. The project should help generate a better understanding of intermittent renewable electricity sources such as solar and wind and the storage potential in electric vehicle batteries.⁹⁹²

Canada has encouraged effective policies that overcome barriers to energy efficiency, but it has not taken actions to enhance the efficiency of energy markets.

Thus, Canada is awarded a score of 0.

Analyst: Anthony Marchese and Mei Leonora Heiberg

China: +1

China has fully complied with its commitment to support the development of cleaner and more efficient energy technologies, to enhance the efficiency of markets and shift towards a more sustainable energy future.

On 22 September 2013, China's Ministry of Finance announced that it would provide tax breaks to manufacturers of solar products. In an official statement, the ministry declared that producers of solar power products would receive immediate refunds of 50 per cent of value-added taxes. The Government of China continues to offer support and protection to an industry that is dealing with a grim outlook, massive overcapacity and weak demand.⁹⁹³

Under China's new pricing regime introduced in March 2013, the National Development and Reform Commission has the right to adjust domestic fuel prices when international crude prices change by more than CNY50 per tonne for gasoline and diesel within ten consecutive working days. According to national news reports, multiple increases in retail fuel prices in the country throughout 2013 indicate a fulfillment of this commitment.⁹⁹⁴ In light of severe air pollution, the government has said consumers will need to bear the higher prices that come with tighter fuel standards.⁹⁹⁵

The government renewed its commitment to cut energy intensity per unit of GDP by 16 per cent during the 12th Five-Year Plan (2011-2015). China has put strong regulatory policies and financial incentives in place to ensure the targets are met.⁹⁹⁶ During the South-South knowledge exchange in China on 16-20 June 2014, top Chinese energy efficiency experts pointed out that the national government had allocated more than CNY15 billion during the 11th Five-Year Plan period, with additional funds from provincial governments.

⁹⁹² ecoENERGY Innovation Initiative - University of Victoria's Powering Plug-In Electric Vehicles with Renewable Energy Supply in British Columbia Project, Government of Canada (Ottawa) 8 August 2014. Access Date: 16 October 2014. <http://news.gc.ca/web/article-en.do?nid=874429>

⁹⁹³ China to offer tax breaks to solar power manufacturers, Reuters (Shanghai), 29 September 2013. Date of Access: 18 March 2013. <http://www.reuters.com/article/2013/09/29/us-china-solar-idUSBRE98SOCJ20130929>.

⁹⁹⁴ China raises retail oil prices, Chinese Central Television (Beijing), 28 November 2013. Date of Access: 18 March 2013. <http://english.cntv.cn/20131128/104806.shtml>.

⁹⁹⁵ China Says Consumers Need to Bear Some Costs of Tighter Fuel Standards, Wall Street Journal (Beijing), 23 September 2013. Date of Access: 18 March 2013. <http://online.wsj.com/news/articles/SB10001424052702304713704579093110900429746>.

⁹⁹⁶ Bringing China's Energy Efficiency Experience to the World: Knowledge Exchange with Asian Countries, World Bank (Washington) 27 June 2014. Date of Access: 12 October 2014. <http://www.worldbank.org/en/news/feature/2014/06/27/bringing-chinas-energy-efficiency-experience-to-the-world-knowledge-exchange-with-asian-countries>.

The Chinese government also pledged CNY286 billion to renewable energy development and CNY376 billion to energy-conservation projects between 2011 and 2015.⁹⁹⁷ Investment in coal-fired electricity generation has continued to decline since 2005.

China has encouraged effective policies that overcome barriers to efficiency and both enhances the efficiency of markets and shifts toward an energy sustainable future.

Thus, China is given a score of +1.

Analyst: Joy Rogers

France: +1

France has fully complied with its commitment to support the development of cleaner and more efficient energy technologies, to enhance the efficiency of markets and shift towards a more sustainable energy future.

In order to meet its green energy needs, the French government created the Investments for the Future Programme (IPA) in 2010, which has four investment sub-programs under the management of the French Agency for the Environment and Energy Management (ADEME.) These sub-programs are development of new technologies in renewable energies, smart grid testing and research, circular economy testing and research, as well as development of new technologies in low carbon vehicle and other transportation. In order to carry out these programs, and encourage competition in the green energy sector, ADEME created specific financial tools, including state aids of refundable, and non-refundable grants, and equity tools, where the state invests in projects of various sizes in the renewable-energies field.⁹⁹⁸ These financial tools also importantly serve to overcome barriers to green energy markets, as it the potential for profit increases, and the risk factor decreases, when investors take advantage of these tools.

Throughout the period in question, the French government made progress in many aspects of its IPA programme. On 29 October 2013, Minister of Ecology, Sustainable Development and Energy Philippe Martin announced the creation of three new institutes of energy transition in order to increase the energy efficiency across all sectors of the economy. These institutes would focus on providing research and development, sharing resources, selecting projects based on energy efficiency requirements and advancing the energy technologies used in sustainable construction projects, urban planning in cities, and photovoltaic projects.⁹⁹⁹

On 21 October 2013, the Ministry of Territorial Equality and Housing together with the Ministry of Ecology, Sustainable Development and Energy launched the “I eco-renovated, I saved” campaign. Through partnerships with the Agency for Environmental and Energy Management, the National Housing Agency and the National Agency for Housing Information, subsidies, premiums, and tax credits were offered to homeowners in order to entice them to refurbish, renovate and build their homes according to energy efficient guidelines. This campaign was created for two reasons. The first was to educate the French public on the importance and economic benefit of incorporating green

⁹⁹⁷ China’s climate commitment, He Jiankun & Nicholas Stern 25 July 2014. Date of Access: 12 October 2014. <http://tckctck.org/2014/07/jiankun-nicholas-stern-chinas-climate-commitment/63741>.

⁹⁹⁸ Energy Policy Highlights, International Energy Agency (Paris) November 2013. Date of Access: 9 April 2014. http://www.iea.org/publications/freepublications/publication/Energy_Policy_Highlights_2013.pdf.

⁹⁹⁹ Launch of Three New Institutions of Energy Transition, Ministry of Ecology, Sustainable Development and Technology (Paris) 20 November 2013. Date of Access: 9 April 2014. <http://www.developpement-durable.gouv.fr/Lancement-de-trois-nouveaux.html>.

technologies in the housing market. The second was to achieve the goal of a 38 per cent reduction of energy consumption in the building sector by 2020. It has been updated twice since the beginning of 2014.¹⁰⁰⁰

Throughout November 2013, the Bonus-Malus system was updated and the scale of penalties and bonuses increased.¹⁰⁰¹ This system is designed to reward those who purchase vehicles with low carbon emissions and punish those who purchase high emission cars. Although this is a self-contained system, it does promote the creation of a “green-friendly” car market and encourage technological advancements in this field.

Instituting new regulations on cars was not the only advancement made during the month of November. A significant step was also taken by the Regulatory Commission of Energy (CRE) to increase the potential use of Smart Grids. On 14 November 2013, the CRE launched a public consultation to “define the technical, economic and legal smart grids.”¹⁰⁰²

On 31 December 2013, the Government of France added five new pollutants to the General Tax on Polluting Activities. This tax was instituted in order to promote the use of cleaner energy technologies by industry and to gradually phase out the use of heavy pollutants in large-scale industry.¹⁰⁰³

On 23 January 2014, Philippe Martin welcomed the European Commission’s proposal for the energy-climate policy in 2030 and reiterated its consistency with previous French renewable energy targets.¹⁰⁰⁴ France also welcomed the third round of the EU Emissions Trading System, initiated on 9 September 2013.¹⁰⁰⁵

On 27 and 28 January 2014, the leaders of France and Turkey met and signed agreements increasing bilateral trade and investment. These agreements focused on expanding France’s energy and industrial partnerships with Turkey and included significant sections on renewable energy development, environmental protection, energy efficiency and nuclear project management.¹⁰⁰⁶ France would relay best practices information based on its own research and development and would share its technical expertise in the aforementioned fields in order to expand its markets in clean energy technology development abroad.

¹⁰⁰⁰ The Energy Plan Home Renovation Is Launched, Ministry of Ecology, Sustainable Development and Technology (Paris) 21 October 2013. Date of Access: 9 April 2014. <http://www.developpement-durable.gouv.fr/Le-plan-de-renovation-energetique,34265.html>.

¹⁰⁰¹ Bonus-Malus 2014, Ministry of Ecology, Sustainable Development and Technology (Paris) 27 January 2014. Date of Access: 6 April 2014. <http://www.developpement-durable.gouv.fr/Bonus-Malus-2014.html>.

¹⁰⁰² Consultation on the Development of Smart Grids in Low Voltage, Ministry of Ecology, Sustainable Development and Technology (Paris) 14 November 2013. Date of Access: 6 April 2014. <http://www.developpement-durable.gouv.fr/Consultation-sur-le-developpement.html>.

¹⁰⁰³ Finance Act 2013: 5 New Pollutants Subject to TGAP, Ministry of Ecology, Sustainable Development and Technology (Paris) 7 February 2014. Date of Access: 9 April 2014. <http://www.developpement-durable.gouv.fr/Les-seuils-d-assujettissement-des.html>.

¹⁰⁰⁴ Climate-Energy Package, Proposals of the European Commission, Ministry of Ecology, Sustainable Development and Technology (Paris) 23 January 2014. Date of Access: 9 April 2014. <http://www.developpement-durable.gouv.fr/Paquet-Energie-Climat-2030,37298.html>.

¹⁰⁰⁵ Exchange System EUA’s, Ministry of Ecology, Sustainable Development and Technology (Paris) 9 September 2013. Date of Access: 6 April 2014. <http://www.developpement-durable.gouv.fr/-Systeme-d-echange-de-quotas-.html>.

¹⁰⁰⁶ State Visit to Turkey, Energy and Transport at the Heart of Trade, Ministry of Ecology, Sustainable Development and Technology (Paris) 20 February 2014. Date of Access: 6 April 2014. <http://www.developpement-durable.gouv.fr/Visite-Etat-en-Turquie-l-energie.html>.

The French government issued a call for expressions of interest related to hydrogen and fuel cells in 2013 in order to increase the storage potential of renewable technologies and natural gas. On 30 January 2014, the winning project — GRHYD — was announced.¹⁰⁰⁷ In follow-up, the French government issued another call for expressions of interest for renewable energies, to be completed by early 2015.¹⁰⁰⁸ These government-sponsored competitions serve to bring the most efficient clean energy technologies to the table, draw attention to the need for these technologies and the market demands they meet, and contribute to research in their various fields.

In order to spur innovations in clean photovoltaic technology, the Department of Ecology, Sustainable Development and Energy has issued two rounds of tenders for projects dedicated to large photovoltaic systems. The requirements also specify various aspects of clean technology, including “tak[ing] into account the carbon balance of projects, their impact on the environment and their contribution to research and development.”¹⁰⁰⁹ On 27 February and 28 March 2014, the rounds of winners were announced amounting to 177 and 121 projects respectively, for a total installed capacity of 40.3 and 380 megawatts.¹⁰¹⁰ Another round of tenders was also announced for the near future. These tenders are essentially government subsidies issued to the winning projects as one of the financial tools the ADEME created to achieve its Investments for the Future Programme.

On 18 June 2014, a new energy transition bill was presented by Energy Minister Segolene Royal, which seeks to reduce France’s dependence on nuclear energy as well as reduce the use of fossil fuels.¹⁰¹¹ In ADEME’s September-October 2014 International Newsletter, President of ADEME Bruno Lechevin stated that the draft bill has been finalized, but the final Act has not yet been passed.¹⁰¹²

France has developed new green energy technologies, overcome barriers to efficiency through government-sponsored competition and the provision of tenders, subsidies and grants, and its incorporation of green technologies in the residential and industrial sectors through taxes, bonuses and other incentives.

Thus, France is awarded a score of +1.

Analyst: Kayla Rimer

Germany: +1

Germany has fully complied with its energy commitment to encourage effective policies that overcome barriers to efficiency, and enhance the efficiency of markets towards a sustainable energy future.

¹⁰⁰⁷ Energy Storage, Ministry of Ecology, Sustainable Development and Technology (Paris) 28 February 2014. Date of Access: 9 April 2014. <http://www.developpement-durable.gouv.fr/Transformer-en-hydrogene-l,30305.html>.

¹⁰⁰⁸ Investments for the Future: Launch of the Call for Expressions of Interest “Renewable Energy”, Ministry of Ecology, Sustainable Development and Technology (Paris) 6 February 2014. Date of Access: 9 April 2014. <http://www.developpement-durable.gouv.fr/Investissements-d-Avenir-lancement,37465.html>.

¹⁰⁰⁹ Tender for Photovoltaic Systems: Winners Selected, Ministry of Ecology, Sustainable Development and Technology (Paris) 27 February 2014. Date of Access: 6 April 2014. <http://www.developpement-durable.gouv.fr/Appel-d-offres-pour-installations,37642.html>.

¹⁰¹⁰ Bidding for large PV plants: 380 megawatts of new projects, Ministry of Ecology, Sustainable Development and Technology (Paris) 28 March 2014. Date of Access: 9 April 2014. <http://www.developpement-durable.gouv.fr/Appel-d-offres-pour-installations,38317.html>.

¹⁰¹¹ France unveils ambitious bill to boost green energy, France 24 (Paris) 18 June 2014. Date of Access: 6 October 2014. <http://www.france24.com/en/20140618-france-government-green-energy-bill-unveiled-segolene-royal-environment/>.

¹⁰¹² ADEME International Newsletter No.30, ADEME (Paris) October 2014. Date of Access: 6 October 2014. <http://ademe-et-vous.ademe.fr/sites/default/files/international-newsletter/30/ademe-lettreinter30gb.pdf>.

On 22 May 2014, the European Commission adopted the German Partnership Agreement for the use of the European Structural and Investment Funds (ESIF) in Germany from 2014 to 2020.¹⁰¹³ One of the investment strategy objectives of this package targets the promotion of renewable energy and energy efficiency.

On 18 June 2014, the German government submitted its third National Energy Efficiency Plan, which outlined its past and current efforts to promote market development of the energy efficiency sector.¹⁰¹⁴ The plan outlines mechanisms such as tolls on trucks and energy taxes to reach the European Union's 2020 reduction targets.¹⁰¹⁵

This practical commitment is accompanied by a rhetorical commitment as seen on a 20 March 2014 statement by Chancellor Angela Merkel to the Bundestag, calling progress to boost energy efficiency a priority.¹⁰¹⁶ The Minister of Economic Affairs and Energy Sigmar Gabriel demonstrated Germany's commitment for effective policies by negotiating and then applauding the European Union's Energy Efficiency Proposal released on 23 July 2014.¹⁰¹⁷ Germany's efforts have earned it the top spot on the International Energy Efficiency Scorecard released by the American Council of Energy-Efficient Economy on 17 July 2014.¹⁰¹⁸

Despite this progress, an expert commission released a report in May 2014 encouraging Germany to step up its commitment to its "Energy Concept" plan if it were to meet its goals by 2050.¹⁰¹⁹ The report identified further investment in the building and transport sectors as crucial areas for improvement. However, it did note of Germany's existing successes in improving energy efficiency, which has included standard-setting, enforcing regulatory mechanisms, promotion of investment, and measurements to provide a pricing scheme.¹⁰²⁰

On 18 June 2014, the German government adopted the third National Energy Efficiency Action Plan. It describes the main existing measures and tools to increase energy efficiency and save energy in

¹⁰¹³ German Partnership Agreement to Implement the European Structural and Investment Funds Approved, Federal Ministry for Economic Affairs and Energy (Berlin) 22 May 2014. Date of Access: 2 October 2014. <http://www.bmwi.de/EN/Press/press-releases,did=640550.html>.

¹⁰¹⁴ 3. Nationaler Energieeffizienz-Aktionsplan (NEEAP) 2014 der Bundesrepublik Deutschland, Ministry of Economic Affairs and Energy (Berlin) 18 June 2014. Date of Access: 2 October 2014. <http://www.bmwi.de/BMWi/Redaktion/PDF/M-O/nationaler-energieeffizienz-aktionsplan-2014,property=pdf,bereich=bmwi2012,sprache=de,rwb=true.pdf>.

¹⁰¹⁵ Nationaler Energieeffizienz-Aktionsplan (NEEAP) 2014 der Bundesrepublik Deutschland, Ministry of Economic Affairs and Energy (Berlin) 30 April 2014. Date of Access: 2 October 2014. http://www.energieeffizienz-online.info/fileadmin/edl-richtlinie/Downloads/Downloads_2014/NEEAP_2014.pdf.

¹⁰¹⁶ Making Europe Strong, The Federal Chancellor (Berlin) 20 March 2014. Date of Access: 2 October 2014. <http://www.bundeskanzlerin.de/Content/EN/Artikel/2014/03/2014-03-20-regierungserklaerung-er.html>.

¹⁰¹⁷ Federal Minister Sigmar Gabriel Welcomes Commission's Proposal for Ambitious Energy-Efficiency Target, Ministry of Economic Affairs and Energy (Berlin) 23 July 2014. Date of Access: 2 October 2014. <http://www.bmwi.de/EN/Press/press-releases,did=648702.html>.

¹⁰¹⁸ Germany Tops World Energy Efficiency Ranking, Germany Trade and Invest (Berlin) 17 July 2014. Date of Access: 2 October 2014. <http://www.gtai.de/GTAI/Navigation/EN/Meta/press,did=1051702.html>.

¹⁰¹⁹ Statement on the Second Monitoring Report by the German Government for 2012, Energy of the Future Commission on the Monitoring Process (Berlin) March 2014. Date of Access: 2 October 2014. <http://www.bmwi.de/English/Redaktion/Pdf/statement-on-the-second-monitoring-report-by-the-german-government-for-2012,property=pdf,bereich=bmwi2012,sprache=en,rwb=true.pdf>.

¹⁰²⁰ Statement on the Second Monitoring Report by the German Government for 2012, Energy of the Future Commission on the Monitoring Process (Berlin) March 2014. Date of Access: 2 October 2014. <http://www.bmwi.de/English/Redaktion/Pdf/statement-on-the-second-monitoring-report-by-the-german-government-for-2012,property=pdf,bereich=bmwi2012,sprache=en,rwb=true.pdf>.

Germany and will be submitted to the EU Commission as part of Germany's reporting obligations under the EU Energy Efficiency Directive.¹⁰²¹

On 11 July 2014, the German Renewable Energy Act (EEG 2014) was passed by the main and upper house of the German Parliament, which means that the law took effect 1 August 2014. The European Commission found the EEG 2014 to be in line with the EU's rules, stating that it: "provides support for the production of electricity from renewable energy sources and from mining gas. It also reduces the financial burden on energy-intensive users and certain auto-generators by reducing their level of payment of the EEG-surcharge."¹⁰²²

Germany has and continues to support the development of clean and energy efficient technologies and supports the development of the energy market through various actions.

Thus, Germany receives a score of +1.

Analyst: Emily Tsui and Mei Leonora Heiberg

India: +1

India has fully complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

Shortly after the 2013 St. Petersburg Summit, the Government of India demonstrated its commitment to promote renewable energy projects. On 25 September 2013, the Ministry of New and Renewable Energy set a target of generation of 10,000 megawatts of power through solar energy by year 2017. This builds on an ambitious target set by the prime minister to install 20,000 megawatts of grid solar power and 2,000 megawatts of off-grid solar applications, and 20 million square metres of solar thermal collector area by 31 March 2022.¹⁰²³

The government announced in August 2013 that it approved generation-based incentives for wind power projects. This scheme would provide an incentive INR0.5 per unit of electricity fed to the grid.¹⁰²⁴ Furthermore, the Indian Ministry of New and Renewable Energy has implemented a policy initiative to develop sixty Indian cities through the use of solar power. A press release from the Government of India outlined 55 cities that have been granted principal approval and 45 cities that have been sanctioned to begin planning renewable energy projects.¹⁰²⁵

There has been a growing emphasis on promoting favourable conditions for developing solar manufacturing capability and use of off-grid and grid-connected solar energy systems, provided through

¹⁰²¹ National Energieeffizienz-Aktionspläne (NEEAP) der Bundesrepublik Deutschland, Bundesstelle für energie effizienz (Berlin). Access Date: 16 October 2014. http://www.bfee-online.de/bfee/energieeffizienz_in_deutschland/energieeffizienzaktionsplan/

¹⁰²² State aid: Commission approves German renewable energy law EEG 2014, European Commission (Brussels) 23 July 2014. Access Date: 16 October 2014. http://europa.eu/rapid/press-release_IP-14-867_en.htm

¹⁰²³ Target to develop 10,000 MW Power through Solar Energy by 2017, Government of India (New Delhi) 25 September 2013. Date of Access: 19 March 2013. <http://pib.nic.in/newsite/pmreleases.aspx>.

¹⁰²⁴ Generation Based Incentive Scheme, Government of India (New Delhi) 30 August 2013. Date of Access: 19 March 2013. <http://pib.nic.in/newsite/pmreleases.aspx>.

¹⁰²⁵ Solar Cities, Ministry of New and Renewable Energy, Government of India (New Delhi) 11 December 2013. Date of Access: 19 March 2013. <http://pib.nic.in/newsite/pmreleases.aspx>.

financial initiatives.¹⁰²⁶ The government has allocated a total amount of INR6.9 billion for promotion of renewable energy sources through fiscal and financial incentives.¹⁰²⁷

On 4 August 2014, the Indian government set an additional target of capacity of 29,800 megawatts from various renewable energy sources. The target comprises of 15,000 megawatts from wind, 10,000 megawatts from solar, 2,100 megawatts from small hydropower and 2,700 MW from bio-power.¹⁰²⁸

On 30 September 2014, U.S. President Barack Obama and Prime Minister Modi agreed to a new and enhanced strategic partnership on clean energy and energy security.¹⁰²⁹ They agreed to expand the US-India Partnership to Advance Clean Energy through a collection of priority initiatives such as: (1) a new Energy Smart Cities Partnership; (2) a new program to scale-up renewable energy integration into India's power grid; (3) cooperation to support India's efforts to upgrade its alternative energy institutes; (4) an expansion of the Promoting Energy Access through Clean Energy program.

India has encouraged effective policies that overcome barriers to efficiency and both enhances the efficiency of markets and shifts towards an energy sustainable future.

Thus, India is given a score of +1.

Analyst: Joy Rogers and Mei Leonora Heiberg

Indonesia: +1

Indonesia has fully complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

On 4 February 2014, the House of Representatives passed the National Energy Policy, setting renewable energy requirements.¹⁰³⁰ Indonesian Minister of Energy and Mineral Resources Jero Wacik, said, "the new policy would reduce gasoline dependency and increase the use of renewable energy."¹⁰³¹

The Government of Indonesia announced its plan to build hydroelectric plants at 239 dams owned by the Public Works Ministry, as part of its renewable energy initiative.¹⁰³² As part of the project, the government planned to begin the construction of four hydropower plants in East Java within the year.¹⁰³³ Director-General for New and Renewable Energy Ridha Mulyana of the Ministry of Energy and Mineral Resources stated, "we will rent the dams to developers so they will only be responsible for

¹⁰²⁶ Initiatives for Promotion of Renewable Energy, Government of India (New Delhi) 17 December 2013. Date of Access: 19 March 2013. <http://pib.nic.in/newsite/pmreleases.aspx>.

¹⁰²⁷ Promotion of Solar Energy, Government of India (New Delhi) 17 December 2013. Date of Access: 19 March 2013. <http://pib.nic.in/newsite/pmreleases.aspx>.

¹⁰²⁸ Power generation from renewable energy sources, Government of India (New Delhi) 4 August 2014. Access Date: 17 October 2014. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>

¹⁰²⁹ US-India Joint Statement, The White House: Office of the Press Secretary (Washington) 30 September 2014. Date of Access: 12 October 2014. <http://www.whitehouse.gov/the-press-office/2014/09/30/us-india-joint-statement>.

¹⁰³⁰ House of Representatives Passes National Energy Policy, Jakarta Globe (Jakarta) 4 February 2014. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/news/house-of-representatives-passes-national-energy-policy>.

¹⁰³¹ House of Representatives Passes National Energy Policy, Jakarta Globe (Jakarta) 4 February 2014. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/news/house-of-representatives-passes-national-energy-policy>.

¹⁰³² Indonesia to Build More Hydropower Plants to Boost Alternative Energy, Jakarta Globe (Jakarta) 27 February 2014. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/business/indonesia-to-build-more-hydropower-plants-to-boost-alternative-energy/>.

¹⁰³³ Indonesia to Build More Hydropower Plants to Boost Alternative Energy, Jakarta Globe (Jakarta) 27 February 2014. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/business/indonesia-to-build-more-hydropower-plants-to-boost-alternative-energy/>.

building the power generators,” which would lessen developers’ burden for investment costs.¹⁰³⁴ This policy would support the efficiency of the energy market by reducing burden for developers.

Indonesia’s state-owned power company plans to build a 145-kilometre electric line linking customers in West Kalimantan with hydroelectric plants in neighbouring Sarawak, Malaysia.¹⁰³⁵ This project would provide cheaper electricity and cut carbon emissions by 400,000 tons a year by 2020, as the region has used oil to provide power to the province.¹⁰³⁶

In August 2013, Indonesia introduced a policy to increase the use of biodiesel to reduce oil consumption.¹⁰³⁷ The Ministry of Energy and Mineral Resources issued a new regulation to raise the minimum bio content in diesel to ten per cent and to 20 per cent especially for the power industry.¹⁰³⁸

On 4 February 2014, Geothermal Director Tisnaldi at the Ministry of Energy and Mineral Resources announced government plans to operate three geothermal plants in Patuha and Cibuni in West Java, and Ulumbu in Manggarai, East Nusa Tenggara.¹⁰³⁹ Indonesia seeks to focus on more of this renewable energy source amid rising fuel costs.¹⁰⁴⁰

The Government of Indonesia has distributed USD1 billion worth of funds to 11 provinces, including the Province of Jambi. This province has used part of the funds to develop watermills (PLTKAs), micro-hydro power plants (PLTMHs) and biogas that provide a renewable source of electricity and gas energy to the residents of Senamat Ulu village.¹⁰⁴¹

On 26 August 2014, the Indonesian House of Representatives (DPR) passed a law to bolster the geothermal energy industry.¹⁰⁴² A key aspect of the law specifies that the development of geothermal energy would no longer be considered mining. The law also addresses higher prices for electricity produced by geothermal sources to help cover costs of production. “Geothermal energy will ensure

¹⁰³⁴ Indonesia to Build More Hydropower Plants to Boost Alternative Energy, Jakarta Globe (Jakarta) 27 February 2014. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/business/indonesia-to-build-more-hydropower-plants-to-boost-alternative-energy/>.

¹⁰³⁵ ADB to Fund Sarawak-West Kalimantan Hydroelectric Power Project, Jakarta Globe (Jakarta) 28 August 2013. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/news/adb-to-fund-sarawak-west-kalimantan-hydroelectric-power-project/>.

¹⁰³⁶ ADB to Fund Sarawak-West Kalimantan Hydroelectric Power Project, Jakarta Globe (Jakarta) 28 August 2013. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/news/adb-to-fund-sarawak-west-kalimantan-hydroelectric-power-project/>.

¹⁰³⁷ Government Is Claiming Early Success With Economic Package, Jakarta Globe (Jakarta) 28 August 2013. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/business/government-is-claiming-early-success-with-economic-package/>.

¹⁰³⁸ Government Is Claiming Early Success With Economic Package, Jakarta Globe (Jakarta) 28 August 2013. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/business/government-is-claiming-early-success-with-economic-package/>.

¹⁰³⁹ Three Geothermal Plants With 62 MW to Go On Line in Indonesia This Year, Jakarta Globe (Jakarta) 4 February 2014. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/business/three-geothermal-plants-with-62-mw-to-go-on-line-in-indonesia-this-year/>.

¹⁰⁴⁰ Three Geothermal Plants With 62 MW to Go On Line in Indonesia This Year, Jakarta Globe (Jakarta) 4 February 2014. Date of Access: 27 February 2014. <http://www.thejakartaglobe.com/business/three-geothermal-plants-with-62-mw-to-go-on-line-in-indonesia-this-year/>.

¹⁰⁴¹ Villagers’ use of renewable energy recognized internationally, Jakarta Globe (Jakarta) 7 May 2014. Date of Access: 5 October 2014. <http://www.thejakartapost.com/news/2014/05/07/villagers-use-renewable-energy-recognized-internationally.html>.

¹⁰⁴² Legal Barrier to geothermal development removed, Jakarta Globe (Jakarta) 27 August 2014. Date of Access: 5 October 2014. <http://www.thejakartapost.com/news/2014/08/27/legal-barrier-geothermal-development-removed.html>.

energy independence. We are increasingly optimistic because this is a renewable energy that can replace oil,” said DPR Deputy Speaker Pramono Anung.

Indonesia has supported the development of clean and energy efficient technologies and supports the efficiency of the energy market through various actions including policies.

Thus, Indonesia receives a score of +1.

Analyst: Cindy Ou

Italy: 0

Italy has partially complied with its commitment to support the development of cleaner and more efficient energy technologies and to enhance the efficiency of markets and shift towards a more sustainable energy future.

In March 2013, the Italian government published a new strategy that outlined its energy needs, goals and policies through 2020 in a document entitled New Energy Strategy: For a More Competitive and Sustainable Energy. While the Italian government published the new energy strategy and supported increased energy market efficiency, it did not support the development of cleaner and more efficient energy technologies specifically.

The Italian government scaled back its efforts to develop clean energy technologies throughout the compliance period. Compared to the various investments undertaken in the years and months prior, Italy has offered little support to the energy sector to help with the development of cleaner and more efficient energy technologies.

In order to enhance the monitoring of water, gas and electricity for distribution and consumption purposes, the Italian Regulatory Authority for Electricity and Gas and Water issued a call for Smart Meter pilot projects on 23 September 2013.¹⁰⁴³

With regards to new gas market mechanisms, the Italian Gas Exchange Market was launched in October 2013. The exchange is meant to increase market efficiency by fixing the price of gas to a more reliable European virtual trading point, by adopting European codes and regulations on gas management, and by undertaking a number of infrastructure improvements that streamline gas delivery, storage and set-up future liquefied natural gas projects.¹⁰⁴⁴

The authority also changed two financial systems related to energy efficiency and use in January 2014. The first relates to the Energy Efficiency Credits (TEE) and the second to the electrical grid rate. The first change was a redefinition of the tariffs associated with the TEE and a new mechanism to streamline the process of allocating tariffs to make it easier and more efficient to issue them in a timely manner.¹⁰⁴⁵ The second, which came into effect on 1 January 2014, was meant as an incentive for residents to switch to solar energy and other renewables that are not tied to the electrical grid. This new rate rewards homes with high energy efficiency by charging for the cost of the grid services, not the

¹⁰⁴³ Energy: Incentives to Pilot Projects for “Smart” Gas, Electricity and Water Meters, Italian Regulatory Authority for Electricity and Gas (Milan) 23 September 2013. Date of Access: 12 April 2014.
http://www.autorita.energia.it/it/com_stampa/13/130923smart.htm.

¹⁰⁴⁴ Energy Policy Highlights, International Energy Agency (Paris) November 2013. Date of Access: 9 April 2014.
http://www.iea.org/publications/freepublications/publication/Energy_Policy_Highlights_2013.pdf.

¹⁰⁴⁵ The New Tariffs for Covering the Costs of Energy Efficiency Credits Have Been Redefined, Italian Regulatory Authority for Electricity and Gas (Milan) 28 January 2014. Date of Access: 12 April 2014.
http://www.autorita.energia.it/it/inglese/press_note/14/140128.htm.

volume of electricity itself.¹⁰⁴⁶ The authority hopes to encourage the use of heat pumps and other renewable energies in residential homes.

There are three different statistics that show the Government of Italy's expenditures on financial incentives and renewable energy investments. The Gestore Servizi Energetici (GSE) is a state-owned company that promotes and supports renewable energy sources in Italy. It keeps track of the "yearly indicative cumulative cost of incentives" that the Italian government issued in relation to renewable energies. These incentives include: feed-in tariffs (for photovoltaic and thermodynamic residential projects); White Certificates (energy efficiency trading scheme); tax incentives to large-scale plants (according to Ministerial Decree of 6 June 2012); and other government-sponsored incentives. According to their statistics, the cost of these incentives had risen from EUR4.51 billion on 31 August 2013 to EUR5.03 billion on 31 January 2014, amounting to a total government spending of EUR52 million in five months.¹⁰⁴⁷

On 25 March 2014, the consulting firm Eclareon published a study on solar energy, which found that the cost of electricity produced by photovoltaic systems had reached parity with other conventional forms of electricity in the beginning of 2014.¹⁰⁴⁸ This parity will go a long way in helping Italy to achieve its 26.4 per cent renewable energy by 2020 target, and was possible largely because of a government tax credit subsidy system that incentivized solar panel installation in households for residential use.¹⁰⁴⁹ In fact, advancements in photovoltaic technology and incentivizing their use in both household and commercial sectors has been a key focus of the Italian government, as solar represents the widest renewable energy use in the country at 88 per cent.¹⁰⁵⁰

On 2 April 2014, a second market mechanism was introduced. The authority adopted resolution 137/2014/R/gas to facilitate improved gas bidding mechanisms, efficient allocation of gas "bundles" and defining terms to avoid future misunderstandings.¹⁰⁵¹ This resolution came over a year in advance of the 1 November 2015 deadline set by the European Union and is intended to improve efficiencies in the gas market.

On 24 April 2014, the Network of European Water Service Regulators (WAREG) was founded "to promote Europe-wide coordination between water service regulatory authorities."¹⁰⁵² The goal is to

¹⁰⁴⁶ Electricity: the 2014 New Network Tariff for 'Sustainable Heating,' Italian Regulatory Authority for Electricity and Gas (Milan) 23 December 2013. Date of Access: 12 April 2014.

http://www.autorita.energia.it/it/inglese/press_releases/13/131223cs.htm.

¹⁰⁴⁷ Just updated the Renewable-energy support cost Counter, Gestore Servizi Energetici (Rome) 8 April 2014. Date of Access 12 April 2014. <http://www.gse.it/en/pressroom/News/Pages/Updated-Renewable-Energy-Cost-Counter.aspx>.

¹⁰⁴⁸ PV is Already Competitive Against Retail Electricity in the Commercial Sector of Major European Markets, Eclareon (Berlin) 25 March 2014. Date of Access: 12 March 2014. <http://www.eclareon.com/en/pv-already-competitive-against-retail-electricity-commercial-sector-major-european-markets-0>.

¹⁰⁴⁹ Solar Thermal in Italy: Government Approves New Subsidy Scheme, The Solar Keymark (Brussels) 2 January 2013. Date of Access: 12 April 2014. <http://www.estif.org/solarkeymarknew/press-room/news/97-italy-government-approves-new-subsidy-scheme>.

¹⁰⁵⁰ Who's Winning the Clean Energy Race?, The PEW Charitable Trusts (Washington) 3 April 2014. Date of Access: 12 April 2014. <http://www.pewtrusts.org/en/research-and-analysis/reports/2014/04/03/whos-winning-the-clean-energy-race-2013>.

¹⁰⁵¹ Gas: the new European regulations on transmission capacity adopted in advance, Italian Regulatory Authority for Electricity and Gas (Milan) 2 April 2014. Date of Access: 12 April 2014. http://www.autorita.energia.it/it/nota_stampa/14/140402.htm.

¹⁰⁵² Water: announcing WAREG, the Network of 11 European water service regulators, Italian Regulatory Authority for Electricity and Gas (Milan) 24 April 2014. Date of Access: 5 October 2014. http://www.autorita.energia.it/it/inglese/press_releases/14/140424.htm.

encourage investment, high quality efficient service, environmental sustainability and customer protection between European water service regulatory authorities.

The PEW Research Center provides statistics on Italy's investments in renewable energy. It was ranked number nine on PEW's Top Ten Countries in Clean Energy Investment 2013 with an investment intensity of 0.20 (per dollar of gross domestic product). It ranked number seven on Installed Renewable Energy Capacity 2013 at 34 gigawatts and number five on Small-Distributed Capacity Investment (residential and small-commercial projects less than 1 megawatt).¹⁰⁵³

Italy has undertaken efforts to change and update financial mechanisms for energy use and gas markets, but has not demonstrated support to the development of cleaner and more efficient energy technologies beyond the aforementioned market mechanisms.

Thus, Italy was awarded a score of 0.

Analyst: Cindy Ou

Japan: 0

Japan has partially complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

In the fiscal year 2013, Japan installed 73 megawatts of wind capacity, the lowest numbers since 2001.¹⁰⁵⁴ The government continues to cut subsidies and reduce incentives for solar power.¹⁰⁵⁵

On 22 November 2013, Japan enacted the Act on Promotion of Generating Renewable Energy Harmonized with Healthy Development of Agriculture, Forestry and Fishery. This act will "revitalize farming, timber, and fishery villages and create various energy sources by the introduction of renewable energy production in such villages." This act is expected to increase the range of land potentially available across the country for solar, wind and biomass projects.¹⁰⁵⁶

Deutsche Bank AG Tokyo Branch, in partnership with the Structured Finance Energy and Infrastructure teams in London and Singapore, announced its support in solar financing for an additional three to six projects in the coming 12 to 18 months.¹⁰⁵⁷ "A JPY11.2 billion non-recourse construction loan facility was signed to be used for the construction of a large-scale 31.6 megawatt solar photovoltaic plant in Japan."

Japan has demonstrated strong support in the promotion of renewable energy, however it has not enacted policy to enhance energy market efficiencies.

¹⁰⁵³ Who's Winning the Clean Energy Race?, The PEW Charitable Trusts (Washington) 3 April 2014. Date of Access: 12 April 2014. <http://www.pewtrusts.org/en/research-and-analysis/reports/2014/04/03/whos-winning-the-clean-energy-race-2013>.

¹⁰⁵⁴ Wind lobby raps environment reports, The Japan Times (Tokyo) 14 February 2014. Date of Access: 12 April 2014. <http://www.japantimes.co.jp/news/2014/02/14/business/wind-lobby-raps-environment-reports/>.

¹⁰⁵⁵ Lessons from Japan: How the Nation Can Super-charge its Clean-energy Economy, Renewable Energy World (Tokyo) 13 November 2013. Date of Access: 14 April 2014. <http://www.renewableenergyworld.com/rea/news/article/2013/11/lessons-from-japan-how-the-nation-can-supercharge-its-clean-energy-economy>.

¹⁰⁵⁶ Japan: Renewable Energy Production to Aid Agricultural, Forestry and Fishing Villages, Law Library of Congress (Washington) 18 December 2013. Date of Access: 13 April 2014. http://www.loc.gov/lawweb/servlet/lloc_news?disp3_l205403794_text.

¹⁰⁵⁷ Deutsche Bank makes a strong commitment to renewable energy development in Japan, Deutsche Bank (Frankfurt) 15 July 2014. Date of Access: 12 October 2014. https://www.db.com/cr/en/concrete-renewable_energy_development_in_japan.htm.

Thus, Japan has been awarded a score of 0.

Analyst: Joy Rogers

Korea: 0

Korea has partially complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

On 13 January 2014, the Korean Ministry of Environment announced that the securities exchange Korea Exchange (KRX) will host the trading of carbon permits for its emissions trading mechanism, which is scheduled to launch on 1 January 2015.¹⁰⁵⁸

On 6 February 2014, the Korean Ministry of Trade, Industry and Energy announced that, with a recent amendment to the Energy Use Rationalization Act, local automakers and importers of foreign vehicles who fail to meet the fuel consumption efficiency level of 17 kilometers per liter would pay a penalty surcharge. The rate is equal to KRW82,352 per km/L short of the target per car sold.¹⁰⁵⁹

On 29 May 2014, the Korean Ministry of Environment announced that the emissions trading mechanism would feature a total cap on emissions from power generators and manufacturers at 1.64 billion tones for the period 2015-2017. In addition, the Ministry estimated that permits would trade for approximately USD20. The penalty per permit for firms that do not meet their targets was set at USD98.¹⁰⁶⁰

On 2 September 2014, the Korean Ministry of Strategy and Finance announced a delay in a proposed tax on vehicle emissions to the end of 2020. Minister Choi Kyunghwan said that the tax would burden industry too much if it were launched at the same time as the emissions trading mechanism.¹⁰⁶¹

On 11 September 2014, the Korean Ministry of Environment revised the cap on emissions approximately three per cent upward, to a total of 1.687 billion tones.¹⁰⁶²

Korea has demonstrated ongoing efforts to establish an emission trading mechanism and increased enforcement of energy efficiency standards, however it has not demonstrated support for the development of cleaner and more efficient technologies.

Thus, Korea is awarded a score of 0.

Analyst: Colin McEwen

¹⁰⁵⁸ Korean Exchange Wins Bid to Host Nation's Carbon Trading, Reuters (Beijing) 13 January 2014. Date of Access: 11 February 2014. <http://www.reuters.com/article/2014/01/14/south-korea-carbon-idusl3n0kj18t20140114>.

¹⁰⁵⁹ Local Automakers and Importers Subject to Penalty if Fuel Efficiency Standards Not Met, Korean Ministry of Trade, Industry and Energy (Seoul) 6 February 2014. Date of Access: 12 February 2014. http://www.mke.go.kr/language/eng/news/news_view.jsp?seq=1213&srchType=1&srchWord=&tableNm=E_01_01&pageNo=1&ctx=# -.

¹⁰⁶⁰ S. Korea releases tough CO2 caps on utilities, industry, Reuters (Beijing) 28 May 2014. Date of Access: 28 September 2014. <http://uk.reuters.com/article/2014/05/28/southkorea-carbon-idUKL3N0OE1TO20140528>.

¹⁰⁶¹ South Korea delays smog tax; starts emissions trading in 2015 - finance minister, Reuters (Seoul) 2 September 2014. Date of Access: 28 September 2014. <http://uk.reuters.com/article/2014/09/02/southkorea-carbon-idUKL3N0R31S620140902>.

¹⁰⁶² S. Korea increases emissions cap in proposed carbon trading scheme, Reuters (Beijing) 11 September 2014. Date of Access: 28 September 2014. <http://uk.reuters.com/article/2014/09/11/carbon-southkorea-idUKL3N0RC2N720140911>.

Mexico: +1

Mexico has fully complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

On 13 December 2013, Mexico passed the new Energy Reform that ends the 75-year-old oil, gas and electricity monopoly and boosts private investments in the energy sector.¹⁰⁶³ This government's policy not only increased efficiency of the energy market, but also targeted clean energy to occupy 35 per cent of the energy market.¹⁰⁶⁴

The Mexican government has set clear targets for the wind power sector, generating 2 gigawatts per year for the next decade.¹⁰⁶⁵ Moreover, the Mexican Wind Energy Association (AMDEE) has set a target of 12,000 megawatts of wind power by 2022, which is 10,000 megawatts more than the current capacity.

Mexico has started another renewable energy program with construction of the biggest solar power plant in Latin America, Aura Solar I — a 30-megawatt solar farm in La Paz, Mexico.¹⁰⁶⁶ According to Greentech Media, with the solar market's installed base, Mexico is expected to quadruple from 60 megawatts to 240 megawatts by the end of 2014.

After the Energy Reform, Mexico also showed an improvement of clean, efficiency technologies by water management for the energy sector. Large corporations that engaged in investment of Mexico's energy sector began to adopt water treatment facility at their energy plants, which save substantial amounts of water use in the production process.¹⁰⁶⁷ Volkswagen planned to construct a new water treatment facility in 2015, which will account for over EUR220 thousand of cost savings per year.

On 1 January 2014, the Mexican government introduced its carbon tax to reduce fossil fuels. The tax is set at approximately USD3.50 per ton CO₂e. Firms will be allowed to fulfill their tax liability by using offset credits, which is a reduction in CO₂ made elsewhere in order to compensate for the emission.¹⁰⁶⁸ The tax should also help boost the relative cost-competitiveness of renewable energy.¹⁰⁶⁹

On 29 July 2014, California and Mexico signed a bilateral agreement focused on developing integration of energy markets and joint development of clean energy technologies.¹⁰⁷⁰ California and Mexico have agreed to collaborate on a number of standards and targets, including reduction of green house

¹⁰⁶³ Mexico Passes Oil Bill Seen Luring \$20 Billion a Year, Bloomberg (Mexico City) 13 December 2013. Date of Access: 27 February 2014. <http://www.bloomberg.com/news/2013-12-12/mexico-lower-house-passes-oil-overhaul-to-break-state-monopoly.html>.

¹⁰⁶⁴ Mexico Aims to Be Major Global Wind Energy Player, The Daily Fusion (New York) 5 March 2014. Date of Access: 5 March 2014. <http://dailyfusion.net/2014/03/mexico-aims-to-be-major-global-wind-energy-player-27035/>.

¹⁰⁶⁵ Mexico Aims to Be Major Global Wind Energy Player, The Daily Fusion (New York) 5 March 2014. Date of Access: 5 March 2014. <http://dailyfusion.net/2014/03/mexico-aims-to-be-major-global-wind-energy-player-27035/>.

¹⁰⁶⁶ Mexico Building Latin America's Largest Solar Farm To Replace Old, Dirty Oil-Power Plant, Think Progress (Washington) 25 February 2014. Date of Access: 7 March 2014. <http://thinkprogress.org/climate/2014/02/25/3328651/mexico-large-solar-plant-paz/>.

¹⁰⁶⁷ Private Sector's Contribution to Water Management, Renewable Energy Mexico (Mexico) 7 March 2014. Date of Access: 7 March 2014. <http://www.renewableenergymexico.com/?p=965>.

¹⁰⁶⁸ Mexico announces ETS plans and introduces a carbon tax, icap (Berlin) 14 June 2014. Access Date: 18 October 2014. <https://icapcarbonaction.com/news/news-archive/221-mexico-announces-ets-plans-and-introduces-a-carbon-tax>

¹⁰⁶⁹ Renewable energy country attractiveness index, Ernst and Young June 2014. Access Date: 16 October 14. [http://www.ey.com/Publication/vwLUAssets/Reusable_Energy_Country_Attractiveness_Index_41_-_June_2014/\\$FILE/EY-Renewable-Energy-Country-Attractiveness-Index-41-June-2014.pdf](http://www.ey.com/Publication/vwLUAssets/Reusable_Energy_Country_Attractiveness_Index_41_-_June_2014/$FILE/EY-Renewable-Energy-Country-Attractiveness-Index-41-June-2014.pdf)

¹⁰⁷⁰ California joins Mexico in clean energy pact, Bloomberg (Los Angeles) 30 July 2014. Date of Access: 5 October 2014. <http://www.bloomberg.com/news/2014-07-30/california-mexico-sign-agreements-to-cooperate-on-clean-energy-climate.html>.

gases.¹⁰⁷¹ Additionally, California has offered to share its experience creating a carbon emissions trading scheme.¹⁰⁷² This agreement signals Mexico's efforts to develop clean energy technologies through collaboration and knowledge sharing.

On 2 June 2014, the Inter-American Development Bank announced its plans to develop a risk mitigation program for private geothermal energy projects together with Nacional Financiera and the Mexican Ministry of Energy. The aim of the program is to reduce the risk associated with the exploration of geothermal energy, with an expectation to generate 300 megawatts in a period of six years.¹⁰⁷³ According to the Mexican government, the agreement could help develop up to 2 gigawatts in additional capacity by 2020.¹⁰⁷⁴

On 11 August 2014, President Enrique Peña Nieto signed into law secondary legislation, or implementing laws, that put into effect and substantiate the Energy Reform passed on 13 December 2013. The secondary legislation clarifies the fiscal and tax requirements required for joint ventures and private investment in Mexico's energy sector and outline the governance and political responsibilities of the Mexican government.¹⁰⁷⁵ Private investment in the energy sector in Mexico will allow for increased efficiency of energy markets.

On 11 August 2014, Mexican President Peña Nieto signed a new Energy Reform into law.¹⁰⁷⁶ The legislative overhaul of the energy sector will open up the market to more private sector competition and could generate an additional USD20 billion in foreign direct investment, according to estimates from Bank of America.¹⁰⁷⁷ Mexico Energy Secretary Pedro Coldwell claims the country has 57 gigawatts of potential renewable energy capacity, of which 20 gigawatts can be generated at competitive prices.

Mexico has complied with its commitment to support the development of clean and energy efficient technologies and supports the efficiency of the energy market through various actions including policies.

Thus, Mexico receives a score of +1.

Analyst: Emma Stanton and Mei Leonora Heiberg

¹⁰⁷¹ California joins Mexico in clean energy pact, Bloomberg (Los Angeles) 30 July 2014. Date of Access: 5 October 2014. <http://www.bloomberg.com/news/2014-07-30/california-mexico-sign-agreements-to-cooperate-on-clean-energy-climate.html>.

¹⁰⁷² California joins Mexico in clean energy pact, Bloomberg (Los Angeles) 30 July 2014. Date of Access: 5 October 2014. <http://www.bloomberg.com/news/2014-07-30/california-mexico-sign-agreements-to-cooperate-on-clean-energy-climate.html>.

¹⁰⁷³ Mexico to develop a Risk Mitigation Program for private geothermal energy projects with support from the IDB, IDB (Washington) 2 June 2014. Access Date: 18 October 2014. <http://www.iadb.org/en/news/news-releases/2014-06-02/mexico-to-develop-geothermal-energy-with-idb-support,10830.html>

¹⁰⁷⁴ Renewable energy country attractiveness index, Ernst and Young June 2014. Access Date: 16 October 14. [http://www.ey.com/Publication/vwLUAssets/Renewable_Energy_Country_Attractiveness_Index_41_-_June_2014/\\$FILE/EY-Renewable-Energy-Country-Attractiveness-Index-41-June-2014.pdf](http://www.ey.com/Publication/vwLUAssets/Renewable_Energy_Country_Attractiveness_Index_41_-_June_2014/$FILE/EY-Renewable-Energy-Country-Attractiveness-Index-41-June-2014.pdf)

¹⁰⁷⁵ Mexico's Energy Reforms Become Law, Brookings Institute (Washington) 14 August 2014. Date of Access: 5 October 2014 <http://www.brookings.edu/research/articles/2014/08/14-mexico-energy-law-negroponte>.

¹⁰⁷⁶ Mexico's Energy Reforms become law, Brookings (Washington) 14 August 2014. Access Date: 18 October 2014. <http://www.brookings.edu/research/articles/2014/08/14-mexico-energy-law-negroponte>

¹⁰⁷⁷ Renewable energy country attractiveness index, Ernst and Young June 2014. Access Date: 16 October 14. [http://www.ey.com/Publication/vwLUAssets/Renewable_Energy_Country_Attractiveness_Index_41_-_June_2014/\\$FILE/EY-Renewable-Energy-Country-Attractiveness-Index-41-June-2014.pdf](http://www.ey.com/Publication/vwLUAssets/Renewable_Energy_Country_Attractiveness_Index_41_-_June_2014/$FILE/EY-Renewable-Energy-Country-Attractiveness-Index-41-June-2014.pdf)

Russia: +1

Russia has fully complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

On 22 November 2013, in his address to the “All-Russian meeting for increasing energy efficiency in regions: monitoring the research, replication of the successful experience” at the Energy Efficiency and Energy Saving forum, Deputy Energy Minister Anton Inyutsyn said that the state program “Energy conservation and enhancing energy efficiency until 2020” allocates RUB6.1 trillion, including RUB5.6 trillion of extra-budgetary resources, to energy-efficiency projects.¹⁰⁷⁸

On 25 November 2013, Russian President Vladimir Putin signed a federal law No. 316, which increased penalties for citizens and legal entities violating rules of energy consumption and conservation.¹⁰⁷⁹

In 2014, the Russian Ministry of Energy plans to allocate RUB4.9 billion from the federal budget on co-financing energy conservation and energy efficiency projects.¹⁰⁸⁰

On 17 February 2014, the Russian government issued decree No. 116 approving measures to stimulate electricity generation using renewable energy sources. Among other things the decree amends the rules for development and approval of the projected electrical energy development projects.¹⁰⁸¹

On 15 April 2014, the Russian government approved a new version of the “Energy efficiency and energy development” program. It provides an increase in government spending by RUB6.844 billion in 2014-16. Implementation of the program, according to the government, will result in reduction of energy intensity of the Russian economy by 12.7 per cent by 2020 compared to 2007.¹⁰⁸²

On 18 February 2014, the Russian energy company JSC Russian Grids concluded an agreement to connect the first solar power plant in the country to the electric grid by 2015. The building of the power plant is to be finished in the third quarter of 2014. Interregional Distribution Grid Company of Siberia (JSC MRSK of Siberia), a subsidiary of OAO Rosseti, will conduct the technical work to connect the solar power plant in Kosh-Agach (Altai Republic) to the grid.¹⁰⁸³ The Russian Government is the controlling shareholder of JSC Russian Grids with 85.31 per cent of the company’s ordinary shares.¹⁰⁸⁴

Russia has demonstrated strong support in the promotion of renewable energy, and enacted policy to enhance energy market efficiencies.

¹⁰⁷⁸ The participants of the Energy ministry took part in the second day of the ENES-2013 forum, Russian Ministry of Energy (Moscow) 22 November 2013. Date of Access: 17 April 2014.

http://minenergo.gov.ru/press/min_news/17638.html?sphrase_id=600929.

¹⁰⁷⁹ Vladimir Putin signed a law “On amending article 7.19 and 9.11 of the Russian Federation Administrative Offence Code,” President of Russia (Moscow) 25 November 2013. Date of Access: 17 April 2014.

<http://news.kremlin.ru/acts/19691>.

¹⁰⁸⁰ Discussion on the implementation of the subprogram “Energy conservation and energy efficiency” took place in the Energy Ministry, Russian Ministry of Energy (Moscow) 10 February 2014. Date of Access: 21 April 2014.

http://minenergo.gov.ru/press/min_news/17638.html?sphrase_id=600929.

¹⁰⁸¹ On measures to normalize and stimulate generation and use of electric energy based on renewable energy sources, Government of Russia (Moscow) 21 February 2014. Date of Access: 13 August 2014. <http://government.ru/docs/10666>.

¹⁰⁸² On approval of the new version of the “Energy efficiency and energy development” state program, Government of Russia (Moscow) 15 April 2014. Date of Access: 13 August 2014. <http://government.ru/docs/11951>.

¹⁰⁸³ In 2015 Rosseti will connect the first solar power plant to the electric grid, Rosseti (Moscow) 18 February 2014. Date of Access: 23 September 2014. http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=16220.

¹⁰⁸⁴ OAO Rosseti Quarterly Report 4th Quarter 2013, Rosseti (Moscow) 13 February 2014. Date of Access: 23 September 2014. <http://www.rosseti.ru/upload/Doc/q0413.pdf>.

Thus, Russia is awarded a score of +1.

Analyst: Andrei Sakbarov

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

In July 2013, Saudi Arabia began to support its renewable energy programs by installing 70 stations that will measure the potential for energy production from sun, wind and geothermal sources.¹⁰⁸⁵ The government targets the installation of 23.9 gigawatts of renewable power capacity by 2020 and 54.1 gigawatts by 2032.

On 20 February 2014, the Government of Saudi Arabia announced its plan to invest USD173 billion on energy projects between 2014 and 2018, marking the highest amount of investment in the Arab world.¹⁰⁸⁶

On 28 February 2014, Saudi Basic Industries Corporation (SABIC) and the King Abdullah City for Atomic and Renewable Energy (KACARE) signed a research and development agreement to cooperate for technology development.¹⁰⁸⁷ Under the agreement, SABIC and KACARE, in the focus area of technology and innovation, will develop “a range of protocols for evaluation and feasibility of renewable energies including, solar, wind, and municipal waste, with specific attention given to electricity or steam generation for industrial usage, and energy storage.”

On 7 August 2014 Waleed Husain Abu Al-Faraj, the vice president of Saudi Arabia’s King Abdullah City for Atomic and Renewable Energy (K.A.CARE), and Hwan Min Gang, the chief financial officer of the Chinese National Nuclear Corporation (CNNC) signed an agreement in which China and Saudi Arabia pledged to cooperate in the development of renewable energy and nuclear energy. As China is a world leader in the production of solar photovoltaic panels, the agreement will aid Saudi Arabia in increasing the development of clean energy technologies and in enhancing the energy market.¹⁰⁸⁸

It is estimated that Saudi Arabia will spend up to USD100 million on renewable energy by 2032; thus, allowing for a growth in the energy market. The Government of Saudi Arabia aims that by 2032, 30 per cent of the nation’s energy supply will come from solar energy, and nine per cent from wind.¹⁰⁸⁹

While strongly supporting the development of cleaner and more efficient clean technologies during this compliance cycle, Saudi Arabia has not however enacted policy to enhance energy market efficiencies.

¹⁰⁸⁵ Saudi Arabia Pushes Renewable Energy Programs, Wants to Become Solar-Powered Efficient and Capable by 2032, International Business Times (Australia) 4 July 2013. Date of Access: 7 March 2014.

<http://au.ibtimes.com/articles/486391/20130704/saudi-arabia-renewable-energy-solar-power.htm> - .UxyTzkKwKdU.

¹⁰⁸⁶ Saudi five-year energy spend to hit \$173bn, Arabian Business (Dubai) 20 February 2014. Date of Access: 7 March 2014. <http://www.arabianbusiness.com/saudi-five-year-energy-spend-hit-173bn-539625.html>.

¹⁰⁸⁷ SABIC, KACARE tie up for renewable energy studies, Arab News (Saudi Arabia) 28 February 2014. Date of Access: 7 March 2014. <http://www.arabnews.com/news/532361>.

¹⁰⁸⁸ China, Saudi Arabia Sign New Energy Agreement, The Australian (Sydney) 15 August 2014. Date of Access: 27 September 2014. <http://www.theaustralian.com.au/business/mining-energy/china-saudi-arabia-sign-new-energy-agreement/story-e6frg9df-1227025276198?nk=c8511da4241d2e19f7e77f9143081c8c>.

¹⁰⁸⁹ China, Saudi Arabia Sign New Energy Agreement, The Australian (Sydney) 15 August 2014. Date of Access: 27 September 2014. <http://www.theaustralian.com.au/business/mining-energy/china-saudi-arabia-sign-new-energy-agreement/story-e6frg9df-1227025276198?nk=c8511da4241d2e19f7e77f9143081c8c>.

Saudi Arabia is thus awarded a 0 for partial compliance.

Analyst: Virginia Arsenault

South Africa: 0

South Africa has partially complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

On 15 April 2014, Energy Minister Ben Martins announced an expansion of its renewable energy program. Since December 2011, the South African government approved 64 independent renewable energy projects, and the expansion in April 2014 means that 3,900 Megawatts of energy will come from renewable energy, mostly solar and wind, and will be available in South Africa.¹⁰⁹⁰

South Africa has demonstrated strong support in the promotion of renewable energy, however it has not enacted policy to enhance energy market efficiencies.

Thus, South Africa receives a score of 0 for partial compliance.

Analyst: Virginia Arsenault

Turkey: +1

Turkey has fully complied with its energy commitment to encourage effective policies that overcome barriers to efficiency, and enhance the efficiency of markets towards an energy sustainable future.

On 9 May 2014, the Turkish government adopted an investment incentive scheme that targeted manufacturing industries, waste recovery, and underground gas storage investments.¹⁰⁹¹ This is expected to save TRY65 billion in import dependency costs by the year 2030.¹⁰⁹²

On 2 July 2014, Turkey adopted the Energy Efficiency Improvement Program within the 10th Development Plan of Turkey, which aimed to harness the waste heat of existing coal-fired thermal power plants and to create a market for the sales of waste heat energy.¹⁰⁹³ There has been no update on the status of the plan since. Energy efficiency is largely developed through secondary legislation in Turkey, and is enacted by public and private institutions and non-governmental organizations that target the power sector, construction sector, industry and services, public sector, transport, and home appliances.¹⁰⁹⁴

¹⁰⁹⁰ South Africa to Procure still more Renewable Energy, South Africa Info (Johannesburg) 15 April 2014. Date of Access: 27 September 2014. <http://www.southafrica.info/business/economy/infrastructure/energy-150414.htm> - .VCbv-_ldVqU.

¹⁰⁹¹ Investment Incentives Expanded to Cover Energy Efficiency Projects, Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Aksam) 20 June 2014. Date of Access: 5 October 2014. <http://www.invest.gov.tr/en-US/infocenter/news/Pages/200614-turkey-energy-saving-investment-incentives.aspx>.

¹⁰⁹² Investment Incentives Expanded to Cover Energy Efficiency Projects, Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Aksam) 20 June 2014. Date of Access: 5 October 2014. <http://www.invest.gov.tr/en-US/infocenter/news/Pages/200614-turkey-energy-saving-investment-incentives.aspx>.

¹⁰⁹³ In-Depth Energy Efficiency Policy review of the Republic of Turkey, Energy Charter Secretariat (Brussels) 2014. Date of Access: 5 October 2014. http://www.encharter.org/fileadmin/user_upload/Publications/Turkey_EE_2014_ENG.pdf.

¹⁰⁹⁴ In-Depth Energy Efficiency Policy review of the Republic of Turkey, Energy Charter Secretariat (Brussels) 2014. Date of Access: 5 October 2014. http://www.encharter.org/fileadmin/user_upload/Publications/Turkey_EE_2014_ENG.pdf.

In early September 2014, the Turkish government reaffirmed its commitment to promote energy efficiency through diversifying energy resources and investment in technologies.¹⁰⁹⁵ However, the announcement stressed the development of these manners through the use of primary energy resources.¹⁰⁹⁶ The plan is that by 2023, solar energy will constitute 30 per cent of the country's overall energy production.¹⁰⁹⁷

On 31 July 2014, the Energy Charter released a review of the energy efficiency policy of Turkey which noted the continuation of privatisation in the power and gas sector.¹⁰⁹⁸ The eligible customer limit in the context of gas usage has been lowered to 4.5 GWh in 2014.¹⁰⁹⁹ The energy efficiency policy of Turkey is analogous to reducing imports and using domestic resources to sustain demand.

Financial schemes such as the 17 September 2014 USD96 million loan from the International Finance Corporation to a large private group to promote energy efficiency and renewable energy projects demonstrate the work the government is taking to invest in meeting the domestic demand.¹¹⁰⁰

On 21 September 2014, Finance Minister Mehmet Simsek announced that a tax-incentive model to promote the sale of energy-efficient goods and goods with low carbon-dioxide emissions.¹¹⁰¹ These rebates include home improvements and energy-efficient appliances.¹¹⁰²

Turkey has outlined renewable energy policy measures as well as policies to increase the efficiency of the energy market.

Thus, Turkey has been awarded a score of +1.

Analyst: Emily Tsui

United Kingdom: +1

The United Kingdom has fully complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

In November 2012, the UK government announced an energy policy agreement that, “will deliver a durable, long term signal to investors,”¹¹⁰³ including a de-carbonization target range for 2030. After

¹⁰⁹⁵ “Energy” Chapter of the 62nd Turkish Government’s New Program, The Journal of Turkish Weekly (Ankara) 17 September 2014. Date of Access: 5 October 2014. <http://www.turkishweekly.net/news/172186/-energy-chapter-of-the-62nd-turkish-government-39-s-new-program.html>.

¹⁰⁹⁶ “Energy” Chapter of the 62nd Turkish Government’s New Program, The Journal of Turkish Weekly (Ankara) 17 September 2014. Date of Access: 5 October 2014. <http://www.turkishweekly.net/news/172186/-energy-chapter-of-the-62nd-turkish-government-39-s-new-program.html>.

¹⁰⁹⁷ GDRE Background and Status, European Energy Network (Ankara). Date of Access: 5 October 2014. <http://www.enr-network.org/GDRE.html>.

¹⁰⁹⁸ In-Depth Energy Efficiency Policy review of the Republic of Turkey, Energy Charter Secretariat (Brussels) 2014. Date of Access: 5 October 2014. <http://www.encharter.org/index.php?id=275&L=0>.

¹⁰⁹⁹ In-Depth Energy Efficiency Policy review of the Republic of Turkey, Energy Charter Secretariat (Brussels) 2014. Date of Access: 5 October 2014. http://www.encharter.org/fileadmin/user_upload/Publications/Turkey_EE_2014_ENG.pdf.

¹¹⁰⁰ IFC Lends \$96 Million to Yapi Kredi Leasing to Promote Energy Efficiency and Renewable Energy in Turkey, International Finance Corporation (Istanbul) 17 September 2014. Date of Access: 5 October 2014. <http://ifcext.ifc.org/IFCExt/pressroom/IFCPressRoom.nsf/0/E6A2B6A578FBDB4A85257D560046DCF3?OpenDocument>.

¹¹⁰¹ Turkey’s War Against Energy-Monster Refrigerators, Daily Sabah (Istanbul) 21 September 2014. Date of Access: 5 October 2014. <http://www.dailysabah.com/economy/2014/09/21/turkeys-war-against-energymonster-refrigerators>.

¹¹⁰² Turkey’s War Against Energy-Monster Refrigerators, Daily Sabah (Istanbul) 21 September 2014. Date of Access: 5 October 2014. <http://www.dailysabah.com/economy/2014/09/21/turkeys-war-against-energymonster-refrigerators>.

multiple levels of debate and amendments, the Energy Act received Royal Assent on 18 December 2013.¹¹⁰⁴ The final statute incorporates various energy initiatives, ranging from consumer protection, to de-carbonization, to nuclear regulation. However, the most pertinent to clean technologies are measures to attract GBP110 billion in investment to upgrade the electricity market. Reforms include: (1) long-term contracts to provide incentives for low-carbon investment; (2) power purchase agreements to ensure the availability of contracts for renewable generators; (3) transition agreements for renewable investments, and (4) limits on carbon dioxide emissions from new fossil fuel power stations.

In 2014, the United Kingdom also called for shifts towards an energy sustainable future. On 24 January 2014, Prime Minister David Cameron addressed the World Economic Forum in Davos highlighting renewable energy, Britain's GBP16 billion of investment in nuclear energy, and the expanding offshore wind market.¹¹⁰⁵ Secretary of State for Energy and Climate Change Ed Davey echoed these calls to adapt stewardship to ensure that "low-carbon energy resources have a secure future"¹¹⁰⁶ in the United Kingdom. Both statements are furthered by the creation and actions of the Green Investment Bank, a GBP3 billion initiative to "mobilize private capital to make a significant contribution to the development of a green economy."¹¹⁰⁷

On 23 April 2014, the UK government unveiled eight major renewable energy projects. According to the Department of Energy and Climate Change the projects could provide up to 4.5 gigawatts of power to the UK's energy supply. The projects include offshore wind farms, coal to biomass conversions and a biomass plant, and were offered under Contracts for Difference, a part of the UK government's Electricity Market Reform Program.¹¹⁰⁸

The United Kingdom has encouraged effective policies that overcome barriers to energy efficiency, enhanced the efficiency of markets and shifts toward an energy sustainable future.

Thus, the UK receives a score of +1 for full compliance.

Analyst: Anthony Marchese and Mei Leonora Heiberg

United States: +1

The United States has fully complied with its commitment to encourage effective policies that overcome barriers to energy efficiency, and enhance the efficiency of markets towards an energy sustainable future.

¹¹⁰³ Energy Act: Decarbonisation, Department of Energy & Climate Change (London) 18 December 2013. Date of Access: 28 February 2014. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266868/Decarbonisation_Policy_Brief_RA.pdf.

¹¹⁰⁴ Energy Act, Department of Energy & Climate Change (London) 18 December 2013. Date of Access: 28 February 2014. <https://www.gov.uk/government/collections/energy-act>.

¹¹⁰⁵ Speech by David Cameron at the World Economic Forum, 10 Downing Street (London) 30 January 2014. Date of Access: 28 February 2014. <https://www.gov.uk/government/speeches/world-economic-forum-davos-2014-speech-by-david-cameron--2>.

¹¹⁰⁶ North Sea Still has Vital Role in Keeping the Lights On, The Daily Telegraph (London) 24 February 2014. Date of Access: 28 February 2014. <http://www.telegraph.co.uk/finance/newsbysector/energy/10656808/North-Sea-still-has-vital-role-in-keeping-the-lights-on.html>.

¹¹⁰⁷ Green Bank Opens for Business, Green Investment Bank (London) 27 November 2012. Date of Access: 28 February 2014. <http://www.greeninvestmentbank.com/media-centre/gib-news/green-bank-opens-for-business.html>.

¹¹⁰⁸ Government unveils eight major new renewable projects, supporting 8,500 green jobs, Gov.uk (London) 23 April 2014. Access Date: 18 October. <https://www.gov.uk/government/news/government-unveils-eight-major-new-renewables-projects-supporting-8500-green-jobs>

The United States has built on previous policies to encourage clean energy investment and development. The American Recovery and Reinvestment Act of 2009 included a 30 per cent tax credit valued at USD2.3 billion for “investments in manufacturing facilities for clean energy technologies.”¹¹⁰⁹

On 12 December 2013, an additional USD150 million was released for projects of “domestic manufacturing of a wide range of renewable energy and energy efficiency products.”¹¹¹⁰ These tax credits are in conjunction with the approval of a variety of projects, such as USD7 million for cost-effective hydrogen and fuel cell technologies,¹¹¹¹ and USD50 million to accelerate development of high-tech, fuel-efficient automobiles.¹¹¹²

On 20 March 2014, the Energy Department announced USD17 million accelerate clean energy innovation in small businesses, including projects to develop “energy technologies with a strong potential for commercialization and job creation.”¹¹¹³

On 20 June 2014, Secretary of Energy Ernest Moniz announced USD3.2 million to launch the National Incubator Initiative for Clean Energy to “drive innovation and foster cooperation in the clean energy business community.”¹¹¹⁴

In 2014, President Barack Obama continued to encourage effective energy policies and development. In his 2014 State of the Union Address, he highlighted actions to shift towards a more environmentally sustainable future, such as “new standards on the amount of carbon pollution” that power plants are permitted to produce.¹¹¹⁵

On 3 July 2014, the American Department of Energy made available USD 4 billion in loan guaranties for innovative renewable energy and energy efficiency projects, which avoid or reduce carbon emissions.¹¹¹⁶

The United States has encouraged effective policies that overcome barriers to energy efficiency, enhanced the efficiency of markets and shifts towards an energy sustainable future.

¹¹⁰⁹ Fact Sheet: 48C Manufacturing Tax Credits, Department of Energy (Washington) 7 February 2013. Date of Access: 28 February 2014. [http://energy.gov/sites/prod/files/2013/04/f0/FACT_SHEET -- 48C MANUFACTURING TAX CREDITS.pdf](http://energy.gov/sites/prod/files/2013/04/f0/FACT_SHEET_-_48C_MANUFACTURING_TAX_CREDITS.pdf).

¹¹¹⁰ Energy Department Announces \$150 Million in Tax Credits to Invest in US Clean Energy Manufacturing, Department of Energy (Washington) 12 December 2013. Date of Access: 28 February 2014. <http://www.energy.gov/articles/energy-department-announces-150-million-tax-credits-invest-us-clean-energy-manufacturing>.

¹¹¹¹ Energy Department Invest Over \$7 Million to Commercialize Cost-Effective Hydrogen and Fuel Cell Technologies, Department of Energy (Washington) 12 December 2013. Date of Access: 28 February 2014. <http://www.energy.gov/articles/energy-department-invests-over-7-million-commercialize-cost-effective-hydrogen-and-fuel>.

¹¹¹² Secretary Moniz Announces Nearly \$50 Million to Advance High-Tech, Fuel Efficient American Autos, Department of Energy (Washington) 22 January 2014. Date of Access: 28 February 2014. <http://www.energy.gov/articles/secretary-moniz-announces-nearly-50-million-advance-high-tech-fuel-efficient-american-autos>.

¹¹¹³ Energy Department Invests \$17 Million in Small Businesses to Accelerate Clean Energy Innovation, Department of Energy (Washington) 20 March 2014. Date of Access: 6 October 2014. <http://www.energy.gov/articles/energy-department-invests-17-million-small-businesses-accelerate-clean-energy-innovation>.

¹¹¹⁴ Energy Department Invests \$3.2 Million to Support Clean Energy Small Businesses and Entrepreneurs, Department of Energy (Washington) 20 June 2014. Date of Access: 6 October 2014. <http://www.energy.gov/articles/energy-department-invests-32-million-support-clean-energy-small-businesses-and>.

¹¹¹⁵ President Barack Obama’s State of the Union Address, The White House (Washington) 28 January 2014. Date of Access: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/01/28/president-barack-obamas-state-union-address>.

¹¹¹⁶ Energy department makes additional \$4 billion in loan guarantees available for innovative renewable energy and efficient energy projects, Energy Department (Washington DC) 3 July 2014. Access Date: 19 October. <http://energy.gov/articles/energy-department-makes-additional-4-billion-loan-guarantees-available-innovative-renewable>

The United States has received a score of +1 for full compliance.

Analyst: Anthony Marchese and Mei Leonora Heiberg

European Union: +1

The European Union has fully complied with its energy commitment to encourage effective policies that overcome barriers to efficiency, and enhance the efficiency of markets towards an energy sustainable future.

On 4 December 2012, the new Energy Efficiency Directive 2012/27/EU entered into force with its overall goal as establishing a 20 per cent increase in energy efficiency by 2020.¹¹¹⁷ This directive has continued to subsidize expenditures on energy efficient consumer appliances and to stimulate the construction of new energy efficient buildings.¹¹¹⁸

On 19 June 2014, European Union Energy Commissioner Gunther Oettinger delivered a speech that revealed a wholesale decrease in electricity prices since 2008, but also highlighted that this reduction has not yet been transferred to consumers.¹¹¹⁹ This is largely a result of taxation and levies.

On 23 July 2014, the European Commission announced its new commitment for a 30 per cent energy savings targets by 2030 and aims to tackle the issue of electricity prices.¹¹²⁰ Oettinger stated the EU's goals "to give the right signal to the market and encourage further investments in energy saving technologies to the benefit of businesses, consumers and the environment." The long term aims of this plan are to "make energy cheaper, ensure security of supply, and improve the lives of Europeans."¹¹²¹ However, this statement also indicated a cap of 1.307 billion tonne of oil equivalent energy consumption in the year 2030, which has potentially adverse effects on the market.¹¹²²

On the same day, an impact assessment report released by the European Commission (SWD(2014) 255 final) identified that price signal initiatives and a comprehensive set of energy efficiency policies allowed for the EU's successful decoupling of economic growth from energy consumption.¹¹²³ The report highlighted that investment in improving the efficiency of buildings is still much needed. The success of the EU energy efficiency policy has been closely tied with the development of its renewable energy policy.

¹¹¹⁷ Energy Efficiency Directive, European Commission (Brussels). Date of Access: 3 October 2014. http://ec.europa.eu/energy/efficiency/eed/eed_en.htm.

¹¹¹⁸ European Commission Proposes a Higher and Achievable Energy Savings Target for 2030, European Commission (Brussels) 23 July 2014. Date of Access: 3 October 2014. http://europa.eu/rapid/press-release_IP-14-856_en.htm.

¹¹¹⁹ Address by Gunther H. Oettinger at the Erasmus Energy Forum, European Commission (Rotterdam) 19 June 2014. Date of Access: 3 October 2014. http://europa.eu/rapid/press-release_SPEECH-14-478_en.htm.

¹¹²⁰ EU Sets "Ambitious But Realistic" Energy Savings Target, BBC News Science and Environment (London) 23 July 2014. Date of Access: 3 October 2014. <http://www.bbc.com/news/science-environment-28446509>.

¹¹²¹ Energy Efficiency Communication 2014, European Commission (Brussels). Date of Access: 3 October 2014. http://ec.europa.eu/energy/efficiency/events/2014_energy_efficiency_communication_en.htm.

¹¹²² EU Regulators Propose 30% Energy-Savings Target for 2030, Bloomberg News (Brussels) 23 July 2014. Date of Access: 3 October 2014. <http://www.bloomberg.com/news/2014-07-23/eu-regulators-propose-30-energy-savings-target-for-2030.html>.

¹¹²³ Impact Assessment Accompanying the Document Communication from the Commission to the European Parliament and the Council Energy Efficiency and its Contribution to Energy Security and the 2030 Framework for Climate and Energy Policy SWD(2014) 255 Final, European Commission (Brussels) 23 July 2014. Date of Access: 3 October 2014. http://ec.europa.eu/energy/efficiency/events/doc/2014_eec_ia_adopted_part1.pdf.

On 25 September 2014, Oettinger demonstrated the EU's commitment to carbon reduction when suggested that the EU should go forward with its carbon reduction scheme if the rest of the world were to agree to a climate change deal in October.¹¹²⁴

The European Union has outlined policy measures and reaffirmed its commitment to increase the efficiency of the energy market, specifically through its new 30 per cent reduction by 2030 goal.

Thus, the EU has been awarded a score of +1.

Analyst: Emily Tsui

¹¹²⁴ Europe's Carbon Cuts Should Be Subject to Paris Climate Deal- EU Energy Chief, The Guardian International Edition (London) 25 September 2014. Date of Access: 3 October 2014.
<http://www.theguardian.com/environment/2014/sep/25/europe-should-only-cut-carbon-if-world-agrees-paris-climate-deal-eu-energy-chief>.

8. Labour and Employment: Labour Policies

“[We commit to ensure] effective labour activation policies are in place to help jobseekers find work and bring under-represented and vulnerable groups into the labour market and reduce informality.”

G20 St. Petersburg Leaders’ Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada		0	
China	-1		
France			+1
Germany			+1
India			+1
Indonesia		0	
Italy		0	
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.75	

Background

At the St. Petersburg Summit in 2013 the G20 leaders stated that strengthening growth and creating jobs is a top priority.¹¹²⁵ In the St. Petersburg Action Plan, the leaders added that they “are fully committed to taking decisive actions to return to a job rich, strong, sustainable and balanced growth path.”¹¹²⁶

On 18-19 July 2013, the G20 Labour and Employment Ministers’ met in Moscow to discuss the global economy and noted that while there have been some improvements since 2012, “the recovery from the crisis still remains.”¹¹²⁷ Indeed, “world economic growth has been too weak to foster adequate job creation and reduce unemployment at a global level.” While there are countries that have begun to

¹¹²⁵ The G20 St. Petersburg Leaders’ Declaration, G20 Information Centre (Toronto) 6 September 2013. Date of Access: 26 March 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>

¹¹²⁶ St. Petersburg Action Plan, 6 September 2013, G20 Information Centre (Toronto) 6 September 2013. Date of Access: 26 March 2014. <http://www.g20.utoronto.ca/2013/2013-0906-plan.html>.

¹¹²⁷ G20 Labour and Employment Ministers’ Declaration, G20 Information Centre (Toronto) 19 July 2013. Date of Access: 26 March 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>

witness a decline in the unemployment rate, or even better an increase in the employment rate such as in Korea, on a global scale unemployment remains “close [to] its post-crisis peak.”¹¹²⁸

As of 2012, the International Labour Organization (ILO) has calculated that “almost 200 [million] out of the global working-age population of 5.3 billion are jobless.” Currently, the most vulnerable group targeted by unemployment is the youth which is calculated at 12.6 per cent, “even though 19 [million] youngsters have dropped out of the labour force.” The ILO has predicted that “unemployment during 2014-17 [will] remain at 6 [per cent], and youth unemployment [will] rise to 12.9 [per cent].”¹¹²⁹ These statistics are particularly worrisome as we consider that improving the conditions for youth employment were a top priority at the Cannes Summit in 2011¹¹³⁰ and again at the Los Cabos Summit in 2012.¹¹³¹

In a report “prepared by the ILO and the Organisation for Economic Co-operation and Development (OECD) at the request of the G20 Task Force on Employment,” it is highlighted that “the employment and labour market challenges facing the G20 countries run deep [and it is] only through well-informed exchanges on policy-making, addressing prevailing demand and supply constraints, can the G20 countries, collectively overcome them.”¹¹³²

Commitment Features

At a meeting in Moscow on 18-19 July 2013, the G20 Labour and Employment Ministers discussed the global labour market. In a declaration following this discussion several points were mentioned, including several points pertaining to labour activation, equity, and inclusion. The Ministers agreed that “effective, well-targeted, and coordinated active labour market policies should be designed to encourage and assist unemployed and inactive people, to connect or remain connected with the labour market and take advantage of new opportunities, with skills development.”¹¹³³

The meeting culminated in a release of the G20 Labour and Employment Ministers’ Declaration, which set a range of measures that should be considered to enhance labour activation and inclusion.

Build networks to increase the collaboration and communication between private employers, public employers and education institutions. (This includes “secondary and post-secondary schools, the education and school career guidance systems, public and private employment services, vocational training institutions, apprenticeships systems, local authorities, and social partners and businesses to prepare graduates to enter the workforce, to anticipate economic/sectorial changes.”¹¹³⁴) This commitment is twofold and covers: (a) providing updated labour market information to assist diverse

¹¹²⁸ G20 Labour and Employment Ministers’ Declaration, G20 Information Centre (Toronto) 19 July 2013. Date of Access: 26 March 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>

¹¹²⁹ Jobs and the disciplined market, *The Economist* (London) 18 November 2013. Date of Access: 15 February 2014. <http://www.economist.com/news/21589119-well-functioning-market-will-widen-opportunities-young-people-believes-park-geun-hye-president>

¹¹³⁰ Communique: G20 Leaders Summit, G20 Information Centre (Toronto) 4 November 2011. Date of Access: 26 March 2014. <http://www.g20.utoronto.ca/2011/2011-cannes-communique-111104-en.html>

¹¹³¹ Labour and Employment Ministers Conclusions, G20 Information Centre (Toronto) 17-18 May 2012. Date of Access: 26 March 2014. <http://www.g20.utoronto.ca/2012/2012-0518-labour.pdf>

¹¹³² G20 Task Force on Employment: Addressing employment, labour market and social protection challenges in G20 countries: Key measure since 2010, International Labour Organization (Geneva) 17 July 2013. Date of Access: 26 March 2014. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---ubl/documents/publication/wcms_217544.pdf

¹¹³³ G20 Labour and Employment Ministers’ Declaration, G20 Information Centre (Toronto) 19 July 2013. Date of Access: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>

¹¹³⁴ G20 Labour and Employment Ministers’ Declaration, G20 Information Centre (Toronto) 19 July 2013. Date of Access: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>

education institutions in an effort to successfully match skills with the qualification of the current and future job necessities; and (b) improving conditions to assist access to quality education.

Develop an information system that will allow the formation of proper education and career decisions that will contribute to the reduction of skill mismatches and shortages.

Create provisions that will assist vulnerable groups' access to second-chance learning prospects, apprenticeships, on the job training programs, lifelong learning, and other learning programs. This will increase their labour market prospects, generate the development of skills and employability.

Take measures to continue the implementation of the G20 Training Strategy¹¹³⁵ while continuing to involve relevant international organizations for support in assisting countries with matching skills to global market demands.

Provide support for public employment programs in an effort to establish targeted social assistance and maintain connections to the labour market. This will include extending conditional cash transfers in order to address structural poverty problems.

Supporting the private sector in the process of job creation by adopting targeted employment policies such as providing employment subsidies, tax credits and other incentives that will particularly help vulnerable groups as they re-enter the labour force.¹¹³⁶

Taking provisions for switching from the informal to the formal economy through stronger incentives, such as progressive taxation, improved access to social security, etc. This includes financial incentives to hire and train new people (i.e., tax breaks, cash transfers, employment subsidies), particularly in small and medium-sized enterprises.¹¹³⁷

Implementing policies that will increase the labour force participation and reduce structural unemployment, long-term unemployment, underemployment and job informality.¹¹³⁸

For the purpose of these reports, consider the following definition “informality” as indicated in the labour and employment commitment of G20 members will include: “(a) the enterprises, in which the jobs are located, are too small and/or not registered, or (b) labour legislation does not specifically cover or is not applied to atypical jobs (such as casual, part-time, temporary or home-based jobs) or to subcontracting arrangements in production chains (such as industrial outwork), so that the jobs (and, therefore, their incumbents) are unprotected by labour legislation.”¹¹³⁹ The definition of “under-represented and vulnerable groups” varies from country to country. Generally “under-represented and vulnerable groups” include young persons, older workers, women, unskilled persons, and persons with

¹¹³⁵ A Skilled Workforce for Strong, Sustainable and Balanced Growth, A G20 Learning Strategy, International Labour Organization (Geneva) 2011. Date of Access: 5 February 2014. http://www.itcilo.org/en/community/news/g20-training-strategy-en/at_download/file.

¹¹³⁶ G20 Labour and Employment Ministers' Declaration, G20 Information Centre (Toronto) 19 July 2013. Date of Access: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>.

¹¹³⁷ Emerging economies: has growth translated into more and better jobs?, International Labour Organization (Geneva) 21 October 2013. Date of Access: 4 February 2014. http://www.ilo.org/global/about-the-ilo/newsroom/comment-analysis/WCMS_224436/lang--en/index.htm.

¹¹³⁸ G-20 Labour and Employment and Finance Ministers' Communiqué, Department of Finance Canada (Moscow) July 19 2013. Date of Access: 5 February 2013. <http://www.fin.gc.ca/n13/13-097-eng.asp>.

¹¹³⁹ Defining and measuring informal employment, International Labour Organization (Geneva). Date of Access: 5 February 2014. <http://www.ilo.org/public/english/bureau/stat/download/papers/meas.pdf>

disabilities.¹¹⁴⁰ For the purpose of this report this description will be used unless the term is defined otherwise nationally.

Scoring Guidelines

-1	Member does not take actions to ensure effective labour activation policies are in place to help jobseekers find work AND does not take actions to bring under-represented and vulnerable groups into the labour market and reduce informality.
0	Member takes actions to ensure effective labour activation policies are in place to help jobseekers find work BUT does not take actions to bring under-represented and vulnerable groups into the labour market and reduce informality.
+1	Member takes actions to ensure effective labour activation policies are in place to help jobseekers find work AND takes actions to bring under-represented and vulnerable groups into the labour market and reduce informality

Lead Analyst: Atena Sadegh

Argentina: +1

Argentina has fully complied with the commitment on labour and employment.

On 6 September 2013, the Labour Ministry Carlos Tomada signed an agreement with authorities from the Entre Rios province, along with citrus workers representatives. The intention of the agreement was to formalize work in the Entre Rios citrus sector through a Trade Union Co-Responsibility Agreement. The purpose of the agreement is to register rural workers and allow them to access social security, health insurance, retirement and pension benefits, family allowances, occupational risk coverage and unemployment insurance for the workers and their families.¹¹⁴¹

Furthermore, on 6 September 2013, Mr. Tomada signed an agreement, on behalf of the ministry, with the Business General Confederation to provide support to workers participating in the “Youth with More and Better Jobs Programme.” This agreement intends to provide support for unemployed workers involved in the programme through the Promotion and Employment Qualification plan which fosters labour insertion of participants and updating their job skills. Moreover, there is an emphasis on the productivity and competitiveness that comes with the training of workers through technological innovation.¹¹⁴²

On 19 September 2013, Labour Minister Carlos Tomada awarded certificates to participants of the CGERA (Argentina’s Business General Confederation) training course “Juan Zanella.” This course trains workers, particularly youth workers, in areas such as mechanics, electronics and failure analysis. The minister tied the training of workers to the growth of the country.¹¹⁴³

On 23 September 2013, Labour Minister Carlos Tomada inaugurated an employment office in the city of Gualeguaychu and also launched the Employment Promotion Programmes in the software and tourism sector alongside the Entre Rios’ Governor Sergio Urribarri. This is in line with the national

¹¹⁴⁰ Discussion 1: Participation of vulnerable groups, including women and youth (discussion extended to 12 March), 30 January 2014. Date of Access: 12 March 2014. <http://www.worldwewant2015.org/node/421142>.

¹¹⁴¹ Agreement to Regularize Concordia Rural Workers, Ministry of Labour (Buenos Aires) 6 September 2013. Date of Access: 3 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=790.

¹¹⁴² Agreement Signed to Implement Employment Promotion Actions, Ministry of Labour (Buenos Aires) 6 September 2013. Date of Access: 3 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=789

¹¹⁴³ Tomada: “Training Workers is Key to the Growth of the Country”, Ministry of Labour (Buenos Aires) 19 September 2013. Date of Access: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=818

governments policy on collaborating with other levels of government to improve access to the business sector for all individuals and to improve the quality of work training.¹¹⁴⁴

On 26 September 2013, Labour Minister Carlos Tomada awarded certificates to youth participating in the “Youth for More and Better Work Programme” who developed films as part of the “social media and cultural device” project. The project trained youth in the area of television and radio production.¹¹⁴⁵

On 1 October 2013, the Labour Ministry organized the “Second Trade Union Training Series for Young Leaders.” The event was attended by 150 youth members from 58 trade organization and furthers the national policy objective of social inclusion. This is by facilitating dialogue and training for the trade unions and their youth members.¹¹⁴⁶

On 2 October 2013, the Labour Minister Carlos Tomada, alongside the Education Minister Alberto Sileoni signed an agreement bringing together the “Youth with More and Better Work Programme” and the national Bicentennial Scholarship Programme. This furthers the dialogue of social inclusion and an emphasis on the liaison between the education and work sectors. The agreement announced that the youth who took part in the “Youth with more and Better Work Programme” will be given priority access to the scholarships. The Bicentennial Scholarship Programme specifically promotes scientific and technical career paths.¹¹⁴⁷

On 2 October 2013, Labour Minister Carlos Tomada headed an event alongside the Tierra del Fuego, Chaco, Salta and Rio Negro Provinces to ratify a commitment to fight for gender equality in the workplace. This event and the agreement were made possible through the Federal Network of Commission for Equality. This furthers the dialogue of social inclusion amongst traditionally marginalized groups.¹¹⁴⁸

On 11 October 2013, Labour Minister Carlos Tomada signed an agreement with the Argentine Federation of Wood Related Industries to strengthen social security policy for workers in the sector. The purpose of the agreement is to apply the national Trade Union Co-Responsibility Agreements that intend a better quality of life for workers and their families, as well as push to eradicate unregistered work and child labour. As well, the ministry promoted the agreement as a means to increase the value of wood chain products, which in turn, improves the sector’s competitiveness at a national and international level.¹¹⁴⁹

Additionally, on 11 October 2013, Tomada signed an agreement alongside the Argentine Federation of Car Repair Shops and Allied Service, Argentine Automotive Transport Mechanics and Allies Staff Trade Union, the Automobile Club Argentine Service Dealership Chamber, and the Argentine Component Factories Association to improve professional training by adding an additional 20 training centres in the

¹¹⁴⁴ Tomada and Uribarri Launched Employment Promotion Programmes in Gualeguaychu, Ministry of Labour (Arg Buenos Aires entina) 23 September 2013. Date of Access: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=818

¹¹⁴⁵ Tomada Along With Youngsters From The City Trained In The Cinema Industry, Ministry of Labour (Buenos Aires) 26 September 2013. Date of Access: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=949

¹¹⁴⁶ Second Trade Union Training Series for Young Leaders at the Labour Ministry, Ministry of Labour (Buenos Aires) 1 October 2013. Date of Access: 4 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=961

¹¹⁴⁷ Agreement to Link “Jovenes” Programme to University Scholarships, Ministry of Labour (Buenos Aires) 2 October 2013. Date of Access: 4 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=984

¹¹⁴⁸ Tomada: “We know that without equality there is no true freedom”, Ministry of Labour (Buenos Aires) 2 October 2013. Date of Access: 4 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=982#engver

¹¹⁴⁹ Cooperation Agreement with FAIMA to Strengthen Social Security Policies, Ministry of Labour (Buenos Aires) 11 October 2013. Date of Access: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1064

sector, of which 40 already exist. This is an extension of the national government's intention to improve social conditions through training and education.¹¹⁵⁰

On 16 October 2013, the Labour Minister Carlos Tomada awarded certificates to 21 students of the University of Buenos Aires who took a diploma in "Local Development Aimed at Employment Generation" course organized by the labour portfolio. The focus of the degree is to train the students to engage with the conceptual and technical tools involved in managing civil society organizations. Students in the course drafted projects linking participants to social organizations as part of the "Youth with More and Better Work Programme."¹¹⁵¹

On 18 October 2013, Labour Minister Carlos Tomada signed a union training agreement with the Argentine Brick Kiln Worker's Union in Ciudadela. The training intends to educate the unions on organization in the workplace, working conditions, labour health and union action and labour law and collective bargaining. This is in line with the Ministry's policy on engaging trade unions as vital social actors and members of the democracy.¹¹⁵²

On 22 October 2013, the Labour Minister was present to award labour skills certificates to 1,300 workers in the sanitation and water supply sector alongside an official from the Greater Buenos Aires Water Supply and Sanitation Workers Trade Union. The course of which the certificates were awarded is provided by the Labour Ministry to train workers in the National Sanitation Workers Federation (FeNTOS) to "meet the demands of water and sanitation public utility companies." This course is demonstrative of the Ministry of Labour's objective to connect quality training with an enhanced sector.¹¹⁵³

On 11 November 2013, Labour Minister Carlos Tomada presided at a meeting alongside the Superintendent of Safety at Work, the Employment Secretary, representatives of the Argentine Federation of Chemical and Petrochemicals Industry and companies in the sector. The purpose of the meeting was to sign an agreement between all attendant parties to implement programs to educate workers in the field of chemical use about the manipulation of chemical substances. This is considered an application of broader social security and protection for workers in the sector who may subsequently develop chemical addictions.¹¹⁵⁴

Moreover, on 11 November 2013, the Labour Ministry through its Employment and Labour Training Management Office in Chaco, applied the Telework Follow-up and Promotion Programme in Private Enterprises with the organization CARSE. The Ministry of labour has been engaging with the use of telework as a means for individuals to work from home by using information and communication technology. The objective of this project is to assess the practicality and applicability of telework as a means of inserting workers into the workforce from home, thus improving their employability.¹¹⁵⁵

¹¹⁵⁰ Agreement with SMATA to Train 15,000 car industry workers in three years, Ministry of Labour (Buenos Aires) 11 October 2013. Date of Access: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1063

¹¹⁵¹ Local Development Diplomas Aimed at Employment Generation Awarded, Ministry of Labour (Buenos Aires) 16 October 2013. Date of Access: March 5 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1067

¹¹⁵² Tomada Signed Unions Training Agreement with Brick Kiln Sector, Ministry of Labour (Buenos Aires) 18 October 2013. Date of Access: March 5 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1091

¹¹⁵³ Certificates awarded to Water Supply and Sanitation Workers, Ministry of Labour (Buenos Aires) 22 October 2013. Date of Access: March 6 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1093

¹¹⁵⁴ Addiction Prevention in the Chemical Sector, Ministry of Labour (Buenos Aires) 11 November 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1406

¹¹⁵⁵ Chaco: Telework Promotion in Private Enterprises, Ministry of Labour (Buenos Aires) 11 November 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1488

On 16 November 2013, Labour Minister Carlos Tomada with the President of the Nation's Honourable Chamber of Deputies signed an agreement for the inclusion of disabled individuals in the workforce.¹¹⁵⁶

On 20 November 2013, Labour Minister Carlos Tomada attended the launch of the "I Work Programme" which provides job opportunities to individuals over 40 years old supported by the Carrefour supermarket company. This signals an effort on behalf of the Ministry of Labour to connect private actors with unemployed members of the community. The company agreed to contribute to labour reemployment of adults over 40 years old with training and accompaniment. This agreement is within the framework of the "Youth with More and Better Work Programme," which emphasizes social inclusion in the labour sector. The agreement resulted in 31 jobs.¹¹⁵⁷

On 27 November 2013, Labour Minister Carlos Tomada and the President of the Maria de los Angeles Foundation signed an agreement on the improvement of social and labour reintegration opportunities for victims or potential victims of human trafficking for sexual exploitation crimes. The agreement is signed within the framework of the "More and Better Work Programme," which is founded on a policy of promoting unemployed workers' labour inclusion in quality jobs. The agreement intends to provide guidance through, amongst other things, training courses, career assessments, compulsory school finishing, professional training, job skills certification, job search and labour reintegration.¹¹⁵⁸

On 28 November 2013, Employment Secretary Enrique Deibe presented certificates of effort to the La Matanza Trans Group. These 20 individuals participated in the Occupational Training Course introduced through the "Youth with More and Better Work Programme" and "Training and Employment Insurance Programme." The course included human rights and employment workshops, employment guidance workshops, a professional training course and a business management course. This course exemplifies the Ministry of Labour's dialogue of social inclusion and employability for vulnerable members of society.¹¹⁵⁹

On 29 November 2013 Labour Minister Carlos Tomada awarded certificates to 250 telephonic workers associated with the Argentine Federation of Telephone Workers and Employees who complete a training series under the Programme to Support Union Training. At the meeting, a new agreement was signed to create a second union training series, adding an additional 400 participants.

Another agreement was signed for the involvement of the Undersecretary of Technical Programming and Labour Studies, to provide information on the development and coordination of actions linked to statistical studies on labour relations, employment and their links to economic dynamics.¹¹⁶⁰

On 4 December 2013, the Labour Minister Carlos Tomada participated in the inauguration of a training centre specializing in motorcycle mechanics. The Ministry credits the training centres with integration of women into the mechanic sector, as well as attracting youth to technical skills trade.¹¹⁶¹

¹¹⁵⁶ National Congress: Social and Labour Inclusion for Disabled Workers. Ministry of Labour (Buenos Aires) 16 November 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1620

¹¹⁵⁷ Labour Inclusion Programme for a Supermarket Company, Ministry of Labour (Buenos Aires) 10 November 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1580

¹¹⁵⁸ Tomada and Trimarco for the Social and Labour Reintegration of Human Trafficking Victims, Ministry of Labour (Buenos Aires) 27 November 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1646

¹¹⁵⁹ Training Certificates Awarded to La Matanza Trans Group, Ministry of Labour (Buenos Aires) 28 November 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1651

¹¹⁶⁰ Certificates Awarded and New Agreements Signed with FOETRA, Ministry of Labour (Buenos Aires) 29 November 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1656

On 9 December 2013, Labour Minister Carlos Tomada signed an agreement with the president of the Baltasar Garzon International Foundation (FIBG) to improve the labour reintegration of men and women who are undergoing substance abuse treatments and victims of labour trafficking crimes.¹¹⁶²

On 11 December 2013, Labour Minister Carlos Tomada was present to award certificates to more than 120 trainees in the SAP management system which is organized under the Continuous Training Programme implemented by the Ministry of Labour. The ministry recognizes the course as a means to improve the employability of the individuals taking the courses, which they say is well received by youth.¹¹⁶³

On 16 December 2013, Labour Minister Carlos Tomada awarded certificates to participants of a bricklaying program which focuses on reintegrating disabled individuals into the workforce. The training was a joint project between the Ministry of Labour, the Argentine Republic Building Workers' Union (UOCRA) and La Campora organization in Barrio Obrero neighbourhood in Villa Lugano. The project emphasized social inclusion and equal opportunity for all citizens to enter the labour force.¹¹⁶⁴

Also on 16 December 2013, Labour Secretary Noemi Rial signed an agreement alongside the Governor of Rio Negro Alberto Weretilneck to foster joint actions to combat unregistered workers within the framework of the National Labour Regularization Plan. Through this agreement each party will join to undertake inspections of the workers' situation, observance of working conditions for safety and hygiene regulations, eradication of child labour and the prevention of human trafficking. For this, a permanent inspection team will be created and trained. This is in line with the policy of the national government to respect fundamental workplace security through ensuring compliance with labour regulations.¹¹⁶⁵

On 18 December 2013, Labour Minister Carlos Tomada and the General Secretary of Villa Maria Regional General Labour Confederation (CGT) signed an agreement within the framework of the Programme to Support Union Training. The union training course will be given to 40 trade union delegates who are members of Villa Maria's CGT. The training will focus on, amongst other things, providing the trade unions with the history and evolution of labour law, trade unionism and trade union action, hiring means, collective bargaining, economics, etc.¹¹⁶⁶

Furthermore, on 18 December 2013, Tomada and the Executive Director of the Social Security National Administration signed an agreement to train workers within the framework of the PRO.CRE.AR Programme to build quality housing and apply the Conectar Igualdad Programme, thus bringing together policies from the Ministry of Labour and the Ministry of Social Security.^{1167,1168}

¹¹⁶¹ Labour Portfolio, SMATA and CGERA Inaugurated New Professional Training Centre, Ministry of Labour (Buenos Aires) 4 December 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1675

¹¹⁶² Reintegration of People Undergoing Treatment for Addiction and Trafficking Victims, Ministry of Labour (Buenos Aires) 9 December 2013. Date of Access: 6 March 2013. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1695#engver

¹¹⁶³ More workers join the 45,000 already trained in the software industry, Ministry of Labour (Buenos Aires) 11 December 2013. Date of Access: March 6 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1707#engver

¹¹⁶⁴ Certificates Awarded to Disabled People Trained in Bricklaying in Villa Lugano, Ministry of Labour (Buenos Aires) 16 December 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1710#engver

¹¹⁶⁵ Agreement with Rio Negro against Undeclared Work, Ministry of Labour (Buenos Aires) 16 December 2013. Date of Access: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1711#engver

¹¹⁶⁶ Union Training Agreement with Villa Maria's CGT, Ministry of Labour (Buenos Aires) 18 December 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1715#engver

¹¹⁶⁷ Acerca de Conectar Igualdad, Ministry of Education (Buenos Aires). Date of Access: 7 March 2014. <http://portales.educacion.gov.ar/conectarigualdad/acerca-de/>

On 19 December 2013, Labour Minister Carlos Tomada awarded training certificates to 30 disabled individuals, who participated in the software training program which focuses on inclusion through the use of telework. The training was made possible through the creation of specialized software for individuals with impairments. This training program is harmonious with the Ministry of Labour's policy on social inclusion and training of individuals to be able to access quality employment.¹¹⁶⁹

Also on 19 December 2013, the Labour Minister and the Government Administrator of INADI signed an agreement to take further action on the labour inclusion of vulnerable groups. The agreement specifies the promotion of gender equity and sexual diversity when it comes to accessing employment, as well as the promotion of indigenous individuals in the labour force through training.¹¹⁷⁰

On 22 January 2014, President Cristina Fernandez de Kirchner announced the implementation of the national PROG.R.ES.AR project to assist unemployed youth.¹¹⁷¹ Youth between 18 and 24 years of age who are out of work can start or complete their studies at any educational level. They will be given guidance through workshops and professional training courses in institutions acknowledged by the Ministry of Labour, Employment and Social Security and Education Ministry.¹¹⁷²

On 18 February 2014 the Argentine Social Security Secretary Ofelia Cedola met with representatives for the olive and wine sector in the La Rioja province to move forward with implementing trade union co-responsibility agreements. The agreement deals with workers' registration and allows workers access to social security. The co-responsibility agreement allows for secure retirement, access to health insurance, unemployment insurance and, overall, works to eradicate unregistered work and child labour.¹¹⁷³

On 26 February 2014, Labour Minister Carlos Tomada signed an agreement with the General Director of the National Registry of Agricultural Workers and Employers to generate the inclusion of youth from rural area to the PROG.R.ES.AR Programme. Through this program youth will be trained in safety with agrochemicals, tractor drivers, harvesters and the development of basic skills and literacy.¹¹⁷⁴

On 21 March 2014, Cabinet Chief Jorge Capitanich along with the Social Secretary Ofelia Cedola and the Governor Maurice Closs of Misiones signed a Trade Union Co-responsibility Agreement to formalize employment of rural workers specializing in the harvest of yerba mate where informality levels near 85 per cent. The purpose of this agreement is to register workers so that they may have access to social security sub-schemes such as, among others, health coverage, retirement and pension benefits, family allowances and un-employment insurance coverage.¹¹⁷⁵

¹¹⁶⁸ Labour Portfolio and ANSES Foster Workers' Training, Ministry of Labour (Buenos Aires) 18 December 2013. Date of Access: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1714#engver

¹¹⁶⁹ Telework for the Integration of Visually Impaired People, Ministry of Labour (Buenos Aires) 19 December 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1718#engver

¹¹⁷⁰ Agreement Signed for Inclusion of Vulnerable Groups, Ministry of Labour (Buenos Aires) 19 December 2013. Date of Access: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1717#engver

¹¹⁷¹ The President Launched the PROG.R.ES.AR Programme, Ministry of Labour (Buenos Aires) 22 January 2014. Date of Access: March 6 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1744#engver

¹¹⁷² Tomada met Chambers and Trade Unions to Implement PROG.R.ES.AR Programme, Ministry of Labour (Buenos Aires) 12 February 2014. Date of Access: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1743#engver

¹¹⁷³ La Rioja: Progress Made in Implementing Trade Union Co-Responsibility Agreement, Ministry of Labour (Buenos Aires) 18 February 2014. Date of Access: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1750#engver

¹¹⁷⁴ Labour Ministry and RENATEA Invite Rural Area Youngsters to Join the PROG.R.ES.AR Programme, Ministry of Labour (Buenos Aires) 26 February 2014. Date of Access: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1795#engver

¹¹⁷⁵ Signing of the Stewardship Guild, Ministry of Labour (Buenos Aires) 21 March 2014. Date of Access: 7 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1807#engver

On 25 March 2014, Labour Minister Carlos Tomada ratified the ILO Convention on Domestic Workers to ensure the fundamental labour rights of domestic workers. This is in line with an objective to better protect vulnerable workers in the Argentine workforce.¹¹⁷⁶

On 1 April 2014, Labour Minister Carlos Tomada met with the head of SEDRONAR (Planning Secretariat for the Prevention of Drug Addiction and Action against Drug Trafficking) to sign an agreement for training in Educational Therapeutic Houses (CET) and Local Centres for Addiction Prevention (CePLA) for the inclusion of individuals with substance abuse issues in the labour market.¹¹⁷⁷ Furthermore, on 1 April 2014, Cabinet Chief Jorge Capitanich and the Social Security Secretary Ofelia Cedola with the San Juan Governor Jose Luis Garcia signed a Trade Union co-responsibility agreement to encourage the registration of rural workers from the agricultural industry, particularly those of fruit and vegetable harvesting.¹¹⁷⁸

On 15 April 2014, Argentine President Cristina Fernandez de Kirchner presented the bill *Labour Promotion and Fraud Prevention* to congress to combat precarious work and promote registered employment. The intention of the bill is to formalize 650,000 workers in two years in order that they benefit from the support and protection of the state.¹¹⁷⁹

On 16 April 2014, Labour Minister Carlos Tomada formally presented the Private Household Workers Trade Union with a copy of Act No. 26844 that governs Private Household Worker's employment. The law regulates the working relations between employees and employers for work done in private households. The ministry promoted the law as a means for enhanced protection of female workers in the labour sector focusing on care work.¹¹⁸⁰

On 23 April 2014, Labour Minister Carlos Tomada formalized a union training agreement with 9 provincial unions from various sectors to train 762 workers. The intention of this agreement is to strengthen unions in order that they may best protect worker's rights and further a democratic engagement between unions and the Argentine government.¹¹⁸¹

On 19 May 2014, Labour Minister Carlos Tomada signed an agreement alongside the provincial labour minister for Buenos Aires, Oscar Cuartango, to improve opportunities for the social and professional reintegration of victims of labour trafficking. The agreement seeks to give those individuals who have been recognized as victims access to integrated, non-contributory unemployment benefits to support the process of seeking suitable employment and the upgrading of labour skills over a 24-month period.

¹¹⁷⁶ Argentina Ratified the Convention on Domestic Workers, Ministry of Labour (Buenos Aires) 24 March 2014. Date of Access: 7 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1808#engver

¹¹⁷⁷ Training Agreement for the New SEDRONAR Centres of Attention, Ministry of Labour, Ministry of Labour (Buenos Aires) 1 April 2014. Date of Access: 7 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1822

¹¹⁷⁸ Trade Union Co-responsibility Agreement for the Fruit and Vegetable Activity, Ministry of Labour (Buenos Aires) 1 April 2014. Date of Access: 7 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1821

¹¹⁷⁹ Cristina Fernandez de Kirchner presented the "Declared Employment Promotion and Labour Fraud Prevention" Bill, Ministry of Labour (Buenos Aires) 15 April 2014. Date of Access: 7 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1830

¹¹⁸⁰ Tomada and Private Household Workers Welcomed the Act No. 26844 regulation, Ministry of Labour (Buenos Aires) 16 April 2014. Date of Access: 7 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1832

¹¹⁸¹ Tomada Signs Union Training Agreement to Train More Than 700 workers, Ministry of Labour (Buenos Aires) 23 April 2014. Date of Access: 7 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1835

This includes, among other things, guidance, vocational training, and completion of compulsory schooling with a monthly basic cash benefit to incentivize participation in the activities.¹¹⁸²

On 22 May 2014, Employment Secretary Matthias Barroetaveña and Deputy Secretary of Family Agriculture, Ministry of Agriculture, Livestock and Fisheries Emilio Persico, signed a letter to implement joint-policies to formalize existing skills developed through family farming activities. The agreement was undertaken with the intent to strengthen rural populations, organizations of family farmers and indigenous peoples, and to prevent child labour and the protection of young workers.¹¹⁸³

Furthermore on 22 May 2014, the bill *Labour Promotion and Fraud Prevention* previously presented to congress by the president Cristina Fernandez de Kirchner passed as a federal law. The bill No. 36 seeks to strengthen formalized employment through, among other things, the creation of a worker's registry and easier ability to inspect workplaces.¹¹⁸⁴

On 26 May 2014, Labour Minister Carlos Tomada, along with the President of the Argentine Chamber of Industry and Commerce Danish Bjarne Petersen signed an agreement to adhere to the Social Responsibility Network and Decent Work, which is a multi-sector organization for sustainable development and the promotion of decent work and social dialogue. The purpose of this agreement is to ensure quality of work, which is free of violence or child labour through social protection and worker's registration.¹¹⁸⁵

On 4 June 2014, Labour Minister Carlos Tomada presented certificates to youth completing workshops at the Closed Center System Manuel Belgrano under the framework of the "Youth with More and Better Jobs Programme" initiatives. The centre works with young men between the ages of 18 and 21 years old with criminal cases to develop their job profile and reintegration into the workforce.¹¹⁸⁶

Furthermore on 4 June 2014, Labour Minister Carlos Tomada signed an agreement alongside the Secretary General of the Union of Gran Buenos Aires Sanitation Workers (SGBATOS) Jose Luis Lingeri to initiate union training for 420 delegates and workers of the trade organization in Buenos Aires and Greater Buenos Aires. The agreement was signed under the "Programme Support for Union Formation" (SFSP) to strengthen unions through training and education on the necessity of having unions form part of a healthy democracy.¹¹⁸⁷

On 5 June 2014, Labour Minister Carlos Tomada and Pedro Mouratain, the Government Administrator of the National Institute against Discrimination, Xenophobia and Racism (INADI), signed an agreement on the Trade Creation of the Inter Union Commitment for Sexual Diversity. The agreement, which was signed by more than fifty trade unions, is meant to extend and federalize joint actions to promote LGBTI rights in the workplace and the labour inclusion and equal opportunity for transsexuals.

¹¹⁸² Tomada And Cuartango Signed Agreement For Victims Of Labour Trafficking, Ministry of Labour (Buenos Aires) 19 May 2014. Date of Access: 8 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1874

¹¹⁸³ Agreement Between Job and Family Agriculture to Strengthen the Sector, Ministry of Labour (Buenos Aires) 22 May 2014. Date of Access: 8 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1895

¹¹⁸⁴ Bill to Promote Registered Labour Passed at Chamber of Deputies, Ministry of Labour (Buenos Aires) 22 May 2014. Date of Access: 8 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1878#engver

¹¹⁸⁵ Agreement Signed On Corporate Social Responsibility, Ministry of Labour (Buenos Aires) 26 May 2014. Date of Access: 8 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1881

¹¹⁸⁶ Work Trains Young people Deprives of Their Freedom for Reemployment, Ministry of Labour (Buenos Aires) 4 June 2014. Date of Access: 8 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1899#engver

¹¹⁸⁷ Tomada, Lingeri Signed Agreements and Union Training for More Than 400 Workers, Ministry of Labour (Buenos Aires) 4 June 2014. Date of Access: 8 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1896

The agreement also intends to facilitate greater communication concerning practices implemented by trade unions for the respect of free expression of sexual orientation and gender identity.¹¹⁸⁸

On 26 June 2014 Labour Minister Carlos Tomada signed an agreement with priests working in poor neighbourhoods with the intent to assist individuals with histories of drug addiction to engage with the labour force. The objective of the agreement is to facilitate the incorporation of individuals in recovery from drug addiction to “Security Training and Employment (SCE),” the “Youth with More and Better Jobs Programme” and the “Promoting Equal Employment Opportunity” initiative.¹¹⁸⁹

On 8 July 2014, President Cristina Fernandez de Kirchner announced the launch of PROEMPLEAR, an initiative to preserve jobs, promote employment and regularize formalized work.¹¹⁹⁰ Furthermore, on 8 July 2014, Labour Minister Carlos Tomada signed a cooperation agreement with the Circle of Legislators of Argentina to promote and develop opportunities for telework, an alternative work environment that intends to bring wider groups into the work force.¹¹⁹¹

On 12 August 2014, Employment Secretary Matthias Barroetaveña alongside the mayor of Berazategui dispersed 180 certificates to youth participating in the program Training for Work in the Public and Private Sector. The program includes processes of training and mentoring to enhance the skills and abilities of unemployed workers and help strengthen their labour competitiveness. Moreover, 26 youth completed the Program Job Placement (PIL), which promotes insertion into quality jobs, through the implementation of economic enterprises to increase their staffing incentives.¹¹⁹²

On 10 September 2014, Employment Secretary, Matthias Barroetaveña and President of the Association of Small and Micro Enterprise (SME), Daniel Moreira, signed an agreement that aims to bring the tools and incentives granted by the PROEMPLEAR for employment in the private sector. Using a set of policies articulated from PROG.R.ES.AR, opportunities for social inclusion and employment will be generated based on integrated actions to empower young people between 18 and 24 years. This includes the completion of compulsory schooling and the ability to access higher education and pilot training through the Employment Promotion Services, including Job Placement Program Shares and Job Training in Business.¹¹⁹³

On 24 September 2014, The Ministry of Labour, Employment and Social Security extended coverage by the Training and Employment Insurance to individuals who have undergone transplants or are on a waiting list for a transplant who are unemployed. This insurance provides a monthly cash benefit for workers and unemployed workers, the recognition of pension purposes residence time therein and

¹¹⁸⁸ Agreement of Creation of the Inter Union Commitment for Sexual Diversity Signed. Ministry of Labour (Buenos Aires) 5 June 2014. Date of Access: 8 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1900

¹¹⁸⁹ The Integration of Persons Treated for Drugs, Ministry of Labour (Buenos Aires) 26 June 2014. Date of Access: 9 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1928

¹¹⁹⁰ PROEMPLEAR, a Tool for Advocacy Work, Ministry of Labour (Buenos Aires) 8 July 2014. Date of Access: 10 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1989

¹¹⁹¹ Agree Actions to Spread Nationwide Telework, Ministry of Labour (Buenos Aires) 8 July 2014. Date of Access: 10 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1992

¹¹⁹² 300 Youngsters from Berazategui Improved Employability, Ministry of Labour (Buenos Aires) 12 August 2014. Date of Access: 10 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2000

¹¹⁹³ Work on Tool PROEMPLEAR Small and Micro Enterprises, Ministry of Labour (Buenos Aires) 10 September 2014. Date of Access: 10 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2039

worker participation worker or vocational training, formal certification studies, job training, counseling and support for job search assistance and employment, as a dependent or independently¹¹⁹⁴

On 24 September 2014, Labour Minister Carlos Tomada and Employment Secretary Matthias Barroetaveña met with representatives of different national universities to work together in implementing the PROEMPLEAR. The project aims to generate learning opportunities and employment for young people who participate in these customized programs and incentives for companies.¹¹⁹⁵

On 30 September 2014, The National Executive regulated the law No. 26,940 that drives the promotion of the registered work and the prevention of occupational fraud, through Decree No. 1714. In order to implement the law, the federal government developed a web-site to track and sanction employers caught with unregistered employees.¹¹⁹⁶

During the compliance period Argentina has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst Bianca Salazar

Australia: +1

Australia has fully complied with the commitment on labour and employment. A main focus of the newly elected coalition government is to aid job seekers find and keep employment. As part of the Mid-Year Economic Fiscal Outlook published in December, AUD393 million has been allocated to new job seeker-support programs.¹¹⁹⁷

On 22 January 2014 the Assistant and Federal Minister of Labour and the Auburn Diversity Services discussed and prioritized during a meeting the tailoring of employment services to improve outcomes for immigrants and refugees.¹¹⁹⁸

On 24 January 2014 the Federal and Assistant Labour Ministers announced three support programs.¹¹⁹⁹ First, the Job Commitment Bonus will pay 18-30 year olds an allowance if they can find a job and remain off welfare for a year. That amount increases if they remain employed for two continuous years. Second, Relocation Assistance To Take Up A Job compensates those unemployed who have moved to find employment of up to AUD6 thousand. Third, the Seniors Employment Incentive Payment rewards businesses that hire someone who is at least 50 years of age, has been unemployed and has been

¹¹⁹⁴ Employment Policies for People Transplanted or Awaiting Transplant, Ministry of Labour (Buenos Aires) 24 September 2014. Date of Access: 10 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2069

¹¹⁹⁵ 24 Universities Join the Launch of PROEMPLEAR, Ministry of Labour (Buenos Aires) 25 September 2014. Date of Access: 10 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2071

¹¹⁹⁶ President Cristina Fernandez De Kirchner, Act To Regulated Unregistered Work, Ministry of Labour (Buenos Aires) 30 September 2014. Date of Access: 10 October 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2076

¹¹⁹⁷ Labor's Appalling Legacy to the Unemployed as Coalition Gets on with the Job of Delivering Election Commitments, Ministers' Media Centre (Sydney) 23 January 2014. Date of Access: 17 February 2014.

<http://ministers.employment.gov.au/hartsuyker/labors-appalling-legacy-unemployed-coalition-gets-job-delivering-election-commitments>

¹¹⁹⁸ Creating Job Opportunities for New Migrants and Refugees, Minister's Media Centre (Sydney) 22 January 2014. Date of Access: 20 February 2014. <http://ministers.employment.gov.au/hartsuyker/creating-job-opportunities-new-migrants-and-refugees>

¹¹⁹⁹ Round Table to Improve Employment Services, Ministers' Media Centre (Sydney) 24 January 2014. Date of Access: 17 February 2014. <http://ministers.employment.gov.au/hartsuyker/roundtable-improve-delivery-employment-services>

receiving income support for at least six months. Assistant Minister of Labour Luke Hartsuyker stated that the government's goal is to create initiatives that are less "bound in paperwork" and better at "meeting the needs of job seekers and employers" by using local knowledge to increase effectiveness.

On 17 February 2014, the Assistant Minister for Employment reiterated that the government is committed to bolstering the "Work for the Dole" program.¹²⁰⁰ This program helps those looking for a job to learn new skills to improve their chances of finding a job.¹²⁰¹ By expanding it, the government hopes to increase levels of employment and empowering people to find meaningful work.

On 17 February 2014, "Tasmanian Jobs Programme" was introduced six months early. This program provides a single payment of AUD3.25 thousand dollars to any Tasmanian business that employs job seekers for at least six months. Tasmania currently has the highest unemployment rate and the lowest labour force participation in the country. A main focus of the coalition government is to bring more Tasmanian's into the work force by building a stronger economy and supporting Tasmanian business.¹²⁰²

The Australian government has also focused on bring underrepresent and vulnerable groups into the labour force. On 17 February 2014 "Tasmanian Jobs Programme" was introduced six months early. This program provides a single payment of USD3.25 thousand to any Tasmanian business that employs job seekers for at least six months. Tasmania currently has the highest unemployment rate and the lowest labour force participation in the country. A main focus of the coalition government is to bring more Tasmanian's into the work force by building a stronger economy and supporting Tasmanian business.¹²⁰³

In addition, in a meeting with Assistant and Federal Minister of Labour and the Auburn Diversity Services to discuss and prioritize tailoring employment services to improve outcomes for immigrants and refugees.¹²⁰⁴

On 1 July 2014, a new Work for the Dole was commenced.¹²⁰⁵ In selected areas, job seekers aged 18-30 who have a work experience activity must participate in Work for the Dole six months of the year. Focus on individual work experience is hoped to increase skills of job seekers to help them find a job more easily.

In the summer 2014, the Australian government came through with the abovementioned promise of three new support programs. On 11 July 2014, Prime Minister Tony Abbot and Assistant Minister for Employment Luke Hartsuyker launched the Restart programme in support of mature age employment.

¹²⁰⁰ The Future of Work for the Dole Focus on Devonport Discussions (Sydney) 17 February 2014. Date of Access: 20 February 2014. <http://ministers.employment.gov.au/hartsuyker/future-work-dole-focus-devonport-discussions>

¹²⁰¹ Job Services Australia: Work for the Dole, Australian Government, Department of Employment (Canberra) 2014. Date of Access: 20 February 2014. <http://employment.gov.au/work-dole>

¹²⁰² First Job Seekers Find Work Through Tasmanian Jobs Programme, Ministers' Media Centre (Canberra) 17 February 2014. Date of Access: 20 February 2014. <http://ministers.employment.gov.au/hartsuyker/first-job-seekers-find-work-through-tasmanian-jobs-programme>

¹²⁰³ First Job Seekers Find Work Through Tasmanian Jobs Programme, Ministers' Media Centre. (Sydney) 17 February 2014. Date of Access: 20 February 2014. <http://ministers.employment.gov.au/hartsuyker/first-job-seekers-find-work-through-tasmanian-jobs-programme>

¹²⁰⁴ Creating Job Opportunities for New Migrants and Refugees, Ministers' Media Centre. (Sydney) 22 January 2014. Date of Access: 20 February 2014. <http://ministers.employment.gov.au/hartsuyker/creating-job-opportunities-new-migrants-and-refugees>

¹²⁰⁵ Work for the Dole 2014-2015 in Selected Areas, Department of Employment. (Sydney) 28 August 2014. Date of Access: 5 October 2014. <http://www.employment.gov.au/work-dole-2014-15-selected-areas>

The programme will encourage employers to hire and retain jobs seekers aged 50 and over who have been in receipt of income support for six months or more through an incentive payment of AUD10 thousand. Over AUD500 million over the next four years will be allocated to the Restart programme.¹²⁰⁶ On 1 July 2014, the Job Commitment Bonus for Young Australians programme commenced, with first payments available starting July 2015.¹²⁰⁷ Also on 1 July 2014, the Relocation Assistance to Take Up a Job programme began.¹²⁰⁸

During the compliance period Australia has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Amelia Cook and Vera V. Gavrilova

Brazil: +1

Brazil has fully complied with the commitment on labour and employment.

On 27 September 2013, members of the Executive Committee Interministerial of the National Agenda for Decent Work and representatives of Sport and Tourism agreed on the establishment of a Subcommittee on Promoting Decent Work in Major Events. The purpose of the subcommittee is to develop labour policies for employment and social protection in light of major upcoming events such as the 2014 FIFA World Cup and 2016 Olympics. The meeting also touched on Interministerial actions to prevent child labour, sexual exploitation of children and youth, slave labour and human trafficking, the inclusion of persons with disabilities and the promotion of young women and blacks in the labour market.¹²⁰⁹

On 26 September 2013, Labour and Employment Minister Manoel Dias participated in a seminar on Strengthening the Brazilian Industry and Employment organized by the National Confederation of Industry and the General Workers' Central of Brazil. The press release stated that the seminar focused on the promotion of social dialogue, how to stimulate the competitiveness of industry and employment generation.¹²¹⁰

On 27 September 2013, a meeting was held amongst the Ministry of Labour and the Subcommittee on Decent Work and Youth to further the National Plan for Decent Work for Youth. The focus for this plan is to engage with better education for youth, reconciliation of studies with work and family life and the insertion of youth in the labour sector. The Decent Work plan recognizes the need to overcome

¹²⁰⁶ More support for mature age job seekers, Ministers' Media Centre (Sydney) 11 July 2014. Date of Access: 13 October 2014. <http://ministers.employment.gov.au/node/%206309>

¹²⁰⁷ Job Commitment Bonus for Young Australians, Department of Employment (Sydney) 16 July 2014. Accessed Date: 13 October 2014. <http://www.employment.gov.au/job-commitment-bonus-young-australians-0>

¹²⁰⁸ Relocation Assistance to Take Up a Job programme, Department of Employment (Sydney) 16 July 2014. Accessed Date: 13 October 2014. <https://employment.gov.au/news/relocation-assistance-take-job-programme>

¹²⁰⁹ Decent Work will be a Priority in Major Events, Ministry of Labour and Employment (Brasilia) 26 September 2013. Date of Access: 8 March 2014. <http://portal.mte.gov.br/imprensa/trabalho-decente-sera-prioridade-em-grandes-eventos/palavrachave/comissao-executiva-interministerial.htm>

¹²¹⁰ Manoel Dias Attends Seminar in CNI, Ministry of Labour and Employment (Brasilia) 26 September 2013. Date of Access: 8 March 2013. <http://portal.mte.gov.br/imprensa/manoel-dias-participa-de-seminario-na-cni.htm>

poverty and reduce social inequalities, while ensuring democratic governance and sustainable development.¹²¹¹

On 7 October 2013, the Minister of Labour and Employment Manoel Dias took part in a meeting regarding the Promotion of National Policy on Employment and Decent work in the Midwest region. During the course of the event the Minister proposed the creation of a Single System of Employment and Decent Work, and announced the national campaign for Decent Work and the World Cup.¹²¹²

On 10 October 2013, the Labour and Employment Minister Manoel Dias ratified the Brasilia Declaration on Child Labour at the Third Conference on Child Labour held in Brasilia.¹²¹³ The agreement secures the commitment of 154 governments, including Brazil, to take affirmative action on the exploitation of children and youth by the year 2016. This was a multilateral effort, which included the International Labour Organization (ILO) and members of the United Nations.¹²¹⁴

On 17 October 2013, the Regional Labour and Employment office in Sao Paulo acted in conjunction with the Service Support Brazilian Micro and Small Enterprises, along with the Consulate of Bolivia to empower Bolivian migrant workers to become micro-entrepreneurs in the textile sector. During this program, 70 Bolivian students will partake in workshops focusing on basic entrepreneurship, Brazilian labour legislation and organization of production. This program reflects the objective of the Brazilian government to engage with training programs to improve employability and professional integration of immigrants into the labour force.¹²¹⁵

On 22 October 2013, the Minister of Labour Manoel Dias participated in the second Brazilian seminar on “Transition from School to Work: Brazilian Experience in Other Emerging OECD Economies.”¹²¹⁶ The policy of the ministry is to promote decent jobs and consider the generation of labour inclusion for youth. In order to further these goals, the Ministry of Labour and Education planned to work with the Ministry of Education to create vacancies in the National Technical Training Program. This program would allow workers to be vocationally qualified, certified, and directed to the specific need in the labour market.¹²¹⁷

On 1 November 2013, the Ministry of Labour and Education announced a change to the payment of unemployment benefits. According to the ministry, in an effort to combat unemployment insurance

¹²¹¹ Subcommittee Discusses Decent Work for Young People, Ministry of Labour and Employment (Brasilia) 27 September 2013. Date of Access: 8 March 2014. <http://portal.mte.gov.br/imprensa/subcomite-discute-trabalho-decente-aos-jovens.htm>

¹²¹² Manoel Dias Opens Brasilia Seminar on Decent Work, Ministry of Employment and Labour (Brasilia) 4 October 2013. Date of Access: 8 March 2014. <http://portal.mte.gov.br/imprensa/manoel-dias-abre-em-brasilia-seminario-sobre-trabalho-decente/palavrachave/trabalho-decente-seminario-regional.htm>

¹²¹³ Brasilia Declaration on Child Labour, Ministry of Labour and Employment (Brasilia) 10 October 2013. Date of Access: 8 March 2014. <http://portal.mte.gov.br/imprensa/declaracao-de-brasilia-sobre-trabalho-infantil.htm>

¹²¹⁴ CGTI III: 153 Nations Signed the Brasilia Declaration, Ministry of Labour and Employment (Brasilia) 10 October 2013. Date of Access: 8 March 2014. <http://portal.mte.gov.br/imprensa/iii-cgti-153-nacoes-assinam-declaracao-de-brasilia/palavrachave/iii-cgti.htm>

¹²¹⁵ SRTE/SP Enables Bolivians in Entrepreneurship, Ministry of Labour and Employment (Brasilia) 17 October 2013. Date of Access: 8 March 2014. <http://portal.mte.gov.br/imprensa/projeto-da-srte-sp-capacitara-imigrantes-bolivianos-em-empreendedorismo.htm>

¹²¹⁶ Launch of Investing in Youth: Brazil, Organisation for Economic Co-operation and Development (Paris) 22 October 2013. Date of Access: 8 March 2014. <http://www.oecd.org/brazil/launch-investing-in-youth-brazil.htm>

¹²¹⁷ Manoel Dias Emphasizes Policies for Young, Ministry of Labour and Employment (Brasilia) 22 October 2013. Date of Access: March 8 2014. <http://portal.mte.gov.br/imprensa/ii-seminario-ocde-manoel-dias-enfatiza-o-papel-das-politicas-para-jovens-e-trabalho-decente/palavrachave/ocde-pronatec-jovens.htm>

fraud and reduce national costs to pay unemployment insurance, it will be required that workers applying for unemployment insurance for the second time in 10 years will be considered a priority candidate in the National Program for Access to Technical Education and Employment (PRONATEC). Thus, the worker is required to maintain enrollment in the vocational course in order to receive the benefit.¹²¹⁸

On 5 November 2013, the Regional Labour and Employment office in the Amazonas conducted an instructional supervision in accessibility projects to benefit persons with disabilities. The project promotes the construction of accessible work environments in 25 companies. Previously the Ministry has stated that companies which do not comply with the standards of accessibility can be fined under the International Convention on the Rights of Persons with Disabilities.¹²¹⁹

On 6 November 2013, the Minister of Labour and Unemployment Manoel Dias presided at the opening of the 19th National Congress of Young Entrepreneurs. The Minister took this opportunity to promote the engagement of youth in the labour market. He also promoted the National Program of Oriented Productive Microcredit, which is an existing program (pre-2011) which provides low interest loans to young entrepreneurs opening their first business.¹²²⁰

On 22 November 2013 the Minister of Labour Manoel Dias, alongside the High Commissioner of the United Nations for Refugees signed an agreement to improve the conditions of employment for refugees in Brazil.¹²²¹

On 28 January 2014, the Regional Labour and Employment office of Sao Paulo held a public hearing in honour of National Day to Combat Forced Labour. The event highlighted discovery of Sao Paulo businesses that have been supplied charcoal through child labour and the work of Task Forces to rescue labourers, both adult and children, in slave conditions.¹²²²

29 January 2014, the government introduced a learning program based on the Apprenticeship Law which determines a quota for businesses to hire youth between 14 and 24 years old. In order to qualify for this job opportunity, youth must be registered in a course of federally recognized institutions.¹²²³

On 31 January 2014, the Ministry of Labour and Employment held a workshop promoting Decent Work in the 2014 FIFA World Cup supported by the International Labour Organization and in conjunction with other hospitality actors. The focus of the workshop was the guarantee of worker's rights during the major event and other major events to take place in Brazil. During the event the

¹²¹⁸ MTE Announces Measures to Pay Unemployment Insurance Benefit, Ministry of Labour and Employment (Brasilia) 1 November 2013. Date of Access: 8 March 2014. <http://portal.mte.gov.br/imprensa/mte-anuncia-medidas-no-pagamento-do-beneficio-do-seguro-desemprego.htm>

¹²¹⁹ SRTE/AM Enforces Accessibility in Businesses, Ministry of Labour and Employment (Brasilia) 4 November 2013. Date of Access: 9 March 2014. <http://portal.mte.gov.br/imprensa/srte-am-fiscaliza-acessibilidade-nas-empresas.htm>

¹²²⁰ Entrepreneurship is a subject of debate in Goiania, Ministry of Labour and Employment (Brasilia) 7 November 2013. Date of Access: 9 March 2014. <http://portal.mte.gov.br/imprensa/empreendedorismo-e-tema-de-debate-em-goiania.htm>

¹²²¹ MTE/UN Agreement Promotes Employment for Refugee, Ministry of Labour and Employment (Brasilia) 22 November 2013. Date of Access: 8 March 2014. <http://portal.mte.gov.br/imprensa/acordo-mte-onu-para-mais-emprego-a-refugiado/palavrachave/cnig-refugiado-emprego.htm>

¹²²² SRTE/SP Does Swing Operation "Black Cat", Ministry of Labour and Employment (Brasilia) 28 January 2014. Date of Access: 9 March 2014. <http://portal.mte.gov.br/imprensa/srte-sp-faz-balanco-da-operacao-gato-preto.htm>

¹²²³ Learning: SC Joins 16, 254 Young, Ministry of Labour and Employment (Brasilia) 29 January 2014. Date of Access: 9 March 2014. <http://portal.mte.gov.br/imprensa/aprendizagem-sc-ingressa-16-254-jovens-em-2013.htm>

Commitment for Employment and Decent Work in FIFA World Cup BRAZIL 2014 was signed by the Federal Government, State and Municipal Unions and non-governmental organizations.¹²²⁴

On 14 February 2014, the Minister of Labour and Employment Manoel Dias was present to inaugurate a Professional Centre for Persons with Disabilities in Fortaleza. The centre intends to be a touchstone for professional training, intermediation and integration in the labour market for Fortaleza. The Centre has a capacity to serve 1,200 youth and adults in its classrooms and laboratories. Training will be provided in the areas of information technology, telemarketing, hospitality, commercial and administrative service and manufacturing to promote social and labour inclusion of persons with disabilities. Currently, Brazilian law enforces hiring quotas of persons with disabilities to companies with 100+ employees, increasing by the size of the work force.¹²²⁵

Also on 14 February 2014, in Fortaleza the Minister of Labour and Employment presided at a ceremony held at the Legislative Assembly of Fortaleza to award certificates to 3,225 young trainees in the Projovem Workers Programme in various labour sectors. The objective of the existing Projovem Programme, offered by the Ministry of Labour and Employment alongside different levels of government, is to give youth experience in the labour market and alternative occupations. Youth may participate in the program if they are unemployed, between 18 to 29 years and a member of a low-income family. The youth receives a stipend of \$100 in up to six installments upon proof of 75 per cent class attendance. Training includes 350 hours of class, 100 hours of social skills and 250 hours of professional qualification.¹²²⁶

On 14 February 2014, in Fortaleza, Manoel Dias promoted the Apprentice School project which offers employment contacts to third-year high school students from 12 local schools. The program emphasizes the interaction between the private and public sector by seeking partnerships with private entities to offer young people their first job vacancies. By law companies are required to comply with a minimum of 5 per cent and maximum of 15 per cent of jobs which require professional training, allowing for the inclusion of youth through state sponsored training programs.

On 21 February 2014 the Minister of Labour and Employment Manoel Dias was present in Sao Luis to attend the “State Forum for Professional Learning and Youth Inclusion and Teens in Labour Market Maranhao.”¹²²⁷ The forum promotes youth inclusion in the labour market and assists companies in complying with the federal Law of Learning. The Law of Learning is a youth apprenticeship programme whereby youth between 14 and 24 years old receive a formal contract of employment for up to two years with a private company in conjunction with technical and professional training.

On 4 April 2014, the Official Gazette published the Interministerial Ordinance No. 2 establishing the National Plan of Rural Workers Employees (PLANATRE). The plan seeks to implement programs and activities to strengthen the rights of rural workers under the National Policy for Rural Workers Employees (PNATRE). PLANATRE includes job training and schooling improvement,

¹²²⁴ Workshop on Decent Work BA Discusses, Ministry of Labour and Employment (Brasilia) 31 January 2014. Date of Access: 10 March 2014. <http://portal.mte.gov.br/imprensa/oficina-em-ba-discute-trabalho-decente-na-copa.htm>

¹²²⁵ Minister Inaugurates Center for Inclusion of People with Disabilities, Ministry of Labour and Employment (Brasilia) 14 February 2014. Date of Access: 10 March 2014. <http://portal.mte.gov.br/imprensa/ministro-inaugura-centro-para-inclusao-de-pessoas-com-deficiencia/palavrachave/deficiencia.htm>

¹²²⁶ Projovem Worker form 3225 in Ceara, Ministry of Labour and Employment (Brasilia) 14 February 2014. Date of Access: 10 March 2014. <http://portal.mte.gov.br/imprensa/projovem-trabalhador-forma-3225-no-caera.htm>

¹²²⁷ Minister Installs Learning Forum in Maranhao, Minister of Labour and Employment (Brasilia) 21 February 2014. Date of Access: 10 March 2014. <http://portal.mte.gov.br/imprensa/ministro-instala-forum-da-aprendizagem-no-maranhao.htm>

universalization of rights, creation of employment opportunities, and enhancement of the welfare and safety of the worker.¹²²⁸

On 11 April 2014, The Minister of Labour and Employment, Manoel Dias, and the National Secretary of Solidarity Economy Paul Singer, announced employment actions aimed at young people living in the suburbs, waste pickers and mental health patients.

On 15 May 2014, the Minister of Labour and Employment Manoel Dias launched the awareness campaign on Decent Work. The campaign is based on four pillars: principles and rights; social protection; labor and employment; and social dialogue. With the presence of President Dilma Rousseff, the event also brought authorities from other folders to the signing of the National Commitment to Improve Working Conditions in the FIFA World Cup Brazil 2014 for the Tourism and Hospitality Sector and the National Commitment for Employment and Decent Work in the FIFA World Cup Brazil 2014. These commitments include the promotion of safety and health at work, the provision of training courses and initiatives geared labor inclusion, especially youth, women, blacks, immigrants and people with disabilities. There was also a focus on the combat of forced labor and child trafficking, trafficking in persons work as well as the sexual exploitation of children and adolescents are also part of the commitment.¹²²⁹

On 22 May 2014, The Minister of Labour and Employment Manoel Dias released the National Plan to Combat Informal Workers Employees (PNCITE).The Plan provides for the integration of enforcement policies with other areas of the MTE and the Government in general to reduce the rates of informal wage employment in the country.¹²³⁰

On 30 May 2014, the Ministry of Labour and Employment held “D-Day,” a program designed to promote the social inclusion and equal opportunity of individuals with disabilities into the workforce. The event was held on the same day in over 50 cities in Brazil. D-Day provided workers with disabilities more than 500 vacancies.¹²³¹

On 18 June 2014, President Dilma Rousseff dispersed professional qualification certificates to 1,300 students of the National Program of Technical Education and Employment (PRONATEC) at the Convention Center of Olinda (PE).

On 30 July 2014, Manoel Dias signed a technical cooperation between the Ministry of Labour and Employment and the Bank of Brazil agreement that aims to put 3,500 young apprentices in the labor market. The learning program currently has 5,200 apprentices between 14 and 17 years and the

¹²²⁸ Ordinance Implements Greater Protection to the Rural Worker, Ministry of Labour and Employment (Brasilia) 4 April 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/portaria-implementa-maior-protecao-ao-trabalhador-rural/palavrachave/planatre-direito-do-trabalhador-rural-protecao.htm>

¹²²⁹ Pact for Decent Work in the 2014 World Cup, Ministry of Labour and Employment (Brasilia) 5 May 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/governo-firma-pacto-por-trabalho-decente-na-copa-2014/palavrachave/trabalho-decente.htm>

¹²³⁰ Minister Launches Plan to Combat Informality, Ministry of Labour and Employment (Brasilia) 22 May 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/ministro-lanca-plano-de-combate-a-informalidade-laboral/palavrachave/plano-nacional-combate-a-informalidade.htm>

¹²³¹ SRTE/PR Event Held the “D-Day”, Ministry of Labour and Employment (Brasilia) 27 May 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/srte-pr-participa-do-dia-d/palavrachave/dia-d-parana.htm>

agreement seeks to contract over 3,500 young people between 18 and 24 years who will serve in the National Program of Oriented Productive Microcredit (PNPMO).¹²³²

On 5 August 2014, during the signing of the memorandum of understanding between the participating countries of the Community of Latin American and Caribbean States (CELAC) the Minister of Labour and Employment requested the inclusion of a special chapter for the education and training of workers. In the document, it was agreed that a working group will develop an integrated system that will build the best public policies on decent work and social inclusion plan. Among the topics to be discussed will be youth unemployment, gender equality, job quality, and delivery and migration policies.¹²³³

On 7 August 2014, Mr. Dias participated in the opening ceremony of the 3rd edition of Professional Learning Seminar of Rio Grande do Sul. Governmental and nongovernmental entities involved in learning participated in the event where they approved a letter of demands and suggestions for the implementation of public policies to ensure the inclusion of learners in social and economic vulnerability in the marketplace. Among the claims and approved suggestions were effective actions to ensure that businesses partner of Public Administration provide evidence of compliance with the Act of Learning and the development of legislation to extend actions Apprentice program in the Judiciary and the Legislature. Another measure passed is the suggested assimilation of fines imposed for non compliance with Law of Quotas on the same level as those applied for non-compliance to quotas aimed at disabled worker.¹²³⁴

On 20 August 2014, the Ministry of Labour and Employment (MTE) signed in São Paulo a cooperation agreement with the Federation of Industries of São Paulo (FIESP) and the S System (SESI and SENAI) to facilitate joint actions for professional inclusion of people with disabilities as apprentices.¹²³⁵

On 15 September 2014, the Regional Labour and Employment of São Paulo (SP-SRTE), the Union of Retail Food Genres of São Paulo (Sincovaga) and the Union of Commerce of São Paulo signed a term commitment to develop actions that encourage companies in the trade sector to increase the hiring of people with disabilities and rehabilitation. The bill provides that companies adhere to the term make commitments which involve, in addition to compliance with the Law of Quotas, training of skilled manpower and professional empowerment of people with disabilities, internal campaigns to combat discrimination, disclosure networking of vacancies available, among other initiatives.¹²³⁶

On 19 September 2014, the Ministry of Labor was in São Paulo to present the Young Apprentice Program for Sport (JADE). JADE is a program that aims to enhance qualifications for young people in occupational Sport: assistant sports practice, sports administration and auxiliary organization of sporting events. Among the goals of the program are the promotion and dissemination of the Institute of

¹²³² BB MTE Agreement and Will Enter 3500 Learners in Formal Market, Ministry of Labour and Employment (Brasilia) 31 July 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/acordo-mte-e-bb-vai-inserir-3-500-aprendizes-no-mercado-formal.htm>

¹²³³ CELAC Value of the Decent Work Policy, Ministry of Labour (Brasilia) 5 August 2014. Date of Access 10 October 2014. <http://portal.mte.gov.br/imprensa/celac-assina-documento-que-valoriza-o-trabalho-decente/palavrachave/argentina.htm>

¹²³⁴ Seminar Discusses Inclusion of Learners, Ministry of Labour and Employment (Brasilia) 7 August 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/seminario-discute-insercao-de-aprendizes-no-rs/palavrachave/aprendizagem-rs.htm>

¹²³⁵ MTE and Industry Sign an Agreement for Inclusion of Learners in the Labour Market, Ministry of Labour and Employment (Brasilia) 20 August 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/mte-e-industria-fecham-acordo-para-inclusao-de-aprendizes-no-mercado-de-trabalho/palavrachave/aprendiz.htm>

¹²³⁶ Campaign Encourages Hiring PwD in SP, Ministry of Labour and Employment (Brasilia) 15 September 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/campanha-estimula-a-contratacao-de-pcds/palavrachave/pcds-acordo-campanha.htm>

Learning; the generation of decent work for adolescents, youth and people with disabilities in the sports sector, increased hiring young graduates of Learning in clubs and sports institutions, among other expectations. The event was directed to training providers and contractors.¹²³⁷

During the compliance period Brazil has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Bianca Salazar

Canada: 0

Canada has partially complied with the commitment on labour and employment.

The government of Canada has recognized the need to better align the skills of Canadians with those demanded by employers and the labour market. A main focus is to increase the number of graduates in science, mathematics and engineering which are areas where Canada lags behind other members of the Organisation for Economic Co-operation and Development.¹²³⁸ These commitments are outlined in the 2014 Jobs Action Plan.

Canada currently has the lowest overall tax rate on business investment, which shows its commitment to create a conducive economic environment for high employment levels. In addition, the government is working to ensure Canadians are aware of available jobs and has the necessary skills to qualify for employment. In the 2014 budget the government is investing CAD11.8 million over two years to enhance the Job Matching Service.¹²³⁹

The 2014 budget has also allocated CAD40 million to the Canada Accelerator and Incubator Program to help entrepreneurs create new jobs and increase the success of their potential business.

The provinces of Canada plan to launch a job grant agreement in principle with Ottawa that targets train unemployed Canadians so they have useful skills and qualify for the job market.¹²⁴⁰ The announcement of the launch is expected to be in late February/early March 2014.

In addition to focusing on better matching the supply and demand of labour, the 2014 Economic Action Plan key priorities include putting in place labour market agreements for those with disabilities, reforming first nations K-12 education, targeting initiatives for older workers.¹²⁴¹ This shows the government of Canada is also focused on creating jobs for disadvantaged and underrepresented groups.

The 2014 Economic Action also proposed to renew the “Targeted Initiative for Older Workers” program for a three-year period. Over the three-year period the government will invest CAD75

¹²³⁷ MTE Announces Young Apprentice Sport in SP, Ministry of Labour and Employment (Brasilia) 19 September 2014. Date of Access: 10 October 2014. <http://portal.mte.gov.br/imprensa/mte-divulga-jovem-aprendiz-do-desporto-em-sp/palavrachave/jade-jovem-aprendiz.htm>

¹²³⁸ Canadian Government Economic Action Plan, Government of Canada (Ottawa) 2014. Date of Access: 10 March 2014. <http://www.actionplan.gc.ca/en/>

¹²³⁹ Chapter 3.1: Connecting Canadians with Available Jobs, Government of Canada (Ottawa) 11 February 2014. Date of Access: 28 February 2014. <http://www.budget.gc.ca/2014/docs/plan/ch3-1-eng.html>

¹²⁴⁰ Provinces Prepare Job Grant Agreement-In-Principle with Ottawa, The Globe and Mail (Ottawa). 27 February 2014. Date of Access: 28 February 2014. <http://www.theglobeandmail.com/news/politics/premiers-talking-about-job-grant-decision-on-tory-centrepiece-could-be-imminent/article17135919/>

¹²⁴¹ Strengthening Canada’s Labour Market, Canada’s Economic Action Plan (Ottawa) 21 February 2014. Date of Access: 28 February 2014. <http://actionplan.gc.ca/en/blog/strengthening-canadas-labour-market>

million.¹²⁴² So far the program has been an overall success, employing over 32,000 unemployed older workers. Between 2008-09 and 2013-14 the government delivered CAD60 billion in business taxes relief.

In the 2014 budget, the government has committed to provide CAD15 million to the “Reading, Willing and Able” initiative, which connects disabled persons with jobs. CAD11.4 million has been provided to expand the vocational training program for persons with autism spectrum disorder.¹²⁴³

Canada has long stood out among G20 members to be most successful in mitigating the effects of the 2008 global economic crisis however there remain some serious imbalances that need to be addressed. According to the “Jobs Report: The State of the Canadian Labour Market,” “too many Canadians are still out of work or underutilized at a time when skills and labour shortages are re-emerging in certain sectors and regions.”¹²⁴⁴ Furthermore, “despite significant labour mobility in Canada, imbalances between unemployment and job vacancies persist in [many] regions and occupation groups and Canadian firms are having more difficulty in hiring than the unemployment situation normally warrant.” As of January 2014, job vacancies are nearly back to pre-recession level however the unemployment rate is at 7 per cent which is 1 per cent higher than pre-recession.

On 6 March 2014, the Canadian Labor Congress posted a report outlining how under-employment is Canada’s main labor and employment problem. The report states that since the recovery of the financial crisis “part-time jobs grew at twice the rate of full-time jobs (5.9 [per cent] vs 3.3 [per cent]), and account for 40 [per cent] of the job growth between 2008 and 2013—even though part-time positions only make up one out of five jobs (19 [per cent]) in the labour market.” Furthermore, 12 per cent of all unemployed persons are now considered long term unemployment- twice the pre-recession rate. The report equally mentions that by the end of 2013, “there were 1.35 million unemployed workers and 1.43 million additional underemployed workers [; and] that is before [there without taking...] into account skills-related underemployment.”¹²⁴⁵

The government of Canada has increased its focus on harnessing the full economic potential of Canada’s north. For example, in August 2014 the Government boosted high-speed internet access in Nunavut and Nunavik.¹²⁴⁶ High speed internet will allow Northern Canadians to have better access to online job opportunities and long distance educations opportunities, both of which are important to increase their participation in the work force. This initiative was apart of the “Connecting Canadians” programme, which aims to invest USD305 million dollars over five years to allow better access to Canadian broadband in rural and remote communities, thus increasing their access to job opportunities and training.

In September 2014, Statistics Canada released the August Labour Force Survey indicated that in August, employment decreased by 20,000 for youths aged 15 to 24 (with no change to their unemployment rate of 13.4 per cent over the past 12 months) and by 18,000 for women aged 25 to 54 (with almost no

¹²⁴² Targeted Initiative for Older Workers, Canada’s Economic Action Plan, Government of Canada (Ottawa) 2014. Date of Access: 28 February 2014. <http://actionplan.gc.ca/en/initiative/targeted-initiative-older-workers>

¹²⁴³ Supporting Jobs and Growth, Government of Canada (Ottawa) 11 February 2014. Date of Access: 15 March 2014. <http://actionplan.gc.ca/en/blog/supporting-jobs-and-growth>

¹²⁴⁴ Jobs Report: The State of the Canadian Labour Market, Department of Finance Canada (Ottawa) 2014. Date of Access: 15 March 2014. <http://www.budget.gc.ca/2014/docs/jobs-emplois/pdf/jobs-emplois-eng.pdf>

¹²⁴⁵ Underemployment is Canada’s Real Labour Market Challenge, Canadian Labor Congress (Ottawa) 6 March 2014. Date of Access: 11 October 2014. <http://www.canadianlabour.ca/news-room/publications/underemployment-canadas-real-labour-market-challenge>

¹²⁴⁶ Boosting High Speed Internet in Nunavut and Nunavik, Government of Canada (Ottawa) 25 August 2014. Date of Access: 5 October 2014. <http://actionplan.gc.ca/en/blog/boosting-high-speed-internet-nunavut-and-nunavik>

change to their unemployment rate of 5.6 per cent over the past 12 months).¹²⁴⁷ Employment increased for men aged 25 to 54 by 36,000, “pushing their unemployment rate down [...] to 6.1 9per cent.” The report also admits that while employment increased over the past 12 months it was mainly through part-time jobs and “the total number of hours worked was virtually unchanged.” Furthermore, while “the number of private sector employees decreased in August, [...the number of] self-employment rose.” The Globe and Mail point out that self-employment has risen by 6.5 per cent since 2005. Economist Sam Boshra states that “many so-called self-employed are, for lack of a better term, perma-temps [as... t]emp agencies typically give their contractors two compensation options, offering workers who self-incorporate slightly higher pay (in exchange for cutting the agency out as a payroll intermediary).”¹²⁴⁸

In September, the “Small Business Job Credit” was introduced to lower small business employment insurance, which will further reduce taxes on small businesses and allow them to continue to employ workers.¹²⁴⁹ It is estimated that small business employ half of the private sector labor force; small business are integral to creating new job opportunities for workers creating an robust labour force.

During the compliance period, Canada partially taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Canada has failed to address the problem of job informality as there is an increasing number of Canadians who are under-employed and do not benefit from any job security. Thus, it has been awarded a score of 0.

Analysts: Amelia Cook and Atena Sadegh

China: -1

China has failed to comply with the commitment on labour and employment.

In November 2013, the National People’s Committee pledged to end the re-education-through-labour system. This system was 59 years old and “allowed authorities to sentence people to up to four years of forced labour without trial.”¹²⁵⁰

At the end of 2013, according to the Chinese Ministry of Human Resources and Social Security, “the average monthly income of China’s 269 million rural migrant workers stood at [RMB]2,609 ..., an increase of about 14 percent over the previous year.”¹²⁵¹ Vice Minister of Labour and Social Security Yang Zhiming noted that “most migrant workers [lack] the skills to obtain high-paying jobs.”

China’s central government has been unable to address the rising income disparities within its nation. By the end of 2013, “showed that salaries in the financial sector increased by 10.4 percent in 2013 ... Salaries in high-tech industries increased by 9.9 percent last year, while those in bio-pharmaceuticals

¹²⁴⁷ August Labour Force Survery, Statistics Canada (Ottawa) 5 September 2014. Date of Access: 12 October 2014. <http://statcan.gc.ca/daily-quotidien/140905/dq140905a-eng.htm>

¹²⁴⁸ Boshra, Sam. “Canada’s labour data fail to shine proper light on self-employed”, The Globe and Mail (Toronto) 14 September 2014. Date of Access: October 14, 2014. <http://www.theglobeandmail.com/report-on-business/rob-commentary/canadas-labour-data-fail-to-shine-proper-light-on-self-employed/article20497461/>

¹²⁴⁹ Supporting the Engines of Job Creation: The Small Business Credit, Government of Canada. (Ottawa) 17 September 2013. Date of Access: 5 October 2014. <http://actionplan.gc.ca/en/blog/supporting-engines-job-creation-small-business-job>

¹²⁵⁰ China’s labour camp system officially abolished, South China Morning Post (Hong Kong) 28 December 2013. Date of Access: 15 March 2014. <http://www.scmp.com/news/china/article/1391659/china-formally-abolishes-re-education-labour-camps-eases-one-child-policy>

¹²⁵¹ Migrant worker wages increased by 14 percent in 2013, China Labour Bulletin (Hong Kong) 21 February 2014. Date of Access: 23 March 2014. <http://www.clb.org.hk/en/content/migrant-worker-wages-increased-14-percent-2013>

went up by 9.2 percent.”¹²⁵² In other industries however, such as manufacturing and service industries, wages remain low and, consequently, these industries are losing employees at an increasing rapid rate and “many manufacturers are closing down, merging or relocating.”

On 14 January 2014, Zhu Xiaomei, “a worker activist at the Hitachi Metals factory in Guangzhou who lobbied for the establishment of a trade union at the enterprise,” had her employment terminated “just a few days after the company started to recruit union members.”¹²⁵³ At the same time, “other activists are taking action to prevent the factory from setting up a bogus trade union and are mobilising other workers to push the factory to hold a genuine democratic trade union election as soon as possible.”

In March 2014, “several Chinese delegates ... called on the government to do more for the estimated six million workers with pneumoconiosis in China.”¹²⁵⁴ While there is a discussion of placing “a national fund for workers with pneumoconiosis (as advocate by China Labour Bulletin) there is little sign so far that the Chinese government is taking steps to actually implement such a scheme.” Currently “migrant workers who were injured at work or who contracted an occupational disease such as pneumoconiosis are only given the minimum subsistence allowance rather than the much higher work-related injury benefits they should be entitled to.”¹²⁵⁵

On 5 March 2014, Chinese “workers at several Pepsi factories across China went on strike ... in a protest against management’s plans for large-scale layoffs, pay cuts, and reduced benefits.”¹²⁵⁶ The company trade union supported the strike in many regions.

On March 12 2014, the ten-day strike at the IBM ISTC factory ended.¹²⁵⁷ Over 1,000 workers had gone on strike because IBM was sold and they wanted their share of the profit. The strikers were demanding “IBM to pay their average monthly salary during the past 12 month times their number of years of service, times two, plus one month’s salary, as well as extra compensation for pregnant women workers and nursing mothers.”¹²⁵⁸ As explained by the China Labour Bulletin, while it is normal in the West for workers to receive “their share of the cake” and “what the workers demand is not guaranteed by law but neither is it prohibited by the law.” Experts notes that “a worsening labor shortage has shifted the balance of power in labor relations, while smartphones and social media have helped workers organize and made them more aware than ever of the changing environment.”¹²⁵⁹ Furthermore, it is important to

¹²⁵² Income disparity continues to rise in China. China Labour Bulletin (Hong Kong) 27 January 2014. Date of Access: 23 March 2014. <http://www.clb.org.hk/en/content/income-disparity-continues-rise-china>

¹²⁵³ Hitachi sacks worker activist who lobbied for trade union. China Labour Bulletin (Hong Kong) 24 January 2014. Date of Access: 23 March 2014. <http://www.clb.org.hk/en/content/hitachi-sacks-worker-activist-who-lobbied-trade-union>

¹²⁵⁴ More voices join call to set up fund for migrant workers with pneumoconiosis, China Labour Bulletin (Hong Kong) 17 March 2014. Date of Access: 20 March 2014. <http://www.clb.org.hk/en/content/more-voices-join-call-set-fund-migrant-workers-pneumoconiosis>

¹²⁵⁵ China increases subsistence allowances but rural poor still only get 111 yuan per month, China Labour Bulletin (Hong Kong) 19 February 2014. Date of Access: 23 March 2014. <http://www.clb.org.hk/en/content/china-increases-subsistence-allowances-rural-poor-still-only-get-111-yuan-month>

¹²⁵⁶ Pepsi workers across China go out on strike with trade union support, China Labour Bulletin (Hong Kong) 7 March 2014. Date of Access: 21 March 2014. <http://www.clb.org.hk/en/content/pepsi-workers-across-china-go-out-strike-trade-union-support>

¹²⁵⁷ Shenzhen trade union seeks to help striking workers sacked by IBM, Chinese Labour Bulletin (Hong Kong) 13 March 2014. Date of Access: 20 March 2014. <http://www.clb.org.hk/en/content/shenzhen-trade-union-seeks-help-striking-workers-sacked-ibm>

¹²⁵⁸ Workers stand firm as IBM strike enters ninth day, China Labour Bulletin (Hong Kong) 11 March 2014. Date of Access: 20 March 2014. <http://www.clb.org.hk/en/content/workers-stand-firm-ibm-strike-enters-ninth-day>

¹²⁵⁹ IBM factory strike shows shifting China labor landscape, Reuters (Shanghai) 9 March 2014. Date of Access: 20 March 2014. <http://www.reuters.com/article/2014/03/09/us-china-strikes-idUSBREA2804K20140309>

note that “independent unions are banned in China” and “the state-backed All-China Federation of Trade Unions and its affiliates have a reputation for being ineffectual and often siding with management.” Therefore, the results stemming from this strike could potentially instigate major reform in Chinese labour laws.

On 5 April 2014, approximately “48,000 workers began a strike at the Yue Yuen Chinese [Baode] shoe factory.”¹²⁶⁰ Between April and end of July 2014, “there have been at least 34 reported strikes related to unpaid social insurance in factories across China. China Labor Watch states that “according to the local government, the employer should contribute 17.3 percent to pensions, and the employee 8.5 percent” however “[b]ased on these rates, and assuming an average monthly wage of \$320 and a yearly wage of \$3,840 over the past decade, [...] that Baode is underpaying this type of social insurance by [USD] 664 each year and [USD]6,643 over 10 years per worker.” As China’s labour force decreased and the economy slows down, Chinese labour rights lawyer Pang Kun states that “workers [are becoming] more conscious of their legal rights, [and labour] disputes will become even more common.”¹²⁶¹ The Financial Times highlights also that the shrinking workforce has meant “factories find it increasingly hard both to find skilled workers [...] and to manage them.”¹²⁶²

On 30 of September, the Central Government of China published a policy guideline that emphasized on the governments desire “to offer more quality jobs to migrant workers [who are amongst the most vulnerable members of the labour force] to help ease them into urban living.”¹²⁶³ In an effort to achieve this, “the State Council hopes to provide professional training to 20 million surplus rural labor workers per year until 2020 [with t]he goal [...] to boost work conditions, ensure pay schedules and make sure they are covered by social security.” This policy is aimed to help over “100 million [migrants...] nationwide without urban ID records to settle in towns and cities by 2020.” The guideline will provide mostly training within the service sector as well as offer more advantageous policies for migrant workers who would like to start a business; they are to receive “the same treatment as urban residents in terms of social security.” Specific details on how these goals are to be achieved however were not disclosed. Nonetheless, it remains hopeful that the goals will be achieved as China experiences labour shortages and needs migrant workers to sustain its economic growth.

During the compliance period China has failed to take actions to combat unemployment and foster the creation of decent work and quality jobs. While a guideline was created for migrant workers, the government has failed to provide details on how its policies are to be achieved. Moreover, evidence indicates that the Chinese government support unethical labour law applications. Thus, it has been awarded a score of -1.

Analyst: Atena Sadegh

France: +1

France has fully complied with the commitment on labour and employment.

¹²⁶⁰ Qiang, Li. China’s Next “Pollution”. China Labor Watch (New York 2 July 2014. Date of Access: 29 September 2014. <http://www.themarknews.com/2014/07/24/migrant-workers-lack-of-social-insurance-is-chinas-next-pollution/>

¹²⁶¹ Mitchell, Tom. Walmart dispute ends China’s season of industrial unrest., CNBC (New Jersey) 15 June 2014. Date of Access: 11 October 2014. <http://www.cnbc.com/id/101760326#>.

¹²⁶² Mitchel Tom., Sevastopulo, Demetri. China labour activism: crossing the line., The Financial Times (London) 7 May 2014. Date of Access: 10 October 2014. <http://www.ft.com/intl/cms/s/0/bb0f1c3a-c953-11e3-99cc-00144feabdc0.html>

¹²⁶³ China to offer better jobs, life to migrant workers, The State Council of The People’s Republic of China (Beijin) 30 September 2014. Date of Access: 2 October 2014.

http://english.gov.cn/latest_releases/2014/10/01/content_281474991133270.htm

France expanded existing programs to lower the costs of labour for business and foster professional development. France also created new programs to broaden opportunities for seniors and youth.

On 27 February 2014, France's senate passed new professional development reforms aimed to promote inclusive job growth and help develop and match skills with job opportunities.¹²⁶⁴ The reforms improve vocational training through the creation of personal job training accounts that grant each worker access to up to 150 hours of vocational training with the aim of increasing professional qualifications and aid progress towards certification programs.¹²⁶⁵ This is the first time such a program will be made available to all French individuals above the legal working age of 16 years, significantly improving coverage.¹²⁶⁶

France has improved accessibility of training for youth by improving apprenticeship quality standards and reviewing management rules and the apprenticeship tax. This policy puts a special emphasis on youth and matching skills to job opportunities.

In 2014, France is also launching the second phase of its Invest for the Future Program, designed to encourage innovation and competitiveness by providing better financing for small to medium sized businesses, as well as funding research, innovation and higher learning.¹²⁶⁷ The program's second phase will provide EUR12 billion in financing and credit on top of the EUR35 billion invested during the first phase of the program.¹²⁶⁸

France's Competitiveness and Employment Tax Credit increased to 6 per cent by January 2014 as promised, reducing labour costs for business.¹²⁶⁹

On 18 December 2013, France enacted pension reforms to increase pension fund revenues by gradually extending the collection period to 43 years by 2035.¹²⁷⁰ In the short term, the reforms will increase the collection by 0.3 pension points between 2014 and 2017.¹²⁷¹ This is expected to bring in EUR 4.6 billion by 2020 and 6.4 by 2040. The reforms were unpopular, but complied with the commitment to

¹²⁶⁴ Loi Relative à la Formation Professionnelle, à l'emploi et à la démocratie sociale: une Adoption Expresse pour des Réformes d'Envergure. Ministère du Travail, de l'Emploi, de la Formation Professionnelle et du Dialogue Social (Paris) 27 February 2014. Date of Access: 27 February 2014. <http://travail-emploi.gouv.fr/actualite-presse,42/communiqués,2138/loi-relative-a-la-formation,17563.html>.

¹²⁶⁵ Le point sur le Compte personnel de formation. Le Compte Personnel de Formation (Paris) 15 December 2013. Date of Access: 27 February 2014. <http://www.le-compte-personnel-formation.com/le-point-sur-le-compte-personnel-de-formation/>.

¹²⁶⁶ Formation Pro: L'Accord de Partenaires Sociaux. Le Compte Personnel de Formation (Paris) 15 December 2013. Date of Access: 27 February 2014. <http://www.le-compte-personnel-formation.com/formation-pro-laccord-des-partenaires-sociaux/>.

¹²⁶⁷ Ce budget assume une priorité claire : l'emploi et donc la croissance. Portail du Gouvernement. (Paris) September 11 2013. Date of Access: 27 February 2014. <http://www.gouvernement.fr/premier-ministre/ce-budget-assume-une-priorite-claire-l-emploi-et-donc-la-croissance>

¹²⁶⁸ La Lettre des Investissements d'Avenir N°2. Commissariat Général à l'Investissement (Paris) September 2013. Date of Access: 27 February 2014. <http://investissement-avenir.gouvernement.fr/sites/default/files/user/NEWSLETTER-%20PIA%20n2.pdf>.

¹²⁶⁹ Pour l'Emploi. Portail du Gouvernement (Paris) 2014. Date of Access: 27 February 2014. <http://www.gouvernement.fr/pourlemploi/cice>.

¹²⁷⁰ Réforme des Retraites: Tous les Détails de la Norme adoptée en 2013, JDN (Paris) 18 December 2013. Date of Access: 27 February 2014. <http://www.journaldunet.com/management/vie-personnelle/retraites-2013-reforme-des-retraites-les-mesures-devoilees-en-direct-0813.shtml>.

¹²⁷¹ Retraites 2013: Le Projet de Loi Présenté par le Gouvernement, Vie Publique (Paris) 20 September 2013. Date of Access: 27 February 2014. <http://www.vie-publique.fr/actualite/dossier/retraites-2013-debat/retraites-2013-projet-loi-presente-par-gouvernement.html>.

encourage active participation of older workers in the labour market listed in the G20 Labour and Employment Ministers' Declaration.¹²⁷²

Over 7 and 8 July 2014, France held its third annual large social conference.¹²⁷³ The conference covered a variety of French social topics, and concluded with several announcements from Prime Minister Manuel Valls. Valls announced that a new committee would be created to monitor and follow up on government aid given to businesses.¹²⁷⁴ Other commitments made included the dedication of EUR200 million to apprenticeship programs with the objective of training half a million apprentices by 2017. In addition, an income tax cut committing to help middle-income workers in 2015 was announced. These actions all support French commitments made to help citizens find work, bolster job creation, and improve job quality.

During the compliance period, France developed policies to increase employability of workers with an emphasis on programs for youth and seniors.¹²⁷⁵ France has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Aylin Manduric

Germany: +1

Germany has fully complied with the commitment on labour and employment.

On 1 January 2014, the German Federal Government amended the Film Promotion Act “to make access to culture easier for people with disabilities.” This amendment entails that “each film being promoted must be produced in at least one final version featuring a German-language audio description for visually-impaired persons and German subtitles for those who are hearing-impaired.”¹²⁷⁶

On 8 January 2014, the Federal Labour Minister Andrea Nahles announced that there would be a “focus on those unemployed persons who are having particular difficulty finding a job, either due to lack of educational qualifications and training or as a result of having been without work for many years.”¹²⁷⁷ The German government has been focusing on increasing programs such as “Make it in Germany” and the opening labour markets for skilled labour from non-EU states.¹²⁷⁸

¹²⁷² G20 Labour and Employment Ministers' Declaration, G20 Research Group (Toronto) 19 July 2013. Date of Access: 27 February 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>.

¹²⁷³ La grande conférence sociale 2014. Ministère du Travail, de l'Emploi, de la Formation Professionnelle et du Dialogue Social. Date of Access : October 5, 2014. <http://travail-emploi.gouv.fr/evenements-colloques,2215/la-grande-conference-sociale-pour,2287/>.

¹²⁷⁴ Dialogue social, impôts... Ce qu'il faut retenir de la 3e conférence sociale. Le Nouvel Observateur. July 8, 2014. <http://tempsreel.nouvelobs.com/social/20140708.OBS3108/dialogue-social-impots-ce-qu-il-faut-retenir-de-la-conference-sociale.html>.

¹²⁷⁵ St. Petersburg Action Plan, G20 Research Group (Toronto) 6 September 2013. Date of Access: 27 February 2014. <http://www.g20.utoronto.ca/2013/2013-0906-plan.html>.

¹²⁷⁶ Federal Government Report on Participation with Regard to the Circumstances of Persons with Impairments (Berlin) January 2014. Date of Access: 15 February 2014. http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/a125-13-e-teilhabebericht-2013-englisch.pdf?__blob=publicationFile

¹²⁷⁷ Address by Federal Labour Minister Andrea Nahles, Federal Ministry of Labour and Social Affairs (Berlin) 8 January 2014. Date of Access: 15 February 2014. <http://www.bmas.de/EN/Service/Press/press-releases/labour-market-figures-december-2013.html?nn=46168>

¹²⁷⁸ Make it in Germany, the Federal Ministry for Economic Affairs and Energy, the Federal Ministry of Labour and Social Affairs and the Federal Employment Agency (Berlin). Date of Access: 15 February 2014. <http://www.make-it-in-germany.com/en/>

Germany has also created new programs to target under-represented and vulnerable groups. A focus has been put on language programs to break down language barriers and help immigrants obtain jobs that they are qualified for. In addition, a new inclusion initiative that aids those with impairments and disabilities to have better access to employment has been confirmed. Under this program the Federal Government is working to increase vocational training and inclusive education. EUR130 million are being set aside for those who are severely disabled. Furthermore, the Federal Government is providing an additional EUR100 million “up to 2016 as part of the Inclusion initiative to open up roads into the mainstream labour market, starting with career counselling through in-company training placements right up to additional career opportunities for older employees, as well as skills development with authorities and associations.”

The Federal Government of Germany is implementing the National Action Plan with the following goal: to draw “a realistic picture of people with disabilities that is based on reliable statistics and no longer characterised by pity or deficiencies is key to putting the idea of inclusion into practice.” Accordingly, “the next National Report on Education, due to be published in 2014, will feature a key chapter on the subject of ‘Persons with disabilities.’”

On 16 January 2014, the President of the Federal Office for Migration and Refugees and the director of basic social security at the Federal Employment Service signed an agreement for the two government bodies to work together to encourage and support programs from non-German speakers who have immigrated to learn German.¹²⁷⁹ Increasing language skills of immigrants will allow better opportunities for participation in the labour force. With the language barriers broken down, more immigrants will be able to work in the skilled labour areas they are qualified for. This action plan is to continue until 2020.

On 30 January 2014, the Federal Minister of Labour and Social Affairs Andrea Nahles issued a press release commenting on employment statistics in Germany in the month of January 2014. Nahles confirmed Germany reports good labour market employment statistics and the positive results of “giving priority to targeted continuing training.”¹²⁸⁰ Nonetheless, Nahles does not disregard that there are still many individuals who reside in Germany that “have not benefitted from the good labour market situation” and that it remains imperative to continue “focusing on getting people out of long-term unemployment by specifically targeting relevant groups.” Finally, Nahles commented that “all the discussions over an imminent flood of early retirees are out of touch with the actual situation in businesses and factories” [and furthermore,] companies that thoughtlessly let their older employees go too early will have enormous difficulties finding enough young skilled workers to replace them.” Through this confirmation, Nahles reminded “companies [that they are] are dependent on the expertise and experience of their older employees.”

On 8 April 2014, the Federal Ministry of Labour and Social Affairs adopted the EU Youth Guarantee in Germany. The EU Youth Guarantee focuses on “ensure that all young people up to age 25 receive a quality offer of a job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.”¹²⁸¹

¹²⁷⁹ Support Programme for Learning German for Employment Purposes Contributes to Securing Skilled Labour (Berlin) 16 January 2014. Date of Access: 15 February 2014. http://www.arbeitsagentur.de/nn_426140/EN/zentraler-Content/Presse/Presse-14-003-EN-833904.html

¹²⁸⁰ Labour market is in good shape, Federal Ministry of Labour and Social Affairs (Berlin) 1 January 2014. Date of Access: 10 March 2014. <http://www.bmas.de/EN/Service/Press/press-releases/labour-market-figures-january-2014.html>

¹²⁸¹ National Implementation of Plan to Establish the EU Youth Guarantee in Germany, Federal Ministry of Labour and Social Affairs (Berlin) 8 April 2014. Date of Access: 5 October 2014. <http://www.bmas.de/EN/Service/Publications/a761-implementierungsplan-jugendgarantie-en.html>

On 13 May 2014, Germany and the International Labour Organization (ILO) signed a Declaration of Intent.¹²⁸² The Declaration accentuates that Germany and the ILO will work together to address employment issues and, specifically, the job creation in the formal sector, vocational training and education, and skills development.

On 1 July 2014, Boston Consulting Group released a report suggesting that Germany's economy is likely to experience a shortage of up to 2.4 million workers by 2020. The predicted fall in labour supply will threaten the Gross Domestic Product (GDP) growth rates.¹²⁸³

On 3 July 2014, the German parliament, the Bundestag, approved the introduction of an hourly minimum wage of EUR 8.5.¹²⁸⁴ The regulation will come into effect on 1 January 2015. It is expected that the introduction of a minimum wage will bring up the wages of low-paid workers.¹²⁸⁵ The minimum wage is not applicable to minors, interns, trainees, or long-term unemployed persons for first six months at work.

In September 2014, the Organisation for Economic Co-operation and Development (OECD) released the 2014 edition of the OECD Employment Outlook, which reviews current labour market trends. In Germany, the report noticed, employment continues to grow, and the unemployment rate is soon expected to decline below 5 per cent.¹²⁸⁶ Despite the fall in unemployment, long-term unemployment is persistently high. The report finds this particularly worrying because many of the long-term unemployed are "low-skilled and do not match employers' demand."

Germany has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analysts: Amelia Cook and Vera V. Gavrilova

India: +1

India has fully complied with the commitment on labour and employment.

On 19 September 2013, India passed the Prohibition of Employment as Manual Scavengers and Their Rehabilitation Bill. The Bill prohibits the employment of "manual scavengers" for the purpose of manually cleaning sewers and septic tanks, without protective equipment, and the construction of insanitary washrooms. The Bill also has provisions for the rehabilitation of "manual scavengers" and their alternative employment. The so-called "manual scavengers" are often amongst the poorest and one of the most vulnerable groups in India's informal employment market.¹²⁸⁷

¹²⁸² Germany signs Declaration of Intent with ILO, International Labour Organization (Berlin) 13 May 2014. Date of Access: 13 October 2014. http://www.ilo.org/pardev/donors/WCMS_243009/lang--en/index.htm

¹²⁸³ Press Release: Global Workforce Crisis Puts \$10 Trillion at Risk in World Economy, Study Says, The Boston Consulting Group (Boston) 1 July 2014. Date of Access: 13 October 2014. <http://www.bcg.com/media/PressReleaseDetails.aspx?id=tcm:12-164660>

¹²⁸⁴ Germany approves first-ever national minimum wage, BBC (Berlin) 3 July 2014. Date of Access: 13 October 2014. <http://www.bbc.com/news/business-28140594>

¹²⁸⁵ OECD Employment Outlook 2014, Organisation for Economic Co-operation and Development (Paris) September 2014. Date of Access: 13 October 2014. <http://www.oecd.org/germany/EMO-DEU-EN.pdf>

¹²⁸⁶ OECD Employment Outlook 2014, Organisation for Economic Co-operation and Development (Paris) September 2014. Date of Access: 13 October 2014. <http://www.oecd.org/germany/EMO-DEU-EN.pdf>

¹²⁸⁷ The Gazette of India, The Government of India (New Delhi) 18 September 2014. Date of Access: 7 March 2014. <http://indiacode.nic.in/acts-in-pdf/252013.pdf>

Economist Alakh N Shamra, one of the chief authors of the Labour and Employment Report 2014, notes that currently “about 92% of India’s 470 million workers are informal workers.”¹²⁸⁸ He explains that “informal employment is insecure, poorly paid and has no social security.” Furthermore, he notes that there is a great “difference between wages of regular workers and informal or contract workers.” In particular, “incidence of poverty is the highest among casual workers.”¹²⁸⁹

On 25 November 2013, the 2013-2014 Results Framework Document, for the Performance Management Division, the Indian Ministry of Labour and Employment, outlined the promotion of skills development, strengthening employment services and enhancing welfare and social security provisions for un-organized sector workers. The Performance Management Division is a division of government that assesses the effectiveness of each department based on goals outlined in the document prepared by the departments.¹²⁹⁰

On 20 February 2014, the Khadi and Village Industries Commission revealed that it had received INR580 million from the central government of India to set up small factories and generate manufacturing jobs as a part of the Prime Minister’s Employment Generation Programme.¹²⁹¹ Prime Minister’s Employment Generation Programme is an initiative by the Indian government to create 3.5 million employment opportunities by 2017. The Indian government had allocated INR80 billion to this program on 4 September 2013.¹²⁹²

Despite recent policy efforts, the Government of India has many critics when it comes to inefficiency to address labour and employment issues. Economist Meghnad Desai notes that, currently, India’s “biggest failure in terms of growth has been its failure in increasing manufacturing growth.”¹²⁹³ He further explains that the Government of India must create more flexible labour laws in a timely manner as “amendments to various laws have been awaiting [for a long time] Parliamentary approval.” Furthermore, Desai stressed the need to move at least half of the rural population out of rural areas to increase productivity of labour force, saying “productivity gap between agriculture and services is 1:9.”

The India Labour and Employment 2014 Report has sent one clear message: “India needs a responsive, fair, and comprehensive labour and employment policy for sustainable and inclusive development.”¹²⁹⁴

¹²⁸⁸ Without jobs, India's demographic dividend will be a disaster: Alakh N Sharma, Times of India (New Delhi) 12 February 2014. Date of Access: 15 March 2014. <http://timesofindia.indiatimes.com/home/opinion/interviews/Without-jobs-Indias-demographic-dividend-will-be-a-disaster-Alakh-N-Sharma/articleshow/30233665.cms>

¹²⁸⁹ Poverty higher among employed than unemployed: report, The Hindu (New Delhi) 19 December 2014. Date of Access: 20 March 2014. <http://www.thehindu.com/todays-paper/tp-national/poverty-higher-among-employed-than-unemployed-report/article5476218.ece>

¹²⁹⁰ 2013-2014 RFD for Ministry of Labor and Employment, Performance Management Division (New Delhi) 25 November 2013. Date of Access: 7 March 2014.

<http://labour.nic.in/upload/uploadfiles/files/RFD/530efb2e6bd20Revised%20RFD%202013-14.pdf>

¹²⁹¹ TN excels in implementing Prime Minister’s Employment Generation Programme, The Hindu (Tiruchi) 20 February 2014. Date of Access: 9 March 2014. <http://www.thehindu.com/news/cities/Tiruchirapalli/tn-excels-in-implementing-prime-ministers-employment-generation-programme/article5709142.ece>

¹²⁹² Govt allocates Rs 8,060 cr to set up 5 lakh projects, Business Standard (New Delhi) 4 September 2013. Date of Access: 9 March 2014. http://www.business-standard.com/article/economy-policy/govt-allocates-rs-8-060-cr-to-set-up-5-lakh-projects-113090400778_1.html

¹²⁹³ Indian manufacturing stagnates due to peculiar labour laws: Meghnad Desai, The Economic Times (New Delhi) 21 March 2014. Date of Access: 22 March 2014. http://articles.economicstimes.indiatimes.com/2014-03-21/news/48438460_1_manufacturing-sector-manufacturing-growth-labour

¹²⁹⁴ India Labour and Employment Report 2014: Workers in the era of globalization, International Development Research Center (Ottawa) 2014. Date of Access: 23 March 2014.

<http://www.idrc.ca/EN/Themes/Development/Pages/ResultDetails.aspx?ResultID=195>

With a labour force consisting of nearly 460 million Indian citizens, it is important for the Indian government to widen its fragile social protection. Currently 60 per cent of Indian workers are living in poverty “despite having a job ... while in some advanced sectors of the economy, skilled workers have joined the ranks of a booming middle-class and opportunities for regular formal employment ... enjoyed only [by] a minority.” According to the Institute for Human Development (IHD), India still battles with “a strong social dimension to employment.”¹²⁹⁵ The IHD notes the three following divisions: (1) “the Scheduled Castes, the Scheduled Tribes and large sections of Other Backward Classes have lower educational attainments and are concentrated in low productivity sectors; (2) “Muslims are concentrated in low-paying petty self-employment”; (3) “upper caste Hindus, Jains, Sikhs and Christians have a disproportionate share of good job.”

Overall, “the education and skill levels of the workforce are extremely low [as] one in three workers is illiterate [and] for women the number is one in two.” The main challenge lies in “providing some functional education to the existing workforce, apart from educating and skilling the future workforce.” Economist Alakh Shamra said that “unemployment among the educated is very high” and consists at around 60 per cent among women graduates.¹²⁹⁶ India struggles to address youth employment with “unemployment [being] highest in the 15-25 age group.”

On 16 May 2014, Derek Scissors from the American Enterprise Institute remarked in the Financial Times that with a demography that has over 600 million citizens under the age of 25, it is “frightening that [India’s] labor force participation [has fall] from about 61 [per cent] in 2005 to below 56 [per cent] now.”¹²⁹⁷ Scissors notes that in order to address this decrease in labour force participation, India must address three main problematics: (1) “enhance[e] individual land rights”; (2) “liberaliz[e] manufacturing labor”; and (3) “unify internal market[s].”

On 26 June 2014, the Minister for Labour and Employment Narendra Singh Tomar spoke at the Conference of State Ministers for Labour & Employment and reiterated India’s commitment to end unemployment by stating, “that it is the first priority of the government to promote employment.”¹²⁹⁸ He also stated that the Indian government is making an effort to promote the potential of youth employment. At the Conference he announced that in effort to promote employment the government is working on a scheme that will convert the Employment Exchanges into Career Promotion Centers. During the conference the Labour Minister said that it was the collective responsibility of both State and Central government to insure that the 470 000 000 persons currently employed in the informal sector are brought under the protection of labour laws. The Minister also stated that the federal government has started to take steps to reduce job informality by strengthening and expanding the national health insurance scheme.

¹²⁹⁵ Poverty higher among employed than unemployed: report, The Hindu (New Delhi) 19 December 2014. Date of Access: 20 March 2014. <http://www.thehindu.com/todays-paper/tp-national/poverty-higher-among-employed-than-unemployed-report/article5476218.ece>

¹²⁹⁶ Without jobs, India's demographic dividend will be a disaster: Alakh N Sharma, Times of India (New Delhi) 12 February 2014. Date of Access: 15 March 2014. <http://timesofindia.indiatimes.com/home/opinion/interviews/Without-jobs-Indias-demographic-dividend-will-be-a-disaster-Alakh-N-Sharma/articleshow/30233665.cms>

¹²⁹⁷ Scissors, Derek. “Guest post: election over, what now for India’s economy?”, The Financial Times (London) 14 May 2014. Date of Access: 13 October 2014. <http://blogs.ft.com/beyond-brics/2014/05/16/guest-post-election-over-what-now-for-indias-economy/>

¹²⁹⁸ Conference of State Ministers for Labour & Employment Press Release, Ministry of Labour and Employment (Delhi) 1 August 2014. Date of Access: 8 October 2014. http://labour.gov.in/upload/uploadfiles/files/latest_update/press_release/26_06_2014.pdf

On 15 August 2014, the Indian government passed the Apprentices Amendment Bill 2014.¹²⁹⁹ The Ministry of Labour and Employment anticipates that this new amendment will entice more youth into apprenticeship programs and eventually they will have the skills needed to enter the work force.¹³⁰⁰

On September 11 2014, at the G20 Labour and Employment Ministerial Conference, Labour Minister Narendra Singh Tomar stated that the Indian government is in the processes of enacting amendments to existing labour laws which will “encourage investment, ease of doing business and entrepreneurship and enhance safety at workplace and working conditions especially for women.”¹³⁰¹

On 12 September 2014, at the G20 Labour and Employment Ministerial Conference, Labour Minister Narendra Singh Tomar requested funds and expertise from the International Labour Organization director Guy Ryder to “develop a database to capture the nature and composition of informal sector in India.” The Minister stated “the government is focused on speeding up transition from informal to formal employment through easing compliance laws for businesses and reducing paperwork.”¹³⁰²

During the compliance period, India has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analysts: Harinya Shanthakumar and Atena Sadegh

Indonesia: 0

Indonesia has partially complied with its commitment ensure effective labour activation policies, bring under-represented and vulnerable groups into the labour market, and reduce informality. The Indonesian government has taken notable steps to encourage and assist people to connect with the labour market. Despite its promising rhetoric, Indonesia has yet to implement substantial programs promoting inclusivity and reducing informality.

On 10 October 2013, the Indonesian government expressed a desire to “set a new benchmark for education,” looking to the Finnish system as a model. The Finnish system features a systematic focus on equity, emphasizing support for students who come from disadvantaged backgrounds.¹³⁰³

On 7 November 2013, Ministry of Manpower and Transmigration (MOTM) Spokesman Suhartono said Indonesia’s government was “currently preparing a job creation program” that “would include developing workforce skills through training, helping the workforce set up small and medium

¹²⁹⁹ Lok Sabha passes apprentices amendment bill, The Times of India (New Delhi) 15 August 2014. Date of Access: 8 October 2014. <http://timesofindia.indiatimes.com/india/Lok-Sabha-passes-apprentices-amendment-bill/articleshow/40297360.cms>

¹³⁰⁰ Government proposes amendments to Apprentices Bill to attract more youth to join training , The Economic Times (New Delhi) 8 August 2014. Date of Access: 8 October 2014. <http://economictimes.indiatimes.com/news/politics-and-nation/government-proposes-amendments-to-apprentices-bill-to-attract-more-youth-to-join-training/articleshow/39873890.cms>

¹³⁰¹ India to enact new labour laws soon to spur investment: Narendra Singh Tomar , The Economic Times (Melbourne) 11 September 2014. Date of Access: 8 October 2014. <http://economictimes.indiatimes.com/news/politics-and-nation/india-to-enact-new-labour-laws-soon-to-spur-investment-narendra-singh-tomar/articleshow/42269458.cms>

¹³⁰² India demands more representation at International Labour Organization, The Times of India (Melbourne) 12 September 2014. Date of Access: 8 October 2014. <http://timesofindia.indiatimes.com/business/india-business/India-demands-more-representation-at-International-Labour-Organization/articleshow/42373085.cms>

¹³⁰³ RI looks to Finland model to reform education, The Jakarta Post (Jakarta), 10 October 2013. Date of Access: 21 February 2014. <http://www.thejakartapost.com/news/2013/10/10/ri-looks-finland-model-reform-education.html>

enterprises and carrying out an emergency job creation program.”¹³⁰⁴ Evidence of an official program is unavailable.

On 13 — 14 November 2013, the Indonesian Coordinating Ministry for Economic Affairs, the MOTM, International Labour Organization (ILO), The National Development Planning Agency, the Indonesian Economy Council, and the Indonesian Employers Association jointly hosted the Indonesia Employment Forum. Stated objectives included: facilitating coordination among Indonesian stakeholders on current policy initiatives, formulating strategies for achieving inclusive economic growth, and following up on G20 commitments to promote job creation.¹³⁰⁵

On 20 November 2013, the Republic of Indonesia secured a USD\$400,000,000 development policy loan from the World Bank.¹³⁰⁶ The main objective for the money was to “enhance Indonesia’s capacity and institutions for reducing poverty and boosting shared prosperity.” Specific goals included: strengthening the public sector’s fiscal stability, protecting the vulnerable by expanding social assistance, empowering communities to take charge of their development needs, enhancing skills and technology, and improving public financial management for improved service delivery. Examples of implementation would be subsidized fuel price increase and implementation of new national social security system (Sistem Jaminan Sosial Nasional).¹³⁰⁷

On 11 December 2013, Education and Culture Ministry director of early childhood education development (PAUD) Erman Samsudin the government has set aside around Rp 600 billion (US\$50.03 million) in order to establish early childhood education programs in every village in Indonesia. His office would provide incentives to teachers as well as education operational assistance to each PAUD institution, in efforts to reach this target. Responding to this announcement, West Java Governor Ahmad Heryawan formally announced the 2013 West Java PAUD Highlight Program. Heryawan says the West Java provincial administration would assist in the implementation of the education program by providing training to teachers.¹³⁰⁸

On 16 December 2013, Indonesia’s Minister of Finance, M. Chatib Basri stated the government is using a financial inclusion program to improve human resources’ capacity and eliminate all forms of barriers for public access to financial services.¹³⁰⁹

On 19 December 2013, the Indonesian parliament enacted the Village Draft Law. This statute allows direct allocation of funds from state budget to finance village empowerment.¹³¹⁰ Village chiefs have

¹³⁰⁴ Economic slowdown drives up unemployment rate, The Jakarta Post (Jakarta), 7 November 2013. Date of Access: 21 February 2014. <http://www.thejakartapost.com/news/2013/11/07/economic-slowdown-drives-unemployment-rate.html>

¹³⁰⁵ Indonesia Employment Forum, International Labour Organization, 13 – 14 November 2013. Date of Access: 21 February 2014. http://www.ilo.org/jakarta/whatwedo/eventsandmeetings/WCMS_229967/lang--en/index.htm

¹³⁰⁶ Official Documents- Loan Agreement, L8304-ID (Closing Package), World Bank (Washington, DC), 20 November 2013. Date of Access: 21 February 2014. <http://documents.worldbank.org/curated/en/2013/11/18674831/official-documents--loan-agreement-l8304-id-closing-package>

¹³⁰⁷ Second Institutional Strengthening for Social Inclusion (Second Institutional, Tax Administration, Social and Investment) Development Policy Loan Project. World Bank (Washington, DC), 21 October 2013. Date of Access: 21 February 2014. <http://documents.worldbank.org/curated/en/2013/10/18459911/indonesia-second-institutional-strengthening-social-inclusion-second-institutional-tax-administration-social-investment-development-policy-loan-project>

¹³⁰⁸ Early years education for all in 2014, The Jakarta Post (Jakarta), 12 December 2013. Date of Access: 21 February 2014. <http://www.thejakartapost.com/news/2013/12/12/early-years-education-all-2014.html>

¹³⁰⁹ Reducing Poverty and Boosting Growth with Financial Inclusion Program, Ministry of Finance (Jakarta), 16 December 2013. Date of Access: 21 February 2013. <http://www.kemenkeu.go.id/en/Berita/reducing-poverty-and-boosting-growth-financial-inclusion-program>

never received state funds before, as the central government has never recognized them as civil servants or representatives of political parties.¹³¹⁰

On 4 February 2014, Financial Services Authority in cooperation with International Finance Corporation launched the Good Corporate Governance roadmap and manual. State objectives include: providing long-term incentives for employees in the form of employee stock ownership programs, requiring appointed corporate secretaries to attend basic training, and supplying orientation programs for new boards' members.¹³¹¹

On 20 March 2014, the ILO published a report — under the Empowering Indonesian Women for Poverty Reduction Initiative (MAMPU) — that suggested changes of Indonesia's regulatory framework for homeworkers in Indonesia.¹³¹² MAMPU is a project to improve the welfare of women in Indonesia, backed by Indonesia's Ministry of National Development Planning. It signed of its second phase of implementation with Australian government aid in this same month.¹³¹³

The ILO released a project brief on 17 July 2014, marking the second phase of their “Promoting Rights and Opportunities for People with Disabilities in Employment through Legislation” project. In this project, the MOTM, Ministry of Social Affairs, and other non-governmental actors aim to create “better work and employment opportunities for men and women with disabilities” through improving policy and legal frameworks, building capacity of constituents, and supporting advocacy and awareness training.¹³¹⁴

On 28 August 2014, the MOTM, Women's Empowerment and Child Protection Ministry, Home Affairs Ministry and National Development Planning Board signed a memorandum of understanding to strengthen their partnership in reducing gender inequality in the workplaces.¹³¹⁵

The ILO will be working with the government on 16-17 October 2014 to host a Disability Equality Training Workshop for Government Officials, aiming to “address barriers to equal employment opportunities, and promote disability inclusion.”¹³¹⁶

During the compliance period, Indonesia has partially complied with the commitment to labour and employment. While the Indonesian government has taken general steps to promote economic growth and create more job opportunities, it has done little to specifically address its commitments regarding

¹³¹⁰ The Government Agreed on Village Draft Law, Ministry of Finance (Jakarta), 18 December 2013. Date of Access: 21 February 2014. <http://www.kemenkeu.go.id/en/Berita/government-agreed-village-draft-law>

¹³¹¹ Indonesian parliament enacts law on villages, Xinhua New Agency, 19 December 2013. Date of Access: 21 February 2014. http://news.xinhuanet.com/english/world/2013-12/19/c_132981816.htm

¹³¹² OJK launches roadmap for good corporate practice, The Jakarta Post (Jakarta), 5 February 2014. Date of Access: 21 February 2014. <http://www.thejakartapost.com/news/2014/02/05/ojk-launches-roadmap-good-corporate-practice.html>

¹³¹³ Review of the regulatory framework for homeworkers in Indonesia 2013, International Labour Organization, 20 March 2014. Date of access: 3 October 2013. http://www.ilo.org/jakarta/whatwedo/publications/WCMS_238776/lang-en/index.htm

¹³¹⁴ Empowering women homeworkers for better working conditions, International Labour Organization, 26 March 2014. Date of access: 5 October 2014. http://www.ilo.org/jakarta/info/public/WCMS_239655/lang-en/index.htm

¹³¹⁵ PROPEL – Indonesia Phase II, International Labour Organization, 17 July 2014. Date of access: 3 October 2014. http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/projectdocumentation/wcms_249847.pdf

¹³¹⁶ Female workers lack access to jobs, paid lower, The Jakarta Post (Jakarta), 28 August 2014. Date of access: 2 October 2014. <http://www.thejakartapost.com/news/2014/08/28/female-workers-lack-access-jobs-paid-lower.html>

¹³¹⁷ Disability Equality Training (DET) Workshop for Non-Government Officials, International Labour Organization. Date of access: 2 October 2014. http://www.ilo.org/jakarta/whatwedo/eventsandmeetings/WCMS_307808/lang-en/index.htm

reducing informality. Thus, Indonesia has partially complied with its G20 labour commitment and is awarded a score of 0.

Analyst: Victoria Wicks

Italy: 0

Italy has partially complied with the commitment on labour and employment.

On 18 September 2013, the Ministry of Labour and Social Policy announced 794 million to be allocated to measures to increase youth employment, as part of the implementation of Decree Law no. 76 of 28 June 2013, converted into Law 99 of 9 August 2013.¹³¹⁸

On 30 September 2013, to promote gender equality the Minister of Labour and Social Policy, Enrico Giovannini presented an institutional campaign to support small businesses and enterprises for women, through microcredit financing options.¹³¹⁹

On 31 October 2013 the Ministry of Labour and Social Policy announced the approval of the principles and criteria to implement the “Youth Guarantee” (Garanzia Giovani) plan, an EU-wide youth promotion policy endorsed by the European Commission in spring 2013. The plan called for EU members to implement reforms and infrastructure to address the high levels of youth unemployment and to ensure job access for youth, an apprenticeship or a spot in a higher education institution within four months of becoming unemployed or finishing school.¹³²⁰ Implemented in January 2014, these policies aim to ensure that youth receive appropriate guidance in schools, training and apprenticeships initiatives, and create a system of integrated labour market information databases to inform their decisions.¹³²¹

On 20 February 2014, the Regions and the Italian state approved the guidelines for the implementation of the Youth Guarantee program, as well as the creation of a unified online platform, connecting regional employment databases to facilitate job search and job matching.¹³²² This was an effort to create a more “homogenous labour market” across the country.

On 3 December 2013 a memorandum signed between Labour and Social Policy Minister Giovannini and the southern provinces of Sicilia, Calabria, Puglia and Campania aim to cooperate in the area of youth employment promotion by tackling skills mismatch issues, “NEETs” (youth that are not in

¹³¹⁸ Con la Circolare applicativa dell'INPS partono gli incentivi per le nuove assunzioni di giovani lavoratori. Press release: Ministry of Labour and Social Policy (Rome) 18 September 2014. Date of Access: 28 February 2014.

http://www.lavoro.gov.it/Notizie/Pages/20130918_Incentivi-assunzioni-giovani.aspx

¹³¹⁹ Microcredito per l'impresa al femminile. Press release, Ministry of Labor and Social Policy (Rome) 30 September 2013. Date of Access: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20130930_conferenza-stampa_microcredito-donna.aspx

¹³²⁰ Employment: Commission urges Member States to urgently implement Youth Guarantee to help young jobless European Commission - MEMO/13/984 (Brussels) 12 November 2013. Date of Access: 28 February 2014. http://europa.eu/rapid/press-release_MEMO-13-984_en.htm

¹³²¹ Garanzia Giovani: Approvato il Piano che definisce i principi e i criteri che regoleranno l'attuazione del programma. Press release: Ministry of Labour and Social Policy (Rome) 31 October, 2013. Date of Access: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20131031_Garanzia_Giovani.aspx

¹³²² Garanzia Giovani. La Conferenza Stato-Regioni approva la piattaforma informatica unitaria Press release: Ministry of Labour and Social Policy (Rome) 20 February 2014. Date of Access: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20140220_Conf_Stato_Regioni.aspx

Education, Employment or Training), by promoting internships and improving the quality of vocational training in higher education institutions as well as encouraging entrepreneurship initiatives.¹³²³

On 18 December 2013, Labour Minister Giovannini and his Vice Minister Maria Cecilia Guerra announced plans to create an expert commission for “reconciling work and family life balance” made up of the Labour Ministry, the Equal Opportunity Department, the Department for Families and the Network of Equality Advisors.¹³²⁴ On 24 January 2014 the formal commission was created.

Employment statistics compiled by the national statistics institute, Istat, indicated the highest overall unemployment rate in 37 years at 12.9 per cent in January 2014, with youth unemployment standing at 42.4 per cent for 15-24 year olds.¹³²⁵ A January draft of Renzi’s labour-market reform proposal, dubbed the “Jobs Act,” proposed the introduction of universal unemployment benefits program for anyone who loses their job, on the condition they are actively searching for work or are in training. An additional proposed measure would be the creation of a single federal agency for job-search, training and welfare payout services.¹³²⁶ In his first speech to Parliament, Renzi outlined his administration’s broad priorities that would include increasing welfare payments for the unemployed.¹³²⁷

On 12 March 2014, Italy’s Jobs Act was presented at a press conference at the presidential palace as a series of measures with the objective of boosting employment and reforming the labour market.¹³²⁸ Among the measures introduced was an urgent provision enacted as the Decree Law 34 of 20 March 2014. The Decree is aimed at reducing some of the red tape around employment contracts.¹³²⁹

Since coming into power in February 2014, Renzi’s government has proceeded to sign a series of collaboration agreements with various business and industry groups under the umbrella of the Youth Guarantee Scheme and with the general aim to create more opportunity for youth through skills training, internships, and apprenticeships and vocational guidance.¹³³⁰

On 28 March 2014, the Ministry of Labour and Social Policy, the Ministry of Education, Confindustria (Italian employer’s federation) and the industrial group Finmeccanic signed a memorandum of

¹³²³ Rilancio dell’Occupazione al Sud. Firmato il protocollo tra Ministero e Regioni del meridione . Press release: Ministry of Labour and Social Policy (Rome) 3 December, 2013. Date of Access: 28 February 2014.

http://www.lavoro.gov.it/Notizie/Pages/20131203_Protocollo-occupazione.aspx

¹³²⁴ Donne e lavoro: le misure a favore dell’occupazione femminile. Press release, Ministry of Labour and Social Policy (Rome) 18 December 2013. Date of Access: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20131218_donne-e-lavoro.aspx

¹³²⁵ Disoccupazione "allucinante", dice Renzi. Poletti: far partire il Jobs act. Il Velino (Rome) 28 February 2014. Date of Access: 28 February 2014. <http://www.ilvelino.it/it/article/2014/02/28/disoccupazione-allucinante-dice-renzi-poletti-far-partire-il-jobs-act/53505a5d-929b-4d1e-94c5-c4e0d1ea77d1/>

¹³²⁶ Italy’s Jobs Act Targets Senior Civil Servants, Broader Welfare. The Wall Street Journal (Europe) 9 January 2014. Date of Access: 28 February 2014. <http://online.wsj.com/article/DN-CO-20140109-007983.html>

¹³²⁷ Italy’s Youngest Ever Prime Minister Vows ‘Radical Change’ In Impassioned Speech. Agence France Presse, 25 February 2014. Date of Access: 28 February 2014. <http://www.businessinsider.com/italys-youngest-ever-prime-minister-vows-radical-change-in-impassioned-speech-2014-2>

¹³²⁸ Jobs Act: le misure per riformare il mercato del lavoro e il sistema delle tutele Press release: Ministry of Labour and Social Policy (Rome) 20 March 2014. Date of Access: 5 October 2014.

http://www.lavoro.gov.it/Priorita/Pages/2014_03_12-Jobs-act.aspx

¹³²⁹ Disposizioni urgenti per favorire il rilancio dell’occupazione e per la semplificazione degli adempimenti a carico delle imprese Press release: Ministry of Labour and Social Policy (Rome) 20 March 2014. Date of Access: 5 October 2014.

http://www.lavoro.gov.it/Notizie/Pages/20140320_Decreto-Legge.aspx

¹³³⁰ Garanzia Giovani: al via azioni per promuovere l’occupazione giovanile. Press release: Ministry of Labour and Social Policy (Rome) 28 March 2014. Date of Access: 5 October 2014. <http://www.lavoro.gov.it/Notizie/Pages/20140328-garanzia-giovani.aspx>

understanding committing the signatories to promote pathways into work for youth and take measures to ease the transition from school to work.

On 22 April 2014, the Ministry of Labour signed a memorandum of understanding with the Confederation of Italian Agricultures and with the Association of Young Agricultural Entrepreneurs.¹³³¹

On 1 July 2014, Unipol Group signed a collaboration protocol with the goal to promote entrepreneurship for youth and to offer apprenticeship opportunities for skills acquisition.¹³³² Three additional collaboration protocols were signed 24 July 2014 with large business associations: Farindustria (association of pharmaceutical companies), Confprofessioni (association of self-employed professionals) and Confapi (confederation of Italian small and medium enterprises) to promote competency based learning and promote integration of young people in the labour market¹³³³ and one with the Italian National Olympic Committee on 6 August 2014.

On 30 September 2014, provisional data released by Italy's Istat reported that the unemployment rate of youth (aged 15-24) had reached a record high of 44.2 per cent in August 2014.¹³³⁴

During the compliance period, Italy has partially complied with its commitment on labour and employment. While Italy has also begun a process to reform its labour market and demonstrated a willingness to engage politically to pass reform measures and other labour activation policies, its government has not addressed informality and taken limited steps to bring in vulnerable groups — other than the youth — into the labour market. Thus, Italy has received a score of 0.

Analyst: Sabina Mihaescu

Japan: +1

Japan has fully complied with the commitment on labour and employment.

The Ministry of Health, Labour and Welfare (MHLW) has continued programs to promote human resources development and employment services, including those targeted at youth, the elderly, and people with disabilities. During human resources development month in November 2013, Shigeki Sato, MHLW vice minister, and Shuichi Takatori, parliamentary secretary, made requests to major business organizations such as the Japan Economic Federation (Keidanren) to distribute literature on human resources development measures by the MHLW, which was also made available through Prefectural Labour Bureau and Hello Work employment centres.¹³³⁵ At the regional level, the MHLW coordinated human resource development training courses under the Association of Southeast Asian Nations

¹³³¹ Garanzia Giovani. Protocollo di intesa tra Ministero del Lavoro e delle Politiche Sociali, CIA e AGIA: oggi la firma Ministry of Labour and Social Policy (Rome) 22 April 2014. Date of Access: 5 October

2014 http://www.lavoro.gov.it/Notizie/Pages/20140418_Invito-Garanzia-Giovani.aspx

¹³³² Garanzia Giovani: il Ministero del Lavoro firma protocollo di collaborazione con il Gruppo Unipol : Ministry of Labour and Social Policy (Rome) 1 July 2014. Date of Access: 5 October 2014

http://www.lavoro.gov.it/Notizie/Pages/20140701_Protocollo-Garanzia-Giovani-Unipol.aspx

¹³³³ Garanzia Giovani, Prosegue l'impegno del Ministero per la promozione di specifici protocolli di collaborazione con le principali Associazioni imprenditoriali, Ministry of Labour and Social Policy (Rome) 25 July 2014. Date of Access: 5 October 2014. http://www.lavoro.gov.it/Notizie/Pages/20140725_firma-protocolli-garanzia-giovani.aspx

¹³³⁴ Employment and unemployment: provisional estimates August 2014. Istat (Rome) 30 September 2014. Date of Access: 7 October 2014. [http://www.istat.it/en/files/2014/09/201408_PressRelease.pdf?title=Employment+and+unemployment+\(monthly\)+30+Sep+2014+-+Full+text.pdf](http://www.istat.it/en/files/2014/09/201408_PressRelease.pdf?title=Employment+and+unemployment+(monthly)+30+Sep+2014+-+Full+text.pdf)

¹³³⁵ Japanese Government Programs in the HRD Promotion Month, Ministry of Health, Labour, and Welfare (Tokyo) November 2013. Date of Access: 20 February 2014. http://www.mhlw.go.jp/english/policy/employ-labour/human-resources/dl/news_letter_2013_11.pdf

(ASEAN) and Asia-Pacific Economic Cooperation (APEC). The collaboration training course of the ASEAN, entitled “Management of Vocational Training Institutions for Realizing Decent Work,” took place in October 2013 and focused on career guidance and training support service, including human resources development administration, career advice, career consulting and employment support for youth.¹³³⁶ The APEC forum on Human Resource Development took place in November 2013 in collaboration with JAVADA (Japan Vocational Ability Development Association) in Nara city, and focused on improving employability for people with disabilities.

On 5 December 2013, Government of Japan announced JPY300 billion in funding to support job creation for young people and women, as part of a JPY5.5 trillion stimulus package to offset the sales tax increase planned for April 2014. The stimulus package also includes JPY600 billion for subsidies to low-wage earners. In addition, the government has asked large companies to increase salaries following the tax increase in exchange for a decrease in the corporate tax rate from 38.01 per cent to 35.64 per cent.¹³³⁷

On January 2014, Prime Minister Shinzo Abe delivered a policy speech to the 186th Session of the Diet that outlined a number of measures related to labour and employment. These measure include: the expansion of subsidies for career development and advancement of non-permanent employees to permanent positions; the development of a customized support system, including vocational training, for people with disabilities; improved childcare availability and promotion of men’s participation in childcare in order to encourage labour force participation by women with children; career development and training opportunities during parental leave; and support for internships and entrepreneurship.¹³³⁸ Prime Minister Abe also referenced a number of education initiatives to enhance skills, innovation and competitiveness, including the introduction of English education in junior high schools on a trial basis as of 2014.

Prime Minister Abe has articulated that increasing women’s labour force participation rates is a priority in several prominent speeches, including his address to the United Nations General Assembly on 26 September 2013 and at the World Economic Forum in Davos on 22 January 2014.¹³³⁹ His Davos speech specified a goal that women will hold at least 30 per cent of leadership positions by 2020 across a variety of fields.¹³⁴⁰ In addition, the prime minister announced his intention to reform labour markets, including by re-directing subsidies to enable workers to move from old industries to new industries that require quality human resources.

In April 2014, the Government of Japan announced revisions to Japan’s practical training rules to allow foreign workers who have acquired construction skills under this program to extend their stay in Japan for up to a maximum of three years after the completion of their training period. The measure is expected to take effect in spring 2015 and could boost the number of temporary foreign workers in

¹³³⁶ 24th MHWL HRD Information, Ministry of Health, Labour, and Welfare (Tokyo) October 2013. Date of Access: 20 February 2014. http://www.mhlw.go.jp/english/policy/employ-labour/human-resources/dl/news_letter_2013_09.pdf

¹³³⁷ Japan Lays Out ¥5.5 Trillion Stimulus Package, Wall Street Journal (New York) 5 December 2013. Date of Access: 25 February 2014. <http://online.wsj.com/news/articles/SB10001424052702303997604579239740505369468>

¹³³⁸ Policy Speech by Prime Minister Shinzo Abe to the 186th Session of the Diet, Prime Minister of Japan and His Cabinet (Tokyo) 24 January 2014. Date of Access: 9 February 2014. http://www.kantei.go.jp/foreign/96_abe/statement/201401/24siseihousin_e.html

¹³³⁹ Address by Prime Minister Shinzo Abe, at The Sixty-Eighth Session of The General Assembly of The United Nations, Ministry of Foreign Affairs (Tokyo) 26 September 2014. Date of Access: 9 February 2014. http://www.mofa.go.jp/policy/page3e_000083.html

¹³⁴⁰ A New Vision from a New Japan, World Economic Forum 2014 Annual Meeting, Speech by Prime Minister Abe, Prime Minister of Japan and His Cabinet (Tokyo) 22 January 2014. Date of Access: 9 February 2014. http://www.kantei.go.jp/foreign/96_abe/statement/201401/22speech_e.html

Japan's construction sector by approximately 70, 000 over the next five years. Critics of the program allege that it is fraught with labour and human rights violations.¹³⁴¹ The government has stated that it will strengthen the governance of the program as it expands.¹³⁴² As it stands now, there are several industries, notably the construction industry, suffering from labour force shortages, as “for every 100 people looking, there are 110 jobs on offer.”¹³⁴³

On 12 September 2014, Prime Minister Abe noted in a speech at the World Assembly for Women in Tokyo that favourable government procurement policies would be made available for companies employing women, as well as subsidies for companies that promote women to executive ranks. In addition, Prime Minister Abe stated that the government would promote flexible working styles, such as teleworking, in order to facilitate work-life balance particularly for female workers. The Prime Minister also announced that in October 2014 Minister Arimura, Japan's Minister in Charge of Promoting Women's Active Participation, will announce a “Package to Support All Women Who Shine,” which will articulate a strategy to support female labour force participation that extends to 2020.¹³⁴⁴ Currently the female participation rate of women in Japan is around 63 per cent, which is much lower than that of other OECD countries but relatively high for Japan's history. Furthermore, once women decide to have a child “70 [per cent] of them stop working for a decade or more, compared with just 30 [per cent] in America.”¹³⁴⁵

Despite the above-mentioned policy initiatives, Japan's labour force faces significant structural issues. While unemployment has been falling, to as low as 3.5 per cent in recent months, there remains a growing share of temporary and part-time positions with lower pay, particularly for women.¹³⁴⁶ This trend may indicate the need for more aggressive labour and employment policies.

During the compliance period Japan has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Melissa Rodgers

Korea: +1

Korea has fully complied with the commitment on labour and employment.

On 6 September 2013, as part of ongoing labour policies to reduce informality initiated in 2011, the Korean Ministry of Employment and Labour (MOEL) announced that it will convert over 65,000 non-regular public servants, engaged in work of a permanent nature, into regular status (open-ended contract)

¹³⁴¹ Foreign worker visa changes, Wall Street Journal (New York). 4 April 2014. Date of Access: 30 September 2014. <http://online.wsj.com/news/articles/SB10001424052702303532704579481143704862568>

¹³⁴² Japan moves to expand controversial foreign worker scheme, Reuters (Tokyo) 1 April 2014. Date of Access: 30 September 2014. <http://www.reuters.com/article/2014/04/01/us-japan-economy-workers-idUSBREA300V420140401>

¹³⁴³ David Pilling, Japan is creating jobs but workers do not prosper, Financial Times (London) 10 September 2014. Date of Access: 8 October 2014. <http://www.ft.com/intl/cms/s/0/ff22e590-374a-11e4-8472-00144feabdc0.html#axzz3FOrzIFIV>

¹³⁴⁴ Opening Speech by Prime Minister Shinzo Abe at the Open Forum, World Assembly for Women in Tokyo: WAW! Tokyo 2014. Date of Access: 28 September 2014. http://japan.kantei.go.jp/96_abe/statement/201409/waw140912.html

¹³⁴⁵ Japanese women and work: Holding back half the nation, The Economist (Tokyo) 29 March 2014. Date of Access: 8 October 2014. <http://www.economist.com/news/briefing/21599763-womens-lowly-status-japanese-workplace-has-barely-improved-decades-and-country>

¹³⁴⁶ Japanese Job Market Shifts to Part-Time, Lower Pay, Bloomberg (New York). 30 May 2014. Date of Access: 5 October 2014. <http://www.bloomberg.com/infographics/2014-05-30/japanese-job-market-shifts-to-part-time.html>

contracts. The conversions will take place over the next two years as a way for the public service to “lead the way” in improving work conditions.¹³⁴⁷

A survey conducted by the MODEL on the ratio of employed men to women found that many fell below the 60 per cent average employment rate for the industry. As a result MOEL announced in October 2013 that companies with a record of taking affirmative action will be rewarded with incentives (such as extra points when bidding for government contracts or priority for loans) while those with consistently low female employment rates will be publicly named.¹³⁴⁸

On 18 November 2013, the Korean government signed a memorandum of understanding with the province of Gyeonggi to promote the creation of decent part-time jobs that “guarantee basic working conditions, and in which workers are not discriminated against compared to full-time workers.” The goal is to create appealing work opportunities for women balancing child-rearing responsibilities, young workers that are simultaneously in school, and older workers gradually transitioning into retirement.¹³⁴⁹

The Global Gender Gap Report 2013, which evaluates gender-based gaps in access to resources and opportunities, published by the World Economic Forum, ranked Korea 111th in gender equality, down three spots from 2012 and down from 92nd spot in 2006.¹³⁵⁰

As of January 2014, Korea has the lowest overall unemployment rate of the G20 members, at 3.5 per cent.¹³⁵¹ President Park Geun-hye has declared that her government will “raise the employment rate from 64 [per cent] to 70 [per cent] in the next five years under the Creative Economy strategy.” The strategy is threefold: (1) strengthen the employability of youth; (2) provide “technical and financial support for start-up businesses”; (3) strengthen “the social safety net.”¹³⁵²

Cho Yoon Sun, minister for gender equality, affirmed that the “biggest priority is to help [women] not to quit their jobs while raising kids.”¹³⁵³ In Korea, childrearing responsibilities account for the high number of women dropping out of the workforce in their early 30s. For highly educated women with better paid jobs the employment rates do not recover after childbirth when they try to re-enter the labour market.¹³⁵⁴ Park indicated plans to raise spending by 68 per cent in 2014 on efforts to tackle gender inequality. Measures announced in February 2014 included building more childcare facilities at

¹³⁴⁷ 65,000 public-sector non-regular workers to be converted to regular status (open-ended contract) by 2015, Ministry of Employment and Labor (Sejong-si) 6 September 2013. Date of Access: 27 February 2014.

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1019

¹³⁴⁸ Affirmative action program in 2013, Ministry of Employment and Labor (Sejong-si) 22 October 2013. Date of Access: 27 February 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1022

¹³⁴⁹ MOEL and Gyeonggi provincial government sign MOU to create part-time jobs, Ministry of Employment and Labor (Sejong-si) 18 November 2013. Date of Access: 27 February 2014.

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1033

¹³⁵⁰ The Global Gender Gap Report 2013, World Economic Forum (Geneva) 25 October 2013. Date of Access: 27 February 2014. <http://www.weforum.org/reports/global-gender-gap-report-2013>

¹³⁵¹ Economically Active Population Survey in January 2014, Statistics Korea (Seoul) 12 February 2014. Date of Access: 27 February 2014. <http://kostat.go.kr/portal/english/news/1/1/index.board?bmode=read&aSeq=311685>

¹³⁵² Jobs and the disciplined market, The Economist (London) 18 November 2013. Date of Access: 15 February 2014. <http://www.economist.com/news/21589119-well-functioning-market-will-widen-opportunities-young-people-believes-park-geun-hye-president>

¹³⁵³ South Korea Shuns Moms at Peril as Workforce Shrinks, Bloomberg (New York) 23 January 2014. Date of Access: 27 February 2014. <http://www.bloomberg.com/news/2014-01-23/south-korea-shuns-moms-at-peril-as-workforce-shrinks.html>

¹³⁵⁴ South Korea Shuns Moms at Peril as Workforce Shrinks, Bloomberg (New York) 23 January 2014. Date of Access: 27 February 2014. <http://www.bloomberg.com/news/2014-01-23/south-korea-shuns-moms-at-peril-as-workforce-shrinks.html>

workplaces and encouraging men to take more paternity leaves by increasing the amount of leave-pay.¹³⁵⁵

On 20 February 2014, Minister of Employment and Labour Phang Ha-Nam announced a series of policy initiatives to increase the employment rate of the population to 70 per cent¹³⁵⁶ (from the current level of 58.5 per cent)¹³⁵⁷ by creating more job opportunities for youth, helping women fully exert their abilities, and expanding welfare for low-income people to ensure future prosperity. The measures would include changes to unemployment benefit rules to include more professions, changes to childcare leave to improve life-work balance of employees, and the opening of employment-welfare centres.

Employment data published in January 2014 indicated a spike in the youth unemployment rate for people aged 15-29 to 8.7 per cent from a 7.5 per cent in November 2013.¹³⁵⁸ Korea, at 71 per cent, has one of the highest rates of high school graduates continuing on to university and colleges.¹³⁵⁹ This has created a shortage of blue-collar workers and a high degree of structural unemployment due to skills mismatch, as most college graduates avoid low-paying and physically demanding work.¹³⁶⁰ The MOEL consequently declared the expansion of job opportunities as a top priority for 2014 along with a plan to facilitate the entry of youth workers into the labour force. Part of the plan would include the creation of a dual vocational education system for high school and college students, similar to those in Switzerland and Germany, which would help high school graduates get employment experience before going to college and allow employers to hire young workers that have already received on-the-job training.¹³⁶¹ The plan is yet to be designed in collaboration with other ministries.

In April 2014, the Korean Ministry of Employment and Labour announced the creation of National Competency Standards (NCS) for all occupations by the end of the year in an effort to address the skills mismatch among youth. The Standards will include information, by sector and competency level, on the knowledge and skills required to perform a job in the workplace in the effort to better align vocational education and training (VET) to labour market demand.¹³⁶² On 21 July 2014 the integrated web portal for NCS containing the 254 NCS' and 468 learning modules developed thus far had become operational.¹³⁶³

¹³⁵⁵ S. Korea assigns 4.65 tln won to support women. The Korea Herald (Seoul) 4 February 2014. Date of Access: 27 February 2014. <http://www.koreaherald.com/view.php?ud=20140204000554>

¹³⁵⁶ MOEL pledges to implement 4 policy goals and 11 strategies in 2014 to achieve 70% employment rate, Ministry of Employment and Labor (Sejong-si) 20 February 2014. Date of Access: 27 February 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1041

¹³⁵⁷ Economically Active Population Survey in January 2014, Press Release, Statistics Korea (Seoul) 12 February 2014. Date of Access: 27 February 2014. <http://kostat.go.kr/portal/english/news/1/1/index.board?bmode=read&bSeq=&aSeq=311685&pageNo=1&rowNum=10&navCount=10&currPg=&sTarget=title&sTxt=>

¹³⁵⁸ Strong jobs data. Efforts required to tackle youth unemployment, The Korea Herald (Seoul) 14 February 2014. Date of Access: 27 February 2014. <http://www.koreaherald.com/view.php?ud=20140214000600>

¹³⁵⁹ College restructuring. Reform should be wise, decisive, The Korea Herald (Seoul) 26 January 2014. Date of Access: 27 February 2014. <http://www.koreaherald.com/view.php?ud=20140126000069>

¹³⁶⁰ S. Korea's youth unemployment rate rises, China Daily USA (New York) 19 December 2013. Date of Access: 27 February 2014. http://usa.chinadaily.com.cn/world/2013-12/19/content_17184451.htm

¹³⁶¹ Strong jobs data. Efforts required to tackle youth unemployment, The Korea Herald (Seoul) 14 February 2014. Date of Access: 27 February 2014. <http://www.koreaherald.com/view.php?ud=20140214000600>

¹³⁶² Enterprise- and industry-led vocational training, Ministry of Employment and Labor (Sejong-si) 7 April 2014. Date of Access: 4 October 2014 http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1046

¹³⁶³ Integrated web portal for NCS and learning modules starts its services on Jul. 21st, Ministry of Employment and Labor (Sejong-si) 21 July 2014. Date of Access: 4 October 2014 http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1070

On 21 May 2014, the government announced an action plan to set up on-the-job training (OJT) facilities. Companies deemed to have ‘excellent’ OJT training facilities would be designated as work-based learning providers and provided with support. Another 3,000 selected companies with good prospects of becoming work-based learning providers would be offered consulting on the Work-Study Dual system for six months so that they may also become designated OJT facilities. By 2017 the action plan seeks to have designated 10,000 OJT facilities and trained 70,000 students.¹³⁶⁴

On 27 May 2014 the financial company Woori Finance Information System signed a Memorandum of Understanding with MOEL and became one of the first companies to cooperate with the government on the Work-Study Dual System to recruit and train “student workers.”¹³⁶⁵ The Work-Study Dual System to promote youth employment is an apprenticeship conceived to provide a mix of classroom and on-the-job training based on the NSC.

To support female workforce participation the Ministry of Trade, Industry and Energy, the Ministry of Employment and Labor and the Ministry of Gender Equality and Family are working to set up joint workplace childcare centers in techno parks. On 12 June 2014, these three ministries announced that the first such facility will be set up in Gyeonggi Technopark and up to 90 per cent of the construction costs will be subsidized by the government.¹³⁶⁶

On 3 September 2014, a wage peak funding plan for older workers was announced as part of the implementation of the government’s plan to extend the retirement age to 60 as of 2016.¹³⁶⁷ Wage peak systems allow employees to accept a reduced salary for an opportunity to work past the retirement age set by a company. Furthermore, under the wage peak system, “if a company cuts the wages of workers aged 54 or over by more than 10 [per cent] under the wage peak system, the government subsidizes 50 [per cent] of the cut amount for up to six years.”¹³⁶⁸

On 24 September 2014, to address its rapidly aging population, the Korean government unveiled comprehensive employment measures for older people aimed at addressing employment insecurity, low-quality re-employment and old-age income concerns. Some of the initiatives announced include support for lifelong career planning and skills upgrading to pre-retirement outplacement services, which respond to the needs of an aging population with increased life expectancy. Other initiatives aim to encourage companies to restructure wages and modify human resource policies with the purpose of enabling people to keep maintain employment by diversifying work arrangements for older people.¹³⁶⁹

¹³⁶⁴ MOEL plans to foster 3,000 prospective work-based learning providers this year, Ministry of Employment and Labor (Sejong-si) 21 May 2014. Date of Access: 4 October 2014

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1053

¹³⁶⁵ MOEL and Woori Financial Group agree to cooperate to entrench Work-Study Dual System, Ministry of Employment and Labor (Sejong-si) 28 May 2014. Date of Access: 4 October 2014

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1054

¹³⁶⁶ Joint workplace childcare center to be set up for female researchers in Gyeonggi Technopark, Ministry of Employment and Labor (Sejong-si) 12 June 2014. Date of Access: 4 October 2014

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1058

¹³⁶⁷ Seoul to unveil wage peak funding plan, The Korea Herald (Seoul) 2 September 2014 Date of Access: 4 October 2014

<http://www.koreaherald.com/view.php?ud=20140903000985>

¹³⁶⁸ The wage peak system helps to extend retirement ages. Ministry of Employment and Labor (Sejong-si) Date of Access: 4 October 2014

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=46

¹³⁶⁹ MOEL unveils comprehensive employment measures for older people. Ministry of Employment and Labor (Sejong-si) 24 September 2014, Date of Access: 4 October 2014

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1077

On 29 September 2014, the Korean government announced changes that will expand the Equal Employment Opportunity Law as to affect more Koreans. The government declared that it would allocate KRW32.6 billion to increase part-time shifts to “allow more workers, [not just parent,] to reduce their working hours from next year, as part of efforts to improve working conditions, increase employment and add flexibility to the nation’s labour market.”¹³⁷⁰ Furthermore, in order to “encourage businesses to expand the part-time system, the government will offer financial subsidies to help them hire different types of workers.” Essentially, businesses will be “required to pay more than 130 per cent of minimum wage to those who choose to work as part-timers and to allow them to work between 15 and 30 hours a week,” as well as offer them benefits including health insurance and the national pension service.

During the compliance period, Korea has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Sabina Mibaescu

Mexico: +1

Mexico has fully complied with the commitment on labour and employment.

On 11 September 2013, Ministry of Labour and Social Welfare signed an agreement with the National Institute for Women (Inmujeres) and the National Commission for the Development of Indigenous Peoples to implement a co-operative project titled “Training of Community Managers Human, Labour Rights and Land from a Gender Perspective. The project is promoted from a social security and productivity standpoint, whereby the certification of skills for farm workers can in turn contribute to economic growth and thus, improve welfare levels for more than 500,000 in Mexico provinces.”¹³⁷¹

On 13 September 2013, in Singapore, Mexico’s Minister of Labour and Social Welfare Alfonso Navarrete Prida made an agreement with the host country to co-sponsor, within the Asia-Pacific Economic Cooperation (APEC) framework, three projects for the workplace. The first focuses on reducing regional barriers to the flow of education services in the region through building a portal for Career Technical Education. A second project intends to create a network of leaders in the employment of individuals with disabilities, and lastly support development of action plans for the use of this vulnerable sector of the population. The meeting between the two countries was to exchange labour reform practices and inclusion of vulnerable members of society in the labour force.

On 19 September 2013, Minister of Labour and Social Welfare Alfonso Navarrete Prida attended Job Day 2013 in the Michoacán region. During this event the federal government granted MXN8 million to Michoacán to support women and youth job losses attributed to natural disaster. The minister was also present at this time to witness an agreement between the government of Michoacán and the Institute of National Fund for Workers Consumption (INFONACOT). This agreement promotes lending credit to the workers of Michoacán. The minister also emphasized that by law all employers must formally register their workers to INFONACOT, thus seeking formalized employment measures. Furthermore, the Minister concluded the events in Michoacán by awarding a Certificate of Mexican Standard for

¹³⁷⁰ Part-time jobs to be expanded, The Korea Herald (Seoul) 29 September 2014. Date of Access: 4 October 2014
<http://www.koreaherald.com/view.php?ud=20140929001056>

¹³⁷¹ The secretary of Labour and Inclusion Signed the Cooperation Agreement for the Project “Training of Community Managers Human, Labour Rights and Land from Gender Perspective” Ministry of Labour and Social Welfare (Mexico City) 11 September 2013. Date of Access: 10 March 2014.
http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_con_inmujeres.html

Equality between Men and Women workers to the movie chain Cinopolis, accordingly recognizing the inclusion of vulnerable groups in the labour force.¹³⁷²

On 20 September 2013, at the Annual Meeting of Industrial Countries Labour Minister Alfonso Navarrete Prida presented the “Challenge of the National Labour Policy 2013 — 2018” and focused his discussion on the Programme for Employment Formalization 2013. The Programme will be disseminated through coordination between the Mexican Social Security Institute and the Ministry of Labour and Social Welfare. In order to promote the formalization of labour, the Programme will offer social insurance and access credit for registered workers.¹³⁷³

On 23 September 2013, the Minister of Labour and Social Welfare Alfonso Navarrete Prida granted the National Employment Service 10 million pesos to support workers in Veracruz who were affected by natural disaster. Also at this time, the Minister of Labour and Social Welfare inaugurated the installation of the Productivity Commission and the Committee of Planning, Evaluation and Monitoring the Prevention and Eradication of Child Labour for the Agribusiness sector in Veracruz.¹³⁷⁴

On 4 October 2013, the Minister of Labour and Employment Alfonso Navarrete Prida attended the installation of the State Productivity Commission and the Commission for the Eradication of Child Labour and Protection of Young Workers Age in the state of Sonora. During the event the Ministry officials emphasized the promotion of quality jobs, decent work and productivity as a result.¹³⁷⁵

From 8 to 10 October 2013, the Mexican government was present at the Third Global Conference on Child Labour hosted by Brazil. At this time, President Enrique Peña Nieto promoted his reform article 123 of the Constitution to raise the minimum age for employment from 14 to 15 years in an effort to eradicate child labour. In order to implement this policy, the federal government will employ the Interministerial Commission for the Prevention and Eradication of Child Labour and Protection of Young Workers in Age Allowed in Mexico. This multidimensional effort will act in conjunction with representatives of companies and trade unions, as well as civil society and international organizations.¹³⁷⁶

On 8 October 2013, the Ministry of Labour announced the creation of a portal of employment and careers for persons with disabilities and seniors at the First Job Fair for People with Disabilities and Older Adults in the municipality of Ecatepec. This is in promotion of a national objective to provide

¹³⁷² The Climatic Event Will Not Stop Our Development: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 19 September 2013. Date of Access: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_110.html

¹³⁷³ Priority for Government and Business Grow the Use of Agile and Held in Mexico: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 20 September 2013. Date of Access: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_111.html

¹³⁷⁴ Workers Ministry of Labour and Social Welfare of Consistently to Give a Strong Boost Productivity in the Country: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 23 September 2013. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_112.html

¹³⁷⁵ With the Sum of Efforts are Guaranteed Best Conditions for Use at Home: Patricia Martínez Cranss, Ministry of Labour and Social Welfare (Mexico City) 4 October 2013. Date of Access: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_119.html

¹³⁷⁶ The Federal Government is Implementing Actions to Eradicate Child Labour: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 9 October 2013. Date of Access: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_122.html

inclusivity in the labour sector. At this time, the ministry also spoke of tax incentives for companies who hire persons with disabilities or seniors.¹³⁷⁷

On 25 October 2013, the Minister of Labour and Social Welfare Alfonso Navarrete Prida announced the grant of 15.5 million pesos from the framework of the Emerging Supporting Jobs Programme to assist with the effects of a natural disaster in the region and facilitate training of unemployed individuals.¹³⁷⁸

On 26 October 2013, the Minister of Labour and Social Welfare Alfonso Navarrete Prida announced the grant of MXN5.7 million to the Yucatan region under the framework of the Emerging Employment Support Programme.¹³⁷⁹

On 29 October 2013, the Minister of Labour and Social Welfare Alfonso Navarrete Prida attended a meeting in Oaxaca to announce a grant of 4 million pesos to the region under the framework of the Emerging Employment Support Programme. In addition, the minister announced a separate MXN4 million to contribute towards individuals who wish to be retrained or to undertake self employment. The Minister also announced that Oaxaca will receive MXN60 million of federal funding towards employment, scholarships and training support for the unemployed and underemployed in the region.¹³⁸⁰

On 3 December 2013, Assistance Secretary of Labour Inclusion Ruby Salazar was present in Nuevo Leon region to inaugurate the installation of the State Commission for the Prevention and Eradication of Child Labour and Protection of Young Workers in Age Permitted. During this time, the Secretary also signed agreements with the cooperation of the local university Autonoma de Nuevo Leon (UANL) and Technology Santa Catarina (UTSC) on the topic of labour inclusion. In the case of UANL, the agreement promoted further collaboration between the federal government and the university to provide a fair and inclusive society, strengthen the link between work and education, and promote dignified work and job training. With UTSC, the agreement focused on market inclusion for individuals with disabilities through inclusive business, and the creation of a Higher Education Programme and Jobs at Home for Housewives and Persons with Disabilities.¹³⁸¹

On 4 December 2013, the Minister of Labour and Social Welfare Alfonso Navarrete Prida awarded the financial institution Scotiabank with a certificate for meeting the Mexican Standard for Equal Work for Women and Men. This recognition intends to “strengthen equality as a legal principle and as a condition

¹³⁷⁷ Started in November the Portal of Employment and Job, to a Person with Disabilities and Seniors, Ministry of Labour and Social Welfare, Ministry of Labour and Social Welfare (Mexico City) 8 October 2013. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_121.html

¹³⁷⁸ Delivery the Secretary of Labour and Social Welfare, Alfonso Prida Navarrete, 15.5 Million Pesos a Warrior Program to Support Emerging Job, Ministry of Labour and Social Welfare (Mexico City) 25 October 2013. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_132.html

¹³⁷⁹ Mexico Facing the Challenge of Foster Family Welfare, Poverty Reduction and Contribute to Improving the Harmonic and Peaceful Living your Entire Population: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City). Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_133.html

¹³⁸⁰ Mexico Priority Can Not Have That Growth and Jobs: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 29 October 2013. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_135.html

¹³⁸¹ Attest the Ministry of Labour and Social Welfare Facility State Commission for the Prevention and Elimination of Child Labour, Ministry of Labour and Employment (Mexico City) 3 December 2013. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/diciembre/bol_152.html

of life, recognizing the internal dynamics of public and private organizations.”¹³⁸² The national government’s policy on gender equality promotes the same opportunities and rights for men and women and equal treatment in the workplace regardless of gender. This certificate is in line with a policy seeking social inclusion for marginalized groups of society in the framework of decent employment.

On 17 December 2013, Assistant Secretary of Labour Inclusion Ruby Salazar was in Tabasco to install the State Commission for the Prevention and Eradication of Child Labour and Protection of Young Workers in Age Allowed. The same day the Assistant Secretary signed with the University of Olmecca a Collaboration Agreement on Labour Inclusion.¹³⁸³

On 21 January 2014, the Minister of Labour and Social Welfare Alfonso Navarrete Prida presented 76 companies from 16 states with awards for their engagement as a Distinctive Agricultural Company Free from Child Labour. These awards signify the priority of the Mexican government to protect the human rights of the vulnerable sectors of the community, in particular children. Along with Act 123 which intends to increase the working age from 14 to 15 years, the President Enrique Peña Nieto noted the initiative to ratify Convention No. 138 of the International Labour Organization regarding Minimum Age for Admission to Employment to eradicate the worst forms of child labour by 2016 and eliminate all forms of child labour by 2020.¹³⁸⁴

On 28 January 2014, the Minister of Labour and Social Welfare presided at the installation of the Productivity Commissions of Prevention and Eradication of Child Labour in Guerrero.¹³⁸⁵

On 12 February 2014, the Minister of Labour and Social Welfare Alfonso Navarrete Prida presided at the installation of the State Committee on Productivity in Baja California. The committee intends to promote dialogue, cooperation and collaboration and trust between all three levels of government, employers, workers, education systems and society in general. At this time the minister took the opportunity to mention that the Institute of the National Fund for Workers Consumption intends to lend more than a billion pesos in loans and cash with low interest rates to increase purchasing power for families and support wage increase.¹³⁸⁶

On 20 February 2014, the Ministry of Labour and Social Welfare and the Ministry of Labour and Social Security formally launched the web portal “Making Room” which connects persons with disabilities and older adults to employment opportunities. This channel furthers the Ministry’s dialogue of social

¹³⁸² The Mexican Government Confirms its Firm Commitment to the Promotion and Respect for Gender Equity: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 4 December 2013. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/diciembre/bol_153.html

¹³⁸³ Be the Elimination of Child Labour One of the Major Challenges of Mexico: Ignacio Ruby Salazar, Ministry of Labour and Social Welfare (Mexico) 17 December 2013. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/diciembre/bol_155.html

¹³⁸⁴ Only from Educated Children and Youth is Guaranteed a More Productive and More Competitive Mexico: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico) 21 January 2014. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/enero/bol_164.html

¹³⁸⁵ Alfonso Navarrete Prida Adding a Huge Effort to Close the Gaps of Inequality, Ministry of Labour and Social Welfare (Mexico) 28 January 2014. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/enero/bol_166.html

¹³⁸⁶ Employment Generation Sources, Lever to Promote Home Equity Cash and Fighting Poverty: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 12 February 2014. Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/febrero/bol_172.html

inclusion and commitment to assisting individuals who have historically been left out of the labour sector, persons with disabilities and seniors.¹³⁸⁷

On 21 February 2014, the National Conference of Secretaries of Labour concluded its annual meeting. Apart from discussing successes of government programs in the area of social inclusion and productivity, six working groups were created to give continuity to agreements between the federal and provincial governments. These groups will work to promote various regional themes such as the implementation of “labour reform, the transition from informal to formal employment, the promotion of employment, the coordination of Conciliation and Arbitration and the procurators of the Defense office and, lastly, work ethics and justice.”¹³⁸⁸

On 25 February 2013, the Assistant Secretary of Employment and Labour Productivity Patricia Martinez Cranss inaugurated the Second National Job Fair for technicians and professionals in Chihuahua. A total of 78 events in 31 states partook in the fair, generating 60,000 vacancies by more than 3,000 engaged companies. According to the Assistant Secretary, 13 per cent of the vacancies will demand a school graduate and other technical level, 34 per cent of job applicants have a bachelor’s degree, 24 per cent with a secondary education, 22 per cent with a high school or vocational education and 6 per cent with a technical course education.¹³⁸⁹

On 14 March 2014, the Secretary of Labour and Social Welfare Alfonso Navarrete Prida signed a cooperation agreement in the field of Labour Inclusion with the government of Veracruz and the University of Veracruz. The agreement commits signatories to promote conditions of equality, non-discrimination, employability and competitiveness, and to provide the working population the skills development and inclusion to decent work.¹³⁹⁰

On 19 March 2014, 31 federal states participated in the second national job fair where more than 73,000 jobs were being offered. The event emphasized the promotion of formal and decent employment. Apart from private institution, which totaled more than 182, educational institutions were involved in offered 6000 scholarships.¹³⁹¹

On 27 March 2014, the Secretary Navarrete Prida witnessed the signing of a Cooperation Agreement in the Field of Labor Inclusion between the Ministry of Labour and Social Welfare, Government of Eruviel Ávila Villegas and the Autonomous University of the State of Mexico. Through the agreement, the university joins efforts to combat child labor in conducting research and specific actions in the field,

¹³⁸⁷ Presenting Job Portal STPS Oriented People with Disabilities and Seniors, Ministry of Labour and Social Welfare (Mexico City) 20 February 2014. Date of Access: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/febrero/bol_180.html

¹³⁸⁸ Meeting Concludes the National Conference of Secretaries of Work, Ministry of Labour and Social Welfare (Mexico City) 21 February 2014. Date of Access: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/febrero/bol_184.html

¹³⁸⁹ Opens Second National Job Fair in Chihuahua, Ministry of Labour and Social Welfare (Mexico City) 25 February 2014.

Date of Access: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/febrero/bol_188.html

¹³⁹⁰ Alfonso Navarrete Prida Calls to Strengthening Inclusion Policy Working, Ministry of Labour and Social Welfare (Mexico City) 14 March 2014. Date of Access: 15 October 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/marzo/bol_198.html

¹³⁹¹ In the Second National Job Fair 900 Companies Participated 3 Mil, 73 Mil Offering More Vacancies and Over 75 Thousand Job Seekers in Events Nationwide, Ministry of Labour and Social Welfare (Mexico City) 19 March 2014. Date of Access: 15 October 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/marzo/bol_200.html

in addition to its involvement in issues such as job training, skills certification, labor inclusion, gender equality and education business links.¹³⁹²

On 3 April 2014, the Secretary of Labour, Thomas E. Perez and the Secretary of Labour and Social Welfare, Alfonso Navarrete Prida signed a joint ministerial statement to conduct consultations in the framework of the Agreement on Labour Cooperation of North America to inform Mexican Workers about their labour rights under USA laws. In 2013, the Secretary of Labor and Social Welfare of Mexico requested the Ministerial Consultations USA Labor Department to address the matters on three public communications in the Ministry of Labor and Social Welfare of Mexico under the NAALC. Public communications concerned the rights of Mexican migrants in the United States with visas H-2A and H-2B in the agriculture, forestry, food packaging and fairs and carnivals.¹³⁹³

On 6 April 2014, the National Employment Service (SNE) and the Ministry of Labour and Social Security in Michoacán, invested 42 million pesos to generate 55 thousand formal jobs under the program “For Michoacán, together we succeed.”¹³⁹⁴

On 4 June 2014, the Mexican government ratified Convention 138 of the International Labour Organization (ILO). The convention commits Mexico to enact policies to prevent and eradicate child labour primarily through raising the minimum working age from 14 to 15 years old.¹³⁹⁵ On 6 June 2014, following the ratification on the ILO convention of child labour, the Mexican government commissioned the campaign “the Red Card to Child Labour,” an initiative to reduce the number of child labourers.¹³⁹⁶

On 20 June 2014, the Ministry of Labour and Social Welfare inaugurated the opening of the Centre for Child and Adolescent Labour in Chiapas. The purpose of the centre is to strengthen advocacy work and care for the rights of children and youth.¹³⁹⁷

On 27 July 2014, the Ministry of Labour and Social Security launched the “Operation to Promote Decent and Healthy Work, Free of Violence 2014,” to promote and monitor respect for human rights and labour rights by employers. The actions are aimed at promoting the adoption of a decent work culture through visits and advice performed by the Ministry of Labour and Social Security to ensure respect for human dignity, non-discrimination, access to social security, proper salary, and ongoing training for health and safety conditions to prevent workplace hazards. The project also examines the

¹³⁹² Attend the Secretary Alfonso Navarrete Prida Installation of Inter-Commission for the Elimination of Child Labour in the State of Mexico, Ministry of Labour and Social Welfare (Mexico City) 27 March 2014. Date of Access: 15 October 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/marzo/bol_207.html

¹³⁹³ Joint Ministerial Statement on Migrant Workers Signed by the Secretary of Labour for USA and the Secretary of Labour and Social Welfare of Mexico, Ministry of Labour and Social Welfare (Mexico City) 3 April 2014. Date of Access: 16 October 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/abril/bol_211.html

¹³⁹⁴ Coordination of Three Areas of Government is to Attract More Investments and Create More and Better Jobs, Ministry of Labour and Social Welfare (Mexico City) 20 April 2014. Date of Access: 16 October 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/abril/bol_214.html

¹³⁹⁵ Validity That Raises Constitution Reform 14 to 15 years the Minimum Age to Work, Ministry of Labour and Social Welfare (Mexico City) 4 June 2014. Date of Access: 15 October 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/junio/bol_244.html

¹³⁹⁶ Fifth Ordinary Session of the Inter-Commission on Prevention and Elimination of Child Labour and Protection of Teen Age Workers Allowed in Mexico, Ministry of Labour and Social Welfare (Mexico City) 6 June 2014. Date of Access: 15 October 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/junio/bol_246.html

¹³⁹⁷ Observatory of Child Labour and Teen in Establishing Chiapas Pioneer in The Country, Ministry of Labour and Social Welfare (Mexico City) 20 June 2014. Date of Access: 15 October 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/junio/bol_254.html

principle of substantive equality, food aid, women's rights inherent in motherhood, child labor age permitted, which meets the requirement to recruit the workplace Institute of the National Fund for Consumption Workers (INFONACOT). The actions will take place throughout the year.¹³⁹⁸

On 30 July, the Secretary of Labour and Social Welfare Alfonso Navarrete Prida signed a letter of intent alongside the California Governor Edmund G. Brown to collaborate on the protection of the rights of Mexican Temporary Workers in California. The letter of intent sought to launch a voluntary pilot program to help prevent abuses in the recruitment of temporary Mexican workers with G-2 Visas in California.¹³⁹⁹

On 19 August 2014, The Ministry of Labor and Social Welfare, the National Institute for Women (Inmujeres) and the National Council to Prevent Discrimination (Conapred) signed a Collaboration Agreement for the Development of Action on Equality and Non-Discrimination Labor, in order to contribute to coordinated way in eradicating discrimination and conditions hindering women's access to paid work on equal terms.¹⁴⁰⁰

On 11 September 2014, The Secretary of Labour and Social Welfare Alfonso Navarrete Prida, and the Minister for Employment and Social Security of Spain, Fatima Banez Garcia, signed a Cooperation Agreement in the workplace, in the framework of the Ministerial Meeting of G20 Labour and Employment. Through this cooperation agreement Ministries of Mexico and Spain agreed to develop cooperation mechanisms on inspection of the workplace, safety and health at work, youth employment, professional certificates and recognition of professional competence.¹⁴⁰¹

On 25 September 2014, the Secretary of Labour and Social Welfare Alfonso Navarrete Prida led a ceremony in which the Governor of Michoacán, Guerrero Salvador Jara, and the Director General of the Institute of the National Fund for Workers Consumption (INFONACOT), César Alberto Martínez Baranda, signed the Cooperation Agreement for Dissemination of Credit Benefits INFONACOT in the federal state. Through INFONACOT, the Ministry of Labor and Social Welfare is involved in the strategy of formalization with lending to workers who need to purchase household goods and commercial products, and thus enables them to improve the economy of their families and their communities.¹⁴⁰²

During the compliance period Mexico has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Bianca Salazar

¹³⁹⁸ Start Operating Worthy to Promote Decent, Healthy and Workplace Free of Violence, Ministry of Labour and Social Welfare (Mexico City) 27 July 2014. Date of Access: 16 October 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/julio/bol_271.html

¹³⁹⁹ Alfonso Navarrete Secretary and Governor of California Team Up to Protect Rights of Migrant Workers, Ministry of Labour and Social Welfare (Mexico City) 30 July 2014. Date of Access: 16 October 2014.

¹⁴⁰⁰ Sign STPS, Inmujeres and Conapred Convention Working to Promote Equality and Non-Discrimination, Ministry of Labour and Social Welfare (Mexico City) 19 August 2014. Date of Access: 16 October 2014.

¹⁴⁰¹ Mexico and Spain Sign Cooperation Agreement of Labour, Ministry of Labour and Social Welfare (Mexico City) 11 September 2014. Date of Access: 16 October 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/septiembre/bol_287.html

¹⁴⁰² Michoacán Continues Counting All the Support of Enrique Peña Nieto the President and the Government of the Republic: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 25 September 2014. Date of Access: 16 October 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/septiembre/bol_293.html

Russia: +1

Russia has fully complied with the commitment on labour activation policies to bring vulnerable groups into the labour market.

On 13 November 2013, the Russian government adopted an action plan to increase the number of high-skilled workers by 2020. It provides for the measures to assist students and workers achieve skills that ensure a high level of professional competency and will modernize educational programs to ensure flexibility and individual approaches using modern technologies. By 2018, 250 multifunctional centres of applied qualifications and a basic centre of professional training will be created.¹⁴⁰³

On 20 December 2013, the Russian government adopted rules to subsidize regional authorities creating additional jobs for people with disabilities. The government plans to help employ 14,200 people with disabilities annually in 2014 and 2015, stimulate companies to employ them, and help to exercise the right of persons with disabilities for vocational rehabilitation and integrate them into society. An average subsidy for employers per workplace created and equipped for people with disabilities will increase from RUB66.2 thousand in 2013 to RUB69.3 thousand in 2014 and RUB72.7 thousand in 2015. The budget provides RUB918.7 million and RUB963.7 million to conduct these additional activities in 2014 and 2015, respectively.¹⁴⁰⁴

On 26 December 2013, the Russian government held a discussion on employing people with disabilities.¹⁴⁰⁵ The government decided to monitor the implementation of measures to increase employment for people with disabilities, develop methodological recommendations to assess the effectiveness of those measures and increase the employment of people with disabilities in government organizations and state-owned enterprises.¹⁴⁰⁶

On 15 April 2014, the Russian government adopted the revised State Program on the Promotion of Employment, which includes the subprogram 'Proactive Labour Policy and Social Support of the Unemployed' aimed at improving legislation on employment, enhancing the effectiveness of employment promoting policies, and improving social support to unemployed. RUB350 billion will be allocated from 2013 to 2020.¹⁴⁰⁷

On 13 June 2014, the Russian government adopted the Plan of Implementation of the State Program on the Promotion of Employment in 2014-2016. The Plan includes detailed list of activities and a schedule of their implementation.¹⁴⁰⁸

During the compliance period, Russia has taken measures to conduct effective labour activation policies and actions to bring under-represented and vulnerable groups into the labour market. Thus, Russia has been awarded a score of +1.

Analyst: Mark Rakhmangulov

¹⁴⁰³ On the adoption of the Action Plan to increase the number of high-skilled workers by 2020, Russian Government, 16 November 2013. <http://government.ru/docs/8204>.

¹⁴⁰⁴ On the rules of subsidizing additional actions in the sphere of employment, Russian Government, 16 November 2013. <http://government.ru/docs/9322>.

¹⁴⁰⁵ Government meeting, Russian Government, 26 December 2013. <http://government.ru/en/news/9331>.

¹⁴⁰⁶ Decisions taken at the Government meeting on 26 December 2013, Russian Government 26 December 2013. <http://government.ru/news/9401>.

¹⁴⁰⁷ Government Resolution No. 298 of 15 April 2014, Russian Ministry of Labour and Social Protection, 29 April 2014. <http://www.rosmintrud.ru/docs/government/134>.

¹⁴⁰⁸ Government Directive No 1048-r of 13 June 2014, Russian Government 13 June 2014. <http://pravo.gov.ru/laws/acts/48/49485256451088.html>.

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on labour and employment.

On 9 September 2013, Muftah.org published a study outlining the trouble private companies experience at the hand of the Saudi government imposing restrictions that “ultimately result ... in a stagnant private sector that lacks innovation and sense of entrepreneurship [and] this is a big obstacle to the development of a more diversified economy that would increase the number of suitable, high-paying jobs available to the Saudi youth [in particular].”¹⁴⁰⁹ The private sector is less appealing to Saudis due to lower salaries, less benefits, and more demanding hours of work. Businesses also find it cheaper to hire foreigners.¹⁴¹⁰

In October 2013, the Saudi government took proactive steps towards safeguarding immigrant workers. For example, employers are unable to impose work unless previously agreed upon, or they are restricted from “imposing any dangerous work that threatens [the immigrants’] health, safety and human dignity,”¹⁴¹¹ yet many immigrants are unaware of their rights and enforcement mechanisms are weak. Saudi Arabia also works on a kafala system, whereby employers have control and power over things such as when a migrant can change employers or leave the country.¹⁴¹²

In November 2013, there was a crack-down on undocumented migrant workers and many were deported. Although in theory, the crackdown would provide more job opportunities for Saudi citizens, “few Saudis seem likely to seek [these kinds of jobs], least of all those of the menial kind, which the kingdom’s 19m citizens tend to shun.”¹⁴¹³ Traditionally, Saudis have relied on accessible, stable and well-paying government jobs. The IMF says almost two-thirds of employed Saudis nationals work for the government, but that “there is a need to improve education to boost the skills and productivity of workers.”¹⁴¹⁴ Nonetheless, “some economists expect longer-term benefits, as an overall rise in labour costs makes Saudis more attracted to lower-prestige and starting-level jobs, where wages have long been kept down by the abundance of foreign labour.”¹⁴¹⁵

On 2 January 2014 India and Saudi Arabia signed an agreement which will provide “reasonable work conditions and eliminating middlemen from the recruitment process.”¹⁴¹⁶

¹⁴⁰⁹ Unemployment in Saudi Arabia: a Ticking Time Bomb?, Muftah (Riyadh) 9 September 2013. Access Date: 15 March 2014. <http://muftah.org/unemployment-in-saudi-arabia-a-ticking-time-bomb/>.

¹⁴¹⁰ Unemployment in Saudi Arabia: a Ticking Time Bomb?, Muftah (Riyadh) 9 September 2013. Access Date: 15 March 2014. <http://muftah.org/unemployment-in-saudi-arabia-a-ticking-time-bomb/>.

¹⁴¹¹ New Saudi rules ensure rights, safety of foreign household workers, GMA News (Riyadh) 31 October 2013. Access Date: 15 March 2014. <http://www.gmanetwork.com/news/story/333439/pinoyabroad/news/new-saudi-rules-ensure-rights-safety-of-foreign-household-workers>.

¹⁴¹² Dispatches: New Protection for Saudi Arabia’s Domestic Workers, Human Rights Watch (New York) 19 February 2014. Access Date: 15 March 2014. <http://www.hrw.org/news/2014/02/19/dispatches-new-protection-saudi-arabia-s-domestic-workers>.

¹⁴¹³ Saudi Arabia and its labourers: Go home, but who will replace you?, The Economist (London) 16 November 2013. Access Date: 15 March 2014. <http://www.economist.com/news/middle-east-and-africa/21589871-saudi-edict-limit-reliance-foreign-workers-fraught>.

¹⁴¹⁴ Unemployment haunts citizens in Saudi Arabia, gulfnews.com (Riyadh) 4 December 2013. Access Date: 15 March 2014. <http://gulfnews.com/news/gulf/saudi-arabia/unemployment-haunts-citizens-in-saudi-arabia-1.1263174>.

¹⁴¹⁵ Saudi Arabia and its labourers: Go home, but who will replace you?, The Economist (London) 16 November 2013. Access Date: 15 March 2014. <http://www.economist.com/news/middle-east-and-africa/21589871-saudi-edict-limit-reliance-foreign-workers-fraught>.

¹⁴¹⁶ India signs labour pact with Saudi Arabia, The Hindu (New Dheli) 3 January 2014. Access Date: 15 March 2014. <http://www.thehindu.com/news/national/india-signs-labour-pact-with-saudi-arabia/article5530528.ece>.

On 6 January 2014 the government of Saudi Arabia announced new welfare programs including an unemployment insurance scheme in order to encourage Saudi citizens to work in the private sector which typically pays less and has fewer benefits than public sector jobs.¹⁴¹⁷ The unemployment insurance scheme will be mandatory for all citizens with jobs.¹⁴¹⁸ It is notable that due to the average minimum salary increases in 2013 from SAR3,500 and SAR4,500, less Saudis have quit their jobs.¹⁴¹⁹

As of 6 January 2014, those with disabilities will see more inclusive employment services from an agreement between the Rehab Group and the Saudi Arabia Human Resources Development Fund “to support HRDF in the development of its inclusive employment and pre-employment programmes for people with disabilities in the Kingdom of Saudi Arabia.”¹⁴²⁰ It will train and place individuals with disabilities into jobs in Ireland and the United Kingdom.¹⁴²¹

On 26 January 2014, the Saudi government launched Jadara 3, a new online employment program where citizens looking for government jobs can register online versus having to register in person. Furthermore, “Jadara 3 is among several proper programs authorized by the ministry to improve using it within the recruitment process [and it] meets the interest in more recent methods to manage qualified staff and make a database that may become an essential reference in studying labor market needs.”¹⁴²²

On 25 February 2014, a new recruitment platform called Glowork was introduced and is Saudi Arabia’s first female recruiting platform to empower women and benefit the labour market. As of 6 March 2014, “the organization has built a database of 1.2 million unemployed women and created over 6,000 vacancies through private and public sector partnerships.”¹⁴²³

On 2 March 2014, “[a] letter of intent has been signed between [Jaguar] and the National Industrial Clusters Development Programme to determine the commercial viability of setting up a financially sustainable automotive facility” which could create between 4,000 and 5,000 new jobs.¹⁴²⁴ Qutoof Al-Riadah Company, which was established with the support of the Ministry of Labor, is looking to create 30,000 new jobs by helping start-ups to expand. They have a program called “Flat6Labs” which is “the Kingdom’s first leadership program backed by the private sector that aims to promote and develop the skills of Saudi entrepreneurs.”¹⁴²⁵

¹⁴¹⁷ Job security for 1.5 million Saudis, Arab News (Riyadh) 7 January 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/505026>.

¹⁴¹⁸ Saudi Arabia introduces unemployment insurance, Reuters (Riyadh) 6 January 2014. Access Date: 15 March 2014. <http://www.reuters.com/article/2014/01/06/saudi-unemployment-idUSL6NOKG1VX20140106>.

¹⁴¹⁹ As salaries improve, Saudis stay on jobs, Arab News (Riyadh) 21 February 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/528926>.

¹⁴²⁰ Rehab Group Signs Contract In Kingdom Of Saudi Arabia With Human Resources Development Fund, Rehab (Riyadh) 6 January 2014. Access Date: 15 March 2014. <http://www.rehab.ie/press/article.aspx?id=879>.

¹⁴²¹ New Partnership to Develop Education and Training Programs for People with Disabilities, Global Accessibility News (Riyadh) 7 January 2014. Access Date: 15 March 2014. <http://globalaccessibilitynews.com/2014/01/07/new-partnership-to-develop-education-and-training-programs-for-people-with-disabilities>.

¹⁴²² Ministry to Produce Online Jobs Application Program in Saudi Arabia, MySaudiJobs (Riyadh) 23 January 2014. Access Date: 15 March 2014. <http://mysaudijobs.com/blog/2014/01/23/ministry-produce-online-jobs-application-program-saudi-arabia/#.Ux0Pj3r594>.

¹⁴²³ On International Women’s Day, Let’s Hear It For The Men, Forbes (New York) 6 March 2014. Access Date: 15 March 2014. <http://www.forbes.com/sites/ashoka/2014/03/06/on-international-womens-day-lets-hear-it-for-the-men/>.

¹⁴²⁴ Jaguar Land Rover looking into feasibility of Saudi Arabian plant, Liverpool Echo (London) 2 March 2014. Access Date: 15 March 2014. <http://www.liverpoolecho.co.uk/news/business/jaguar-land-rover-looks-feasibility-6762405>.

¹⁴²⁵ 30,000 new leadership jobs planned for Saudis, Arab News (Riyadh) 14 February 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/525631>.

On 4 March 2014, the Oil Minister said that in order to diversify the economy, Saudi Arabia is looking at developing the petrochemical sector. To this end, “Saudi Arabia plans to build a plant able to turn crude directly into chemicals, without first having to refine the oil.”¹⁴²⁶ This diversification can provide jobs for youth.

Between 4-6 March 2014, the Ministry of Labour and Yanbu Chamber of Commerce will hold the Saudi Forum for Rehabilitation and Employment and will target job employment for Saudi Youth.¹⁴²⁷ In addition, according to the Riyadh Chamber of Commerce and Industry there are reportedly 683 jobs available in 19 different private sector companies for youth.¹⁴²⁸

On 8 March 2014, the Kingdom of Saudi Arabia announced that it “is developing an industrial city which would employ women” with the aim to diversify the labour force through an all-female factory producing a variety of goods.¹⁴²⁹ There will be 50 Saudi women employed, however should the model work, it will likely be expanded.

On 9 March 2014, it was reported that General Electric is offering training initiatives and knowledge sharing sessions to enhance youths’ skills, local initiatives, and human capital development. With support from the Saudi Ministry of Education and the Ministry of Labor, they provided twelve workshops titled “My Way to the Job Market,” to reach over 11,400 high school students, provide them with business and workplace skills, and a certificate to highlight career preparedness.¹⁴³⁰

The Saudi Commission for Tourism and Antiquities (SCTA) is working on “local initiatives that contribute to the development of the Saudi national tourism sector, including the recently launched SCTA programme for skills development to deal with tourists.”¹⁴³¹

The Executive Director of Saudi Petroleum Services Polytechnic is collaborating with industry organizations to ensure that students have the skills that employers desire and value. The President and CEO of Saudi Aramco said, “[h]ere is an industry that is growing, that is very profitable ... and more often than not, companies in our industry are constrained by growth because of a lack of skilled human resources, while they are living or working in countries where there is high unemployment [... and that] this issue of a mismatch is real.”¹⁴³²

From 9-11 March 2014 the Middle East and North African ASTD MENA 2014 Training and Development Forum will be held for the second time this year and gives priority to developing human

¹⁴²⁶ Saudi Arabia plans to build oil-to-chemicals plant, Reuters (New York) 4 March 2014. Access Date: 15 March 2014. <http://www.arabianbusiness.com/saudi-arabia-plans-build-oil-to-chemicals-plant-541381.html>.

¹⁴²⁷ Yanbu to host forum on youth employment, Arab News (Riyadh) 23 February 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/529906>.

¹⁴²⁸ Saudi Arabian companies open employment doors focusing national youth, The News Tribe (Riyadh) 7 March 2014. Access Date: 15 March 2014. <http://www.thenewstribes.com/2014/03/07/saudi-arabian-companies-open-employment-doors-focusing-national-youth/>.

¹⁴²⁹ Saudi Arabia to found women-only town, Times of Israel (Riyadh) 8 March 2014. Access Date: 15 March 2014. <http://www.timesofisrael.com/saudi-arabia-to-found-women-only-town>.

¹⁴³⁰ GE Volunteers in Riyadh partner with Injaz Saudi to extend technical training for over 11,400 school students, Zawya (Riyadh) 9 March 2014. Access Date: 15 March 2014. https://www.zawya.com/story/GE_Volunteers_in_Riyadh_partner_with_Injaz_Saudi_to_extend_technical_training_for_over_11400_school_students-ZAWYA20140309082827/.

¹⁴³¹ Middle East: STTIM to focus on skill development, International Meetings Review (Riyadh) 5 March 2014. Access Date: 15 March 2014. <http://www.internationalmeetingsreview.com/middle-east-and-north-africa/middle-east-sttim-focus-skill-development-98320>.

¹⁴³² Polytechnic to build skills for petroleum services industry, Arab News (Riyadh) 28 February 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/532351>.

capital and increasing employment opportunities, particularly for youth.¹⁴³³ The company Zain KSA has collaborated with universities and has several internships and training programs for university students which it continues to offer to men and women. These internships and training programs “are part of its belief in social responsibility and the importance of supporting Saudi youth with diverse working experiences through specialized human development programs.”¹⁴³⁴

On 18-20 March 2014, this year’s Jeddah Economic Forum will look at sustainable job creation for youth. The Chairman of the Board of Directors stated that “[d]ue to the rising number of unemployed young people in the Kingdom, [they] believe it is [their] duty to discuss this important issue and to find the right solution.”¹⁴³⁵ To this end, they are “inviting this year about 30 Ministers, experts and specialists who have been contributing and striving hard to tackle to youth unemployment.” The aim is to create 15 million jobs by 2015 and 80 million by 2030 to meet the needs of Saudi youth.

In addition, in March 2014, “the Riyadh Chamber of Commerce and Industry announced 683 job openings in 19 private sector companies for Saudi youth,” although most will be allocated to men.¹⁴³⁶

From April to June 2014, the government of Saudi Arabia provided hundreds of billions in loans to the country’s industrial sector. “The government is encouraging private sector growth to lessen the kingdom’s dependence on oil and increase employment opportunities for the swelling Saudi population.”¹⁴³⁷

In June 2014 the Saudi government created new health and safety regulations impeding outdoor workers from working outside between 12:00pm and 3:00pm until September 2014.¹⁴³⁸ While many welcome the ban which shows concern for the workers, some criticized the policy as it caused delays in completing projects, and that more visas should be issued to allow workers to assist in addressing the labour shortage, and completing projects efficiently.¹⁴³⁹

In June 2014 the government of Saudi Arabia announced its proposed “economic city — 450 miles north of the capital of Riyadh — [as] one of four new metropolises that Saudi Arabia is planning in the hope of creating more than a million new jobs by 2020.”¹⁴⁴⁰

On 10 July 2014, a new employment agreement between Saudi Arabia and India was signed which allows domestic maids from India to apply for visas. The agreement will last for five years and is hoped to “ease the shortage of domestic workers in the country.”¹⁴⁴¹

¹⁴³³ Training of human resources key to national development, Arab News (Riyadh) 10 March 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/537626>.

¹⁴³⁴ Zain KSA extends internship program, Arab News (Riyadh) 6 March 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/535416>.

¹⁴³⁵ JEF 2014 tackles sustainable job creation for young people, Saudi Gazette (Riyadh) 6 March 2014. Access Date: 15 March 2014. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20140306197758>.

¹⁴³⁶ Companies offer 683 jobs to Saudis, Arab News (Riyadh) 7 March 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/536166>.

¹⁴³⁷ Saudi Arabia Finance News: Industrial Lending, Live Trading News (New York) 14 September 2014. Date of Access: 15 October 2014. <http://www.livetradingnews.com/saudi-arabia-finance-news-industrial-lending-71189.htm#.VERILEVSDR>.

¹⁴³⁸ Saudi Arabia law to protect outdoor workers from sun, BBC News (London) 15 June 2014. Date of Access: 15 October 2014. <http://www.bbc.com/news/world-middle-east-27859542>.

¹⁴³⁹ Jeddah registers highest number of mid-day work ban violations, Arab News (Jeddah) 20 September 2014. Date of Access: 15 October 2014. <http://www.arabnews.com/saudi-arabia/news/632776>.

¹⁴⁴⁰ Saudi Arabia builds a future in the desert, Seattle Times (Seattle) 7 June 2014. Date of Access: 15 October 2014. http://seattletimes.com/html/business/technology/2009309436_saudis07.html.

On 15 July 2014, the government of Saudi Arabia announced they would be partnering with EdX, an online education venture, to “bridge the gap between education and employment in Saudi Arabia and throughout the Arab world [...] because [e]ducational levels are quite high, but workers are learning the wrong things—they lack the skills that employers need.”¹⁴⁴² The partnership will aim to assist “Saudi women, youth, the disabled, and citizens in rural communities, all of whom suffer high unemployment rates.”¹⁴⁴³

In August 2014, the Saudi Arabia Labour Ministry asked “the government to spend 14.9 billion riyals (USD4.0 billion) annually on labour market reform and steps to move Saudi citizens into private sector jobs.”¹⁴⁴⁴

On 10 August 2014, Saudi Arabia and Korea made an agreement to “enhance cooperation in the areas of entrepreneurship and small and medium enterprises [...]with the goal to create] avenues of cooperation between the two countries exchange of visits between entrepreneurs and how to tackle obstacles facing young investors.”¹⁴⁴⁵

In September 2014 Saudi Arabia’s Labour Ministry added film production, distribution, and screening to its list of approved economic activities.¹⁴⁴⁶ This means more employment opportunities, and that young filmmakers will not have to go abroad to make films and can realize their creative potential.

In early September 2014, with regards to the 2011 labour reforms, the Saudi Arabian government reported that it is going to “soften[...]the blow to companies with money for subsidies and training, while trying to lure Saudis to the private sector with more attractive working conditions” such as limiting the hours in a work week and providing pensions and health benefits.¹⁴⁴⁷ With the assistance of “its Human Resources Development Fund (HRDF), the government is spending billions of riyals on subsidising Saudi workers’ salaries, paying up to 50 [per cent] of increased payroll costs due to firms hiring more Saudis or raising their wages. Additional amounts are spent on sharing the cost of companies’ training programmes and paying monthly unemployment benefits to jobseekers.” Many believe that “the labour reforms will boost economic growth in the long term, by ensuring more money stays within the country and is spent on consumption rather than being remitted abroad by foreign workers.”

¹⁴⁴¹ Saudi Arabia recruits Indian maids to ease labour shortage, Deccan Herald (Riyadh) 10 July 2014. Date of Access: 15 October 2014. <http://www.deccanherald.com/content/418916/saudi-arabia-recruits-indian-maids.html>.

¹⁴⁴² Online Education Targets Saudi Arabia's Labor Problem, Starting With Women, Business Week (New York) 16 July 2014. Date of Access: 15 October 2014. <http://www.businessweek.com/articles/2014-07-16/can-online-classes-fix-saudi-arabias-broken-labor-market>.

¹⁴⁴³ Online Education Targets Saudi Arabia's Labor Problem, Starting With Women, Business Week (New York) 16 July 2014. Date of Access: 15 October 2014. <http://www.businessweek.com/articles/2014-07-16/can-online-classes-fix-saudi-arabias-broken-labor-market>.

¹⁴⁴⁴ Saudi ministry asks for \$4 bln annually to spend on labour reform, Reuters (Riyadh) 4 August 2014. Date of Access: 15 October 2014. <http://in.reuters.com/article/2014/08/04/saudi-workers-reform-idINL6NOQA4HK20140804>.

¹⁴⁴⁵ Riyadh Seoul to explore new projects, Middle East North Africa Financial Network (Amman) 19 September 2014. Date of Access: 15 October 2014. <http://www.menafn.com/1093953379/Riyadh-Seoul-to-explore-new-projects>.

¹⁴⁴⁶ Saudi Arabia: Surprise boost to domestic film industry, BBC News (London) 19 September 2014. Date of Access: 15 October 2014. <http://www.bbc.com/news/blogs-news-from-elsewhere-29285136>.

¹⁴⁴⁷ Saudi Arabia – Labour Ministry Softening the Blow of Labour Market Reforms, Staffing Industry Analysts (London) 5 September 2014. Date of Access: 15 October 2014. <http://www.staffingindustry.com/row/Research-Publications/Daily-News/Saudi-Arabia-Labour-Ministry-softening-the-blow-of-labour-market-reforms-31364>.

In September 2014 it was reported that the “Ministries of Interior and Labor are working on identifying the commercial sectors and activities that will be fully Saudi-ized.”¹⁴⁴⁸ In effect, “they are studying the sectors that fit with the available human capacity in order to put an end to the foreign labor’s monopoly on some important business sectors in Saudi Arabia, such as wholesale and retail trade.”

On 9 September 2014, it was reported by Arab News that with increasing numbers of women in the Saudi workforce, “several government ministries are planning to create security guard jobs for women at hospitals, female-only schools, some shopping centers, wedding halls, and other areas that require female security personnel.”¹⁴⁴⁹ This would create more jobs for women who are not necessarily highly educated, as well as implement government’s ‘Saudization’ of the jobforce.

On 9 September 2014 the Injaz-Saudi Arabia awards were held which recognized young entrepreneurs. It was stated, “this year’s competition focused on preparing Saudi youths as the future leaders of the entrepreneurship world and involved 691 schools from more than 50 cities around the country.”¹⁴⁵⁰ The Minister of Education noted that the Ministry “was ready to implement the country’s 10th development plan, which aims to facilitate the Kingdom’s transition to a knowledge-based society.” The Minister of Labor and Education also stated that “[e]ntrepreneurship is essential for supporting the national economy, given its ability to create new valuable jobs for a wide spectrum of graduates and qualified individuals.”

In September 2014 a law was drafted which would limit the amount of hours worked in order to encourage new employees. The government is also “spending billions of riyals to help pay Saudi workers’ salaries, and is setting aside more money to smooth the path of the most sweeping economic reforms in decades.”¹⁴⁵¹

On 12 September 2014, A Shoua Council Committee “recommended a monthly minimum wage of SR2,000 for Saudi employees enrolled with the General Organization for Social Insurance (GOSI) pension scheme in a bid to counter fake nationalization figures.”¹⁴⁵² Apparently “a large number of Saudi employees working in the private sector earn way less than that amount although employers cook the figures on official records.” In order for the proposal to become binding, it would have to amend several articles in various social insurance clauses.

On 13 September 2014, the Minister of Education, Prince Khaled, emphasized that “the education system should provide students with the skills needed by the country’s labor market and there should be a good balance struck between the country’s values and global realities.”¹⁴⁵³ Prince Khaled “is in the process of equipping 250,000 classrooms and teachers with Internet connectivity, computers and tablets

¹⁴⁴⁸ KSA ministries pursue 'Saudi-ization' of economy, Al-Monitor (Washington) 7 September 2014. Date of Access: 15 October 2014. <http://www.al-monitor.com/pulse/business/2014/09/httpalhayatcomarticles4395642----.html#>.

¹⁴⁴⁹ Female security jobs under study, Arab News (Jeddah) 9 September 2014. Date of Access: 15 October 2014. <http://www.arabnews.com/news/627456>.

¹⁴⁵⁰ Young Entrepreneurs Become the Toast of Saudi Arabia, Al Arabiya News (Dubai) 11 September 2014. <http://english.alarabiya.net/en/business/economy/2014/09/11/Young-entrepreneurs-become-the-toast-of-Saudi-Arabia.html>.

¹⁴⁵¹ Saudi Arabia Cushions Labour Reform with New Hours, Subsidies, Dawn.com (Riyadh) 5 September 2014. Date of Access: 15 October 2014. <http://www.dawn.com/news/1129900>.

¹⁴⁵² Shoura suggests SR2,000 minimum Saudi wage, Arab News (Riyadh) 12 September 2014. Date of Access: 15 October 2014. <http://www.arabnews.com/saudi-arabia/news/628991>.

¹⁴⁵³ Overhaul of school curriculum planned, Arab News (Riyadh) 13 September 2014. Date of Access: 15 October 2014. <http://www.arabnews.com/saudi-arabia/news/629446>.

as part of a long-term investment in developing a knowledge economy.” Furthermore, Khaled “is also running a program to ensure there is a high literacy rate among government employees.”¹⁴⁵⁴

On 14 September, 2014 Saudi Aramco, GE, and Tata Consultancy Services created Saudi Arabia’s first all-female business process service centre. “Supported by the Human Resources Development Fund, it is aimed at supporting the Kingdom’s localization targets and boost economic diversification.”¹⁴⁵⁵ “[T]he facility will create up to 3,000 local jobs for Saudi women within the next three years [...and will bring] significant value to the Saudi economy and society.”¹⁴⁵⁶

In mid-September 2014 the Prince Khaled announced that the Ministry of Education “reportedly reached an agreement with representatives from the Saudi board of chambers to grant professional permits to women, who will be allowed to work from home, working on the design of education programmes.”¹⁴⁵⁷ The government has been wanting to empower Saudi women economically and considers that “[t]he unprecedented gesture would allow several Saudi women to contribute to the development of education while making money by using their expertise.” It is notable that “[a]n official report in July said that the number of Saudi women employed in the private sector almost doubled in one year to reach 400,000 in 2013.”

On 20 September 2014, Arab News stated that more and more Saudi women are starting to have successful careers in the workplace, however the Ministry of Interior and Passport Department has made it clear that women “still need more training to improve their communication skills.”¹⁴⁵⁸

On 21 September 2014, the Saudi Arabia Ministry of Labour opened its first women’s only recruitment office for domestic help. The goal is to ensure privacy for women.¹⁴⁵⁹

During 21-24 September 2014, an agreement between labour cooperation was signed between Vietnam and Saudi Arabia which “aims to improve Vietnamese labourers working conditions and incomes in Saudi Arabia.”¹⁴⁶⁰

In September 2014 the Ministry of Labour warned it would crack down on companies who were hiring “ghost” women in order to increase their ‘Saudization’ quotas. Penalties would include “heavy financial penalties, cutting off all services from the Human Resources Development Fund, and banning them from hiring new staff.”¹⁴⁶¹

¹⁴⁵⁴ Overhaul of school curriculum planned, Arab News (Riyadh) 13 September 2014. Date of Access: 15 October 2014. <http://www.arabnews.com/saudi-arabia/news/629446>.

¹⁴⁵⁵ Aramco, GE And TCS Open Saudi Arabia’s First All-Female BPO, Gulf Business (Riyadh) 14 September 2014. Date of Access: 15 October 2014. <http://gulfbusiness.com/2014/09/aramco-ge-tcs-open-saudi-arabias-first-female-bpo/#.VDmzVkvVSDR>.

¹⁴⁵⁶ Aramco, GE And TCS Open Saudi Arabia’s First All-Female BPO, Gulf Business (Riyadh) 14 September 2014. Date of Access: 15 October 2014. <http://gulfbusiness.com/2014/09/aramco-ge-tcs-open-saudi-arabias-first-female-bpo/#.VDmzVkvVSDR>.

¹⁴⁵⁷ Education ministry gives boost to Saudi women, Gulf News (Dubai) 27 September 2014. Date of Access: 15 October 2014. <http://gulfnews.com/news/gulf/saudi-arabia/education-ministry-gives-boost-to-saudi-women-1.1390742>.

¹⁴⁵⁸ Saudi women forge ahead in workplace, Arab News (Riyadh) 20 September 2014. Date of Access: 15 October 2014. <http://www.arabnews.com/saudi-arabia/news/632791>.

¹⁴⁵⁹ Riyadh opens first female office for maid recruitment, Arab News (Riyadh) 22 September 2014. Date of Access: 15 October 2014. <http://www.arabnews.com/news/633776>.

¹⁴⁶⁰ Vietnam, Saudi Arabia boost labour cooperation, The Voice of Vietnam (Ha Noi) 2 October 2014. Date of Access: 15 October 2014. <http://english.vov.vn/Society/Vietnam-Saudi-Arabia-boost-labour-cooperation/282038.vov>.

¹⁴⁶¹ Heavy penalties for hiring female ‘ghost workers’, Arab News (Jeddah) 21 September 2014. Date of Access: 15 October 2014. <http://www.arabnews.com/saudi-arabia/news/633201>.

During the compliance period Saudi Arabia has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Tatiana Rother

South Africa: +1

South Africa has fully complied with the commitment on labour and employment.

The current African National Congress (ANC) government is focused on passing into law before the end of 2014 several employment related bills, some tabled as far back as 2012. South African Labour Minister Mildred Oliphant has identified as top policy priorities for 2014 the conclusion of amendments to labour legislation and to expand protection for vulnerable workers; as well as ensure faster change in employment equity in workplaces.¹⁴⁶²

Addressing the country's staggering 24.1 per cent unemployment rate the Employment Equity Amendment Bill, the Employment Services Bill, and the Labour Relations Amendment Bill are currently making their way through the legislative process.¹⁴⁶³

On 2 November 2013, the Labour Minister, addressing domestic workers, announced proposed amendments to unemployment insurance to include vulnerable workers, "employees on learner ship, workers who work less than 24 hours a month for an employer and public servants."¹⁴⁶⁴

On 12 November 2013, the National Assembly approved the Employment Services Bill and has referred it to the National Council of Provinces (NCOP) for concurrence.¹⁴⁶⁵ The bill provides for public employment services, facilitates the exchange of information among employers, workers and private employment agencies, and "other specialized services to assist the youth, new entrants into the labour market, and vulnerable work seekers (e.g., persons with disabilities) to find work."¹⁴⁶⁶ The Opposition criticized the bill claiming that the regulation of employment agencies would not address the issue of abuse of workers' rights.¹⁴⁶⁷

On 21 November 2013, the Employment Equity Amendment Bill, which regulates demographic representativeness in the workplace, passed the National Council of Provinces (and at the time of this writing was still awaiting presidential assent to become law). The bill's amendments ensure equal pay for

¹⁴⁶² Labour Minister Oliphant commits to completion of amendments to labour laws and transformation of workplaces, Department of Labour (Pretoria) 21 January 2014. Date of Access: 19 February 2014.

<http://www.labour.gov.za/DOL/media-desk/media-statements/2014/labour-minister-oliphant-commits-to-completion-of-amendments-to-labour-laws-and-transformation-of-workpalces>

¹⁴⁶³ Unemployment rate drops as government hires workers, Mail & Guardian (Cape Town) 11 February 2014. Date of Access: 19 February 2014. <http://mg.co.za/article/2014-02-11-unemployment-rate-drops-as-government-hires-workers>

¹⁴⁶⁴ UIF benefits to improve. South African Government News Agency (Pretoria) 3 November 2013. Date of Access: 20 February 2014. <http://www.sanews.gov.za/south-africa/uif-benefits-improve>

¹⁴⁶⁵ National Assembly passes Employment Services Bill bringing to four bills passed this year alone, Department of Labour (Pretoria) 12 November 2013. Date of Access: 19 February 2014. <http://www.labour.gov.za/DOL/media-desk/media-statements/2013/national-assembly-passes-employment-services-bill-bringing-to-four-bills-passed-this-year-alone-1>

¹⁴⁶⁶ What you need to know about the Employment Services Bill, HR Pulse (Pretoria) 2014. Date of Access: 19 February 2014. <http://www.hrpulse.co.za/legal/employment-services-bill/229053-what-you-need-to-know-about-the-employment-services-bill>

¹⁴⁶⁷ Employment Services Bill on labour brokers gets go-ahead, Mail & Guardian (Cape Town) 12 November 2013. Date of Access: 19 February 2014. <http://mg.co.za/article/2013-11-12-employment-services-bill-on-labour-brokers-gets-go-ahead>

work of equal value in order to strengthen compliance and enforcement mechanisms and increase non-compliance fines.¹⁴⁶⁸

On 3 December 2013, the Department of Labour announced a ZAR300 million program to address skills shortages in both urban and rural areas by boosting training and skills development. The programme seeks to empower up to 8,000 youth and unemployed and train them in areas such as: aviation related skills, mechanical skills, plumbing and renewable energy skills, construction skills and skills in information and communication technologies; thus reducing their dependency on social grants and unemployment insurance payments.¹⁴⁶⁹

On 19 December 2013, the Employment Tax Incentive Bill (better known as the youth wage subsidy Bill) became law, offering tax-based incentives for up to two years to employers hiring youth workers. The measures came into effect in January 2014.¹⁴⁷⁰

On 16 January 2014, the Minister of Higher Education and Training Blade Nzimande launched The White Paper for Post-School Education and Training, a strategy to pull some of the over 3 million “neets” (15- to 24-year olds who are neither in employment nor in education or training) out of “poverty and misery.”¹⁴⁷¹ The White Paper envisages expanding post-school provision to improve access to education and training opportunities, emphasizes the crucial role of technical and vocational education, and contains plans for universities to target skills shortages.¹⁴⁷²

Two major bills addressing labour issues received royal assent and became law in the latter part of the review period. On 3 April 2014, the Employment Services Act 2014, signed by President Jacob Zuma, became law.¹⁴⁷³ The Employment Equity Amendment Act, which received assent in January 2014, came into effect few months later on 1 August 2014.¹⁴⁷⁴

On 17 June 2014, the South African government announced plans to address the high unemployment rate of youth. Deputy President Cyril Ramaphosa announced government plans to implement a youth employment incentive scheme, which seeks to lower the cost and risk for companies hiring first time workers. Ramaphosa also indicated that at least 60 per cent of jobs in government infrastructure projects had been “set aside for young people” and that colleges and universities in the region would ensure improved skills training.¹⁴⁷⁵

¹⁴⁶⁸ Employment Equity Bill passed despite DA objections, Mail & Guardian (Cape Town) 21 November 2013. Date of Access: 20 February 2014. <http://mg.co.za/article/2013-11-21-employment-equity-bill-passed-despite-da-objections>

¹⁴⁶⁹ Department of Labour’s UIF to fund a R300-million training programme with Seta’s to empower youth and unemployed, Department of Labour (Pretoria) 3 December 2013. Date of Access: 19 February 2014. <http://www.labour.gov.za/DOL/media-desk/media-statements/2013/department-of-labour2019s-uif-to-fund-a-r300-million-training-programme-with-seta2019s-to-empower-youth-and-unemployed>

¹⁴⁷⁰ Zuma signs youth wage subsidy Bill into law, Mail & Guardian (Cape Town) 19 December 2013. Date of Access: 20 February 2014. <http://mg.co.za/article/2013-12-19-zuma-signs-youth-wage-subsidy-into-law>

¹⁴⁷¹ Blade launches white paper to meet needs of 'neets', Mail & Guardian (Cape Town) 16 January 2014. Date of Access: 19 February 2014. <http://mg.co.za/article/2014-01-16-blade-launches-dhets-white-paper-to-meet-needs-of-the-neets>

¹⁴⁷² White Paper to expand post schooling, training, South African Government News Agency (Pretoria) 16 January 2014. Date of Access: 19 February 2014. <http://www.sanews.gov.za/south-africa/white-paper-expand-post-schooling-training>

¹⁴⁷³ Government Gazzette Vol 586 (Cape Town) 7 April 2014. Date of Access: 5 October 2014. www.gov.za/documents/download.php?f=213159

¹⁴⁷⁴ Employment Equity Amendment Act commences, The Citizen (Johannesburg) 1 August 2014. Date of Access: 5 October 2014. <http://citizen.co.za/223245/employment-equity-amendment-act-commences/>

¹⁴⁷⁵ South Africa to tackle youth skills deficit, South Africa Info 17 June 2014. Date of Access: 5 October 2014. http://www.southafrica.info/business/economy/development/youth-170614.htm#.VDN5j_ldVrM#ixzz3FQyY5OUT

On 9 September 2014, the Deputy President announced that the government was looking at employment tax incentives to address South Africa's youth unemployment rate and called on the private sector to also step up and take on more first-time employees, providing them mentorship support so that they may acquire the skills they need.¹⁴⁷⁶

On 3 October 2014, with regards to the Expanded Public Works Programme initially launched in 2004, President Jacob Zuma announced that the upcoming third phase of the program will have as an objective the creation of work opportunities and income support to poor and unemployed people. Moreover, up to six million work opportunities are expected to be created during phase 3, and the president indicated that the bulk of the opportunities created will be for women, youth and people with disabilities.¹⁴⁷⁷

During the compliance period South Africa has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Sabina Mihaescu

Turkey: +1

Turkey has fully complied with the commitment on labour and employment.

In November 2013, a report written by the World Bank stated that “the rapid growth of GDP [gross domestic product] and employment in the post-crisis period, coupled with upskilling and formalization of employment in the labor market and the increased employment elasticity of growth, present a very favorable picture of the employment situation in Turkey.”¹⁴⁷⁸ Cevdet Yılmaz, the Turkish development minister, noted the “Fifth 10-year Development Plan [which is discussed in the report] aims to solve the structural problems of Turkey’s job market.” The World Bank report stated that “in order to ensure the effectiveness of the government’s efforts ... the fundamentals of the country’s economy need to be strengthened to enable higher growth and employment.”

On 25 February 2014, the Turkish energy minister announced that 100 nuclear engineering students will go to Russia for training “as part of the country’s bid to diversify its energy sources.”¹⁴⁷⁹ Turkey has plans to build two more nuclear plants.

On 28 February 2014, Turkey signed an agreement with UN Women to create an office in Istanbul. This effort is to send “a positive signal to the region by working to strengthen gender equality” which traditionally has been weak due to societal hierarchy, patriarchy, and other societal factors.¹⁴⁸⁰ The designated representative of UN Women to Turkey stated that “raising women’s labor-force participation increases economic growth in general, which benefits men and women alike.” This agreement follows through with a statement made by the Turkish Development Minister, on 23 January

¹⁴⁷⁶ Govt to tackle youth unemployment, 9 September 2014 . Date of Access: 5 October 2014.

<http://www.iol.co.za/news/south-africa/govt-to-tackle-youth-unemployment-1.1748118#.VDN22fldVrN>

¹⁴⁷⁷ South Africa: Six Million Job Opportunities to Be Created Through EPWP, All Africa (Cape Town) 3 October 2014. Date of Access: 5 October 2014 <http://allafrica.com/stories/201410060402.html>

¹⁴⁷⁸ World Bank hails Turkish government for employment policies, Turkish Weekly (Ankara) 24 January 2014. Date of Access: 16 March 2014. <http://www.turkishweekly.net/news/162002/world-bank-hails-turkish-government-for-employment-policies.html>

¹⁴⁷⁹ Turkey to send 100 students to Russia for nuclear education, Trend 26 (Ankara) February 2014. Date of Access: 16 March 2014. <http://en.trend.az/regions/met/turkey/2246470.html>

¹⁴⁸⁰ UN Women: Turkey can be regional model for women's rights, Today's Zaman (Istanbul) 9 March 2014.

<http://www.todayszaman.com/news-341519-un-women-turkey-can-be-regional-model-for-womens-rights.html>

2014, that “the government would pursue “positive discrimination” policies to increase the number of women in the workforce.”¹⁴⁸¹

On 8 March 2014, the Women Industrialists Platform was created as part of International Women’s Day. It is made up of 18 women who are members of the Istanbul Industry Chamber’s assembly and professional committees.¹⁴⁸²

On 11 March 2014 the Ministry of Labour and Social Security held a conference on Social Inclusion and Employment in Turkey. The goal of the conference was “to create a discussion platform on the concept of social inclusion, to discuss problems and solution suggestions on the employment of disadvantaged groups, to share success stories, and to provide information about the opportunities that will be presented in the near future.”¹⁴⁸³

In December 2013, the International Monetary Fund noted that “high regulatory labor costs create disincentives for formal employment and may account for the existence of Turkey’s large informal sector. Informal firms’ circumvention of labor regulations gives them a cost advantage which infringes on the profit of formal-sector firms in the same sector. At the margin, this discourages business formalization which hurt firms’ prospects for export over the medium term. Finally, workers in the informal sector earn less and thus invest less in their human capital which feeds back to lower overall labor productivity.”¹⁴⁸⁴

Turkey, the European Union, and the European Bank for Reconstruction and Development will create a Women in Business Programme which will be launched in the next few months. The Programme will be “a comprehensive package of financial and technical support for entrepreneurship among women across Turkey.”¹⁴⁸⁵ Kamran Kuru, Head of EU Coordination Department for the Republic of Turkey Ministry of Labour and Social Security said, “supporting the women entrepreneurship will help to increase the level of welfare of Turkey through encouraging the women in the social and economic life.”

On 10 September 2014, Turkey’s Minister of Finance, Mehmet Şimşek announced that various new legislations had been approved by MPs. Improved working conditions for miners as well as retirement age and working hours were approved.¹⁴⁸⁶ “Other laws covered the employment of 35,000 new teachers before the end of the year and modifications aimed at streamlining the taxation system”; “[t]he time taken by government officials to implement blocks on internet access in Turkey will be reduced from 24 hours to four”; and “[n]ational sporting clubs facing financial hardship will be allowed to pay tax arrears in installments and staff working in courts facing high workloads will receive increased pay.”

¹⁴⁸¹ World Bank hails Turkish government for employment policies, Turkish Weekly (Ankara) 24 January 2014. Date of Access: 16 March 2014.

<http://www.turkishweekly.net/news/162002/world-bank-hails-turkish-government-for-employment-policies.html>

¹⁴⁸² Istanbul’s female industrialists establish first-ever platform, Al Monitor (Ankara) 10 March 2014. Date of Access: 16 March 2014. <http://www.al-monitor.com/pulse/culture/2014/03/turkey-women-day-industry-equality-manifesto.html>

¹⁴⁸³ Social Inclusion and Employment in Turkey Conference, WYG Türkiye (Ankara) 10 March 2014. Date of Access: 16 March 2014. <http://www.wyg.com.tr/News/Tabld/81/ArtMID/678/ArticleID/44/Social-Inclusion-and-Employment-in-Turkey-Conference.aspx>

¹⁴⁸⁴ Turkey: Selected Issues Paper, International Monetary Fund (Washington DC) December 2013. Date of Access: 16 March 2014. <http://www.imf.org/external/pubs/ft/scr/2013/cr13364.pdf>

¹⁴⁸⁵ EBRD, EU and the Republic of Turkey Announce New Programme to Boost Entrepreneurship Among Women, European Bank for Reconstruction and Development (Brussels) 7 March 2014. Date of Access: 16 March 2014. <http://www.ebrd.com/pages/news/press/2014/140307b.shtml>

¹⁴⁸⁶ Miners Among Beneficiaries of new laws in Turkey, Turkish Weekly (Ankara) 10 September 2014. Date of Access: 10 October 2014. <http://www.turkishweekly.net/news/171721/miners-among-beneficiaries-of-new-laws-in-turkey.html>

On 15 September 2014, the Turkish Statistical Institute released data showing “that Turkey’s seasonally adjusted unemployment rate rose to 9.9 per cent in June, the highest level since January 2011 and up from 9.5 per cent in May. [...] The breakdown suggested that Turkey’s unemployment rate was spurred by slowing job creation mainly in its agriculture and construction sectors.”¹⁴⁸⁷

On 20 September 2014, a news article reported that in May 2014, a mining accident claimed 301 lives, and as a result, a new law was brought into place earlier in September 2014 “in response to criticism of bad working conditions for Turkish miners.”¹⁴⁸⁸ However, “37 coal mines say they have ceased activities because of the financial costs of the new regulations” and “has cost more than 5,000 coal miners their jobs.”

On 26 September 2014, it was reported that many schools were running without principals “after thousands of senior officials in the Ministry of Education who do not support the ruling Justice and Development Party (AK Party) government were removed from their posts.”¹⁴⁸⁹

On 30 September 2013, the Turkish government announced its Vision 2023 plan. The plan, that aims to better the quality of the countries workforce, includes increasing the minimum number of years of compulsory education from 8 to 12. The plan notes that “[t]o improve the quality of education, education spending has become the top item in our national budget [and i]t now accounts for nearly a quarter of tax revenues.”¹⁴⁹⁰ Do far, “nearly half a million new teachers during the past 12 years [have been hired] and [there has been an increase[...] in] the use of education technologies, including broadband connections and smart boards for classrooms, and free tablets for students. “ Another phase of the plan discusses the requirement increase “labor-market flexibility and participation.” Education is viewed as a key ingredient in achieving this goal; particularly in increasing the number of Turkish women in the workforce.” Finally, the plan emphasizes The governments desire to focus on innovation and technology. There is a “need for additional reforms and investment aimed at boosting productivity through technological advancement.”

During the compliance period Turkey has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Tatiana Rother

United Kingdom: +1

The United Kingdom has fully complied with the commitment on labour and employment.

On 9 September 2013, the government of the United Kingdom afforded GBP238 million in funding to companies who wish to design and provide vocational training courses that will meet the need of their work force. Companies must place bids, the most successful of whom will be able to train unskilled individuals to become highly qualified in the successful company’s trade. The goal of the government is to improve the overall skill base of the nation. Skills Minister Matthew Hancock stated “this project is

¹⁴⁸⁷ Turkey’s Weak Economy Hits Jobs, The Wall Street Journal (Istanbul) 15 September 2014. Date of Access: 10 October 2014. <http://online.wsj.com/articles/turkeys-weak-economy-hits-jobs-1410782673>

¹⁴⁸⁸ New Turkish safety Law Costs 5000 Coal Miners Jobs, Middle East Online (Ankara) 18 September 2014. Date of Access: 10 October 2014. <http://www.middle-east-online.com/english/?id=68078>

¹⁴⁸⁹ Schools in İstanbul suffer from lack of principals, Today’s Zaman (Istanbul) 26 September 2014. Date of Access: 15 October 2014. http://www.todayszaman.com/_schools-in-istanbul-suffer-from-lack-of-principals_359925.html

¹⁴⁹⁰ How Turkey Will Escape the Middle-Income Trap, The Wall Street Journal (Ankara) September 2014. Date of Access: 10 October 2014. <http://online.wsj.com/articles/how-turkey-will-escape-the-middle-income-trap-1412100409>

helping to strengthen industries that know the skills of their workforce are a driver of growth and have the capacity to place the country ahead in the global race.”¹⁴⁹¹

On 4 November 2013, the government of the United Kingdom announced plans to launch numerous pilot schemes to incentivize people on sickness benefits to meet with healthcare providers regularly in order to overcome their barriers to work. Those failing to regularly meet with their healthcare providers will cease to receive their benefits.¹⁴⁹²

On 9 December 2013, the government of the United Kingdom announced that it has set aside GBP2 million to provide financial aid to people with disability, to offset any extra cost they may have incurred in order to “take up a job placement.”¹⁴⁹³

On 17 December 2013 the UK government published a strategy that proposes several initiatives to “to help more disabled people and those with health conditions get into and stay in work.”¹⁴⁹⁴

On 24 January 2014, the Department of UK Trade and Investment and the Manufacturing Advisory Service agency launched Reshore UK. The program will encourage British companies and foreign companies to move their manufacturing operations back to the United Kingdom.¹⁴⁹⁵

On 3 March 2014, the government of the United Kingdom launched a “Job Fit,” pilot program in a London neighborhood that targets ethnic minorities who experience larger rates of un-employment than rest of the country.¹⁴⁹⁶

On 5 March 2014, Skills and Enterprise Minister Matthew Hancock announced the United Kingdom’s government’s plans to cut-off funding for 5,000 “under-used and low value” adult vocational training courses, such as courses that teach balloon artistry.¹⁴⁹⁷ Accordingly, GBP200 million in funding will be diverted to courses which offer the “the highest quality and most relevant qualifications.”

On 6 March 2014, the government of the United Kingdom urged the bottom 25 per cent of the contracts in their work Program to submit ideas on how to improve their performance. The Work Programme, through contract, provides funding to local organisations in return for providing employment services to the long-term unemployed in their area. The government reviews each

¹⁴⁹¹ Millions in government funding made available to target industrial strategy skills training, Department of Business, Innovation and Skills (London) 9 September 2013. Date of Access: 9 March 2014. <https://www.gov.uk/government/news/millions-in-government-funding-made-available-to-target-industrial-strategy-skills-training>

¹⁴⁹² See A Doctor Or Lose Your Benefits, DWP Orders Britain’s Sick, Welfare News Service (London) 4 November 2013. Date of Access: 9 March 2014. <http://welfarenewsservice.com/see-doctor-lose-benefits-dwp-orders-britains-sick/>

¹⁴⁹³ Access to Work extended to help more disabled people into work, Department of Work and Pensions & The Department of Business and Innovations (London) 9 December 2013. Date of Access: 9 March 2014.

<https://www.gov.uk/government/news/work-programme-competitive-market-delivering-constant-improvement>

¹⁴⁹⁴ Disability and health employment strategy launched, Department for Work and Pensions (London) 17 December 2013. Date of Access: 9 March 2014. <https://www.gov.uk/government/news/disability-and-health-employment-strategy-launched>

¹⁴⁹⁵ New government support to encourage manufacturing production back to the UK, UK Trade and Investment & the Prime minister’s Office (London) 24 January 2014. Date of Access: 10 March 2014. <https://www.gov.uk/government/new-government-support-to-encourage-manufacturing-production-back-to-the-uk>

¹⁴⁹⁶ New jobs pilots to tackle black and minority ethnic employment gap, Department for Work and Pensions (London) 3 March 2014. Date of Access: 9 March 2014. <https://www.gov.uk/government/news/new-jobs-pilots-to-tackle-black-and-minority-ethnic-employment-gap>

¹⁴⁹⁷ Government axe falls on 5,000 low value adult vocational qualifications, Department of Business, Innovation, and Skills (London) 5 March 2014. Date of Access: 9 March 2014. <https://www.gov.uk/government/news/government-axe-falls-on-5000-low-value-adult-vocational-qualifications>

organisations performance. This new initiative provides incentive for the organisations with the poorest performance, to find more work for more long-term unemployed or have their contracts terminated.¹⁴⁹⁸

On 11 March 2014, Science Minister David Willetts announced GBP300 million in funding to scientific research in new technologies as part of governmental long-term economic plan. Once completed, the projects that received the funding are expected to “help grow new industries and create new jobs.”¹⁴⁹⁹

On 12 March 2014, the United Kingdom’s government increased the minimum wage for adults by 3 per cent, which increased the minimum wage GBP6.5. As young people in the United Kingdom experience higher rates of unemployment compared to their adult counterparts, the minimum wage of young people was only increased by 2 per cent, making them more relatively attractive to employers.¹⁵⁰⁰

On 10 April 2014, the Minister of State for Skills and Enterprise Matthew Hancock published Statutory Guidance on career guidance and inspiration in schools. The guidance outlines a framework for the provision of advice and guidance regarding the Guidance “strengthens the requirement for schools to build links with employers and emphasizes the need to provide pupils with direct experience of the world of work, a clear view of the labour market and a good understanding of progression routes through education, including apprenticeships and university.”¹⁵⁰¹

On 10 April 2014, Deputy Prime Minister Nick Clegg announced that GBP300 million of the Regional Growth Fund will be invested in 50 projects across the country to help expand business and create more jobs in the supply chains. This investment from the government is expected to “unlock GBP1.9 billion of additional private sector investment.”¹⁵⁰²

On 11 April 2014, United Kingdom’s Secretary of Business Vince Cable announced that the government will provide GBP100 million in funding to “to help companies strengthen their domestic supply chains and create or safeguard thousands of jobs.”¹⁵⁰³ This is part of the broader initiative of the United Kingdom’s government to ‘Re-shore’ companies.

On 17 April 2014, the Department for Business, Innovation and Skills along with the Department for Work and Pension announced that Local Enterprise Partnership areas for the regions of Inner London, Merseyside, Southwest Scotland, Tees Valley & Durham and West Midlands along with several towns and cities will receive GBP170 million through the Youth Employment Initiative. The Local Enterprise Partnership areas are to use the funding “to extend provision of apprenticeships, work experience

¹⁴⁹⁸ Work Programme – competitive market delivering constant improvement, Department of Work and Pension (London) 6 March 2014. Date of Access 9 March 2014. <https://www.gov.uk/government/news/work-programme-competitive-market-delivering-constant-improvement>

¹⁴⁹⁹ £300 million investment to support growth and jobs in UK science, Department for Business, Innovations and Skills & The UK Space Agency (London) 11 March 2014. Date of Access: 11 March 2014. <https://www.gov.uk/government/news/300-million-investment-to-support-growth-and-jobs-in-uk-science>

¹⁵⁰⁰ The government accepts wage rate recommendations, Department for Business, Innovations and Skills & The Low Pay Commission (London) 12 March 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/the-government-accepts-wage-rate-recommendations>

¹⁵⁰¹ Written statement to Parliament on Careers guidance, Department for Business, Innovations and Skills & Department of Education (London) 10 April 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/speeches/careers-guidance>

¹⁵⁰² Regional Growth Fund Round 5 funding announced by Nick Clegg, Office of the Deputy Prime Minister & Department for Business, Innovations and Skills & Department of Education (London) 10 April 2014. Date of Access: 7 October 2014 <https://www.gov.uk/government/news/regional-growth-fund-round-5-funding-announced-by-nick-clegg>

¹⁵⁰³ Vince Cable: £100 million to support domestic supply chains and create new jobs, Department for Business, Innovations and Skills (London) 11 April 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/vince-cable-100-million-to-support-domestic-supply-chains-and-create-new-jobs>

placements and youth entrepreneurship programmes or develop new and innovative youth employment programmes based on their understanding of the local economy.”¹⁵⁰⁴

On 16 April 2014, Housing Minister Kris Hopkins and Skills and Enterprise Minister Matthew Hancock introduced the London STRIVE (Skills, Training, Innovation and Employment), a pre-employment programme that will “give the most vulnerable homeless people the right skills and training to get into work.”¹⁵⁰⁵ In its pilot phase it will help 100 homeless people over a two-year period enabling them to enter into the work force.

On 23 April 2014, Business Secretary Vince Cable announced GBP133 million in funding towards projects that aim to put Formula 1 fuel technology into buses and diggers. This initiative is expected to secure 30 000 jobs in the engine manufacturing sector. The funding is derived from the Advanced Propulsion Centre (APC), which was established by the government “to turn technologies into products.”¹⁵⁰⁶

On 28 April 2014, new intensive measures called ‘Help to Work’ came into effect. The ‘Help to Work Scheme’ requires the long-term unemployed to visit a job centre and receive intensive coaching or take part in a six-month work placement. Those who fail to do so may potentially lose their government benefits for a limited time period. The scheme is expected to help the long-term unemployed overcome their “barriers to work” and build the skills needed to secure a full-time job.¹⁵⁰⁷

According to the IPPR, there is a “striking mismatch between what young people are training for and the types of jobs available” within the United Kingdom. For example, 94 000 people were trained in hairstyling and cosmetology when only 18 000 jobs were available in that sector. Meanwhile, only 123 000 were trained in the construction and engineering sectors when there were 275 000 jobs advertised.¹⁵⁰⁸

On 7 May 2014, Chancellor of the Exchequer George Osborne launched the ‘Your Life’ campaign “to boost participation in science, technology, engineering and maths at school and beyond.”¹⁵⁰⁹ The campaign has also induced 170 businesses such as Google, Microsoft, L’Oreal, and Nestle who have pledged to highlight the career opportunities in STEM subjects, and have committed to create over 2,000 new entry level positions including apprenticeships, graduate jobs or paid work experience posts.

On 27 May 2014, Deputy Prime Minister Nick Clegg announced that unemployed youths between the ages of 16 and 17 “who are not in education, employment or training and not in receipt of an income-

¹⁵⁰⁴ £170 million to help young people find jobs, Department for Business Innovation and Skills & Department for Work and Pension (London) 17 April 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/170-million-to-help-young-people-find-jobs>

¹⁵⁰⁵ New support to give homeless people ‘basic building blocks’ for work, Department for Communities and Local Government & Department of Business, Innovation and Skills (London) 16 April 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/new-support-to-give-homeless-basic-building-blocks-for-work>

¹⁵⁰⁶ Vehicles of the future get £130 million investment, Department of Business, Innovation and Skills (London) 23 April 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/vehicles-of-the-future-get-130-million-investment>

¹⁵⁰⁷ Help to Work: nationwide drive to help the long-term unemployed into work, Prime Minister’s Office & the Department for Work and Pension (London) 28 April 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/help-to-work-nationwide-drive-to-help-the-long-term-unemployed-into-work>

¹⁵⁰⁸ Full economic recovery ‘will not solve youth unemployment’, BBC News (London) 13 August 2014. Date of Access: 7 October 2014. <http://www.bbc.com/news/business-28765465>

¹⁵⁰⁹ Over 2000 new jobs and apprenticeships from leading STEM organisations, HM Treasury (London) 7 May 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/over-2000-new-jobs-and-apprenticeships-from-leading-stem-organisations>

based benefit’ will be given access to ‘Jobcentre’ coaches and receive individual help to find work and training.¹⁵¹⁰ This plan is expected reduce the young persons’ chances of long-term un-employment.

On 12 June 2014, Minister of Skills and Enterprise Matthew Hancock announced GBP30 million in funding to increase the “supply” of engineers, encourage more women to join the engineering sector, and address the engineering skills shortages. The fund will “enable engineering companies to establish training programmes to develop future engineers and boost the number of women in the profession.”¹⁵¹¹

On 13 July 2014, Minister for Pensions Steve Webb introduced the ‘Fuller Working Lives’ framework. The framework states that the United Kingdom economy would gain GBP18 billion if the employment gap between persons between 40-49 years of age and people over 50 was reduced by half and outlines the benefits of hiring older persons. The objective of the framework is to increase employment rates amongst older persons by creating awareness amongst British businesses of their potential.¹⁵¹²

On 14 July 2014, Minister of Skills and Enterprise Matthew Hancock announced that the government will collaborate with employer, charities, and industry experts to help members of underrepresented groups enter the ‘creative industries’ such as film making, design and television production. The Minister also announced that the government will provide GBP4 million in funding towards this initiative. This initiative is expected to provide 300 young people from ethnic minority groups with living wage internships.¹⁵¹³

On 14 July 2014, the government began to promote the GBP16 Million Youth Engagement Fund across the country. The objective of the Youth Engagement Fund is to help 18 000 disadvantaged youth gain employment. The funding operates through a payment by results system. The government will provide funding to investors (social sector organisations, schools, local authorities, social investors and intermediaries) who develop innovative initiatives, provided that the initiatives are successful and have achieved positive outcomes.¹⁵¹⁴

The youth unemployment in UK dropped significantly since the beginning of the compliance cycle. On 13 November 2013, the IPPR reported a youth unemployment rate of 21 per cent.¹⁵¹⁵ By 17 September 2014, the UK government reported a 5 per cent drop in youth unemployment rate at 16.6 per cent.¹⁵¹⁶

¹⁵¹⁰ Help for 16 and 17 year olds to catch up, keep up and find work, Deputy Prime Minister’s Office & Department for Work and Pensions (London) 27 May 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/help-for-16-and-17-year-olds-to-catch-up-keep-up-and-find-work>

¹⁵¹¹ £30 million fund to secure supply of engineers and boost number of women in sector, Department of Business, Innovation and Skills (London)12 June 2014. Date of Access: 7 October 2014.<https://www.gov.uk/government/news/30-million-fund-to-secure-supply-of-engineers-and-boost-number-of-women-in-sector>

¹⁵¹² Helping business to wake up to older workers’ untapped potential, Department for Work and Pensions (London) 13 July 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/helping-business-to-wake-up-to-older-workers-untapped-potential>

¹⁵¹³ Skills Minister announces multi-million pound drive to boost diversity in creative industries, Department of Business, Innovation and Skills (London)14 July 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/skills-minister-announces-multi-million-pound-drive-to-boost-diversity-in-creative-industries>

¹⁵¹⁴ £16 million Youth Engagement Fund promoted around the country, Cabinet Office, Department for Work and Pensions & the Ministry of Justice (London) 14 July 2014. Date of Access: 7 October 2014. <https://www.gov.uk/government/news/16-million-youth-engagement-fund-promoted-around-the-country>

¹⁵¹⁵ Youth unemployment up, while adult unemployment falls, IPPR (London) 13 November 2012. Date of Access: 8 October 2014. <http://www.ippr.org/news-and-media/press-releases/youth-unemployment-up-while-adult-unemployment-falls>

During the compliance period, the UK has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analysts: Harinya Shanthakumar

United States: +1

The United States has fully complied with the commitment on labour and employment.

The employment rate in the United States has “plunged from 73 [per cent] of the population in late 2007 to below 59 [per cent] in 2009” and it has remained stuck ever since.¹⁵¹⁷ The unemployment rate has been declining, however it is often contributed “to a drop in the share of working-age Americans counted as in the labour force” (i.e. actively looking for a job). In the United States, the “participation rates have declined sharply for “prime-age” men and women between 25 and 54, and risen slightly for those aged 55 and over.”¹⁵¹⁸ The percentage of Americans who are “working-age adults on [disability insurance] has risen from 1.3 [per cent] in 1970 to 4.6 [per cent] in 2013.”

On 17 September 2014, the United State Department of Labour announced that a final ruling that will extend “the Fair Labor Standards Act’s minimum wage and overtime protection to most of the nation’s workers who provide essential home care assistance to elderly people and people with illnesses, injuries or disabilities.”¹⁵¹⁹ The significance of this extension is twofold as it will: (1) “result in nearly two million direct care workers [...] receiving the same basic protection already provided to most U.S. workers”; and (2) “it will also help guarantee that those who rely on the assistance of direct care workers have access to consistent and high-quality care from a stable and increasing professional workforce.” With “an estimated 1.9 million direct care workers in the U.S. [...] with] approximately 90 [per cent of them] women, and nearly 50” per cent of them consisting of minority groups, the extension of the Fair Labor Standards Act is set to increase the protection of vulnerable groups. The rule is set “to be effective [January] 1, 2015.”

In November 2014, President Barak Obama committed USD100 million “in new grant funds for school like P-Tech to carry on their experiments in education.”¹⁵²⁰ Considering that in October 2014 “only 5 [per cent] of black male high school graduates looking for work found a job,” it reflects the great “mismatch between the skills employers need and those workers have.” Furthermore, “according to the projections by the Center on Education and the Workforce at Georgetown University, the U.S. economy will create some 47-million job openings in the decade ending 2018, but nearly two-thirds will require some post-secondary education.” The P-Tech Model is threefold: (1) “the program: students remain in high school an extra two years to earn an associate’s degree”; (2) “the skills: employers help

¹⁵¹⁶ Youth unemployment statistics - Commons Library Standard Note, Department of Statistics and Policy (London) 17 September 2014. Date of Access: 8 October 2014. <http://www.parliament.uk/business/publications/research/briefing-papers/SN05871/youth-unemployment-statistics>

¹⁵¹⁷ Unemployment in America: Closing the gap, The Economist (New York) 15 February 2014, Date of Access: 1 March 2014. <http://www.economist.com/news/finance-and-economics/21596529-americas-labour-market-has-suffered-permanent-harm-closing-gap>

¹⁵¹⁸ Labour Markets: Gone for good, The Economist (New York) 2 October 2013. Date of Access: 1 March 2014. <http://www.economist.com/blogs/freeexchange/2013/10/labour-markets>

¹⁵¹⁹ Minimum wage, overtime protections extended to direct care workers by US Labor Department, U.S Department of Labor (Washington) 17 September 2013. Date of Access: 25 February 2014. <http://www.dol.gov/opa/media/press/whd/WHD20131922.htm>

¹⁵²⁰ The School That Is Changing American Education, The Time (New York) 13 February 2014. Date of Access: 20 February 2014. <http://time.com/10038/the-school-that-is-changing-american-education/>

craft the curriculum so graduates are ready for good jobs”; (3) “the payoff: a promise of a job at graduation.” Currently only 8 schools follow the P-Tech Model and “29 more will open in two states over the next two years.”

On 4 February 2014, the Congressional Budget Office of the United States released the Budget and Economic Outlook: 2014 to 2024. This document revealed that while the “real GDP [...] is expected to increase by roughly 3 percent between the fourth quarter of 2013 and the fourth quarter of 2014—the largest rise in nearly a decade,” [...] the] CBO estimates that the economy will continue to have considerable unused labor and capital resources (or “slack”) for the next few years.”¹⁵²¹ Moreover, the “CBO projects that it will remain above 6.0 percent until late 2016 [and that ...] the rate of participation in the labor force—which has been pushed down by the unusually large number of people who have decided not to look for work because of a lack of job opportunities—is projected to move only slowly back toward what it would be without the cyclical weakness in the economy.”

On 18 February 2014, the Congressional Budget Office published that “the unemployment rate has fallen only partway back to its prerecession level, and a significant part of that improvement is attributable to a decline in labor force participation that has occurred as an unusually large number of people have stopped looking for work.” The CBO made the three following assessments to address the slow recovery of the labour market. First, “of the roughly 2 percentage-point net increase in the rate of unemployment between the end of 2007 and the end of 2013, about 1 percentage point was the result of cyclical weakness in the demand for goods and services, and about 1 percentage point arose from structural factors; those factors are chiefly the stigma workers face and the erosion of skills that can stem from long-term unemployment¹⁵²² (together worth about one-half of a percentage point of increase in the unemployment rate) and a decrease in the efficiency with which employers are filling vacancies (probably at least in part as a result of mismatches in skills and locations, and also worth about one-half of a percentage point of the increase in the unemployment rate).”¹⁵²³ Second, “of the roughly 3 percentage-point net decline in the labor force participation rate between the end of 2007 and the end of 2013, about 1½ percentage points was the result of long-term trends (primarily the aging of the population), about 1 percentage point was the result of temporary weakness in employment prospects and wages, and about one-half of a percentage point was attributable to unusual aspects of the slow recovery that led workers to become discouraged and permanently drop out of the labor force.” Third, “employment at the end of 2013 was about 6 million jobs short of where it would be if the unemployment rate had returned to its prerecession level and if the participation rate had risen to the level it would have attained without the current cyclical weakness.”

The International Labour Organization’s 2014 Global Employment Trends report revealed that “long-term unemployment affects more than 40 per cent of all jobseekers” in the United States.¹⁵²⁴ The rate of underemployed person has nearly doubled from 8.3 per cent in 2008 to 14.3 per cent in 2013.

¹⁵²¹ The Budget and Economic Outlook: 2014 to 2024, Congressional Budget Office (Washington) 4 February 2014. Date of Access: 02 March 2014. <http://www.cbo.gov/publication/45010>

¹⁵²² The Congressional Budget Office has estimated that the current number of the long-term unemployed ranges around 4 million Americans versus 1.3 million pre-recession. The Slow Recovery of the Labor Market, Congressional Budget Office (Washington) 14 February 2014. Date of Access: 01 March 2014. <http://www.cbo.gov/sites/default/files/cbofiles/attachments/45011-LaborMarket-OneCol.pdf>

¹⁵²³ The Slow Recovery of the Labor Market, Congressional Budget Office (Washington) 14 February 2014. Date of Access: 01 March 2014. <http://www.cbo.gov/sites/default/files/cbofiles/attachments/45011-LaborMarket-OneCol.pdf>

¹⁵²⁴ Global Employment Trends 2014: Risk of a jobless recovery?, The International Labour Organization (Geneva) 2014. Date of Access: 06 October 2014. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_233953.pdf

Furthermore, between 2007 and 2014, the rate of youth aged 15-29 “that are neither in employment, nor in education or training (NEET), has increased by approximately 5 [per cent].”

On 4 March 2014, the Department of Labor (DOL) submitted its FY 2015 request with the vision of “promoting and protecting opportunity for American job seekers, workers, retirees, and employers, which is critical to America’s continued economic recovery and long-term competitiveness.”¹⁵²⁵ The budget suggests to allocate USD1.5 in an effort to support “Community College Job-Driven Training Fund, which will offer competitive grants to partnerships of community colleges, public and non-profit training entities, industry groups, and employers to launch new training programs and apprenticeships that will prepare participation for in-demand jobs and careers.” This will enable employers to find workers with the right skills. Furthermore, the DOL equally requested USD 15 million to address long-term unemployment by developing “partnerships to develop employment and training strategies targeted to particular in-demand industry sectors in regional economies.” The department further emphasizes that they “built the Department’s FY 2015 request around proposals that bolster our efforts to provide workers with clearer opportunities for good jobs.”

In September 2014, the United States Department of Labor announced that 142,000 jobs had been added in August. This is “the lowest figure this year and one that ends a streak of months in which the economy added more than 200,000 new positions.”¹⁵²⁶ Furthermore, the labour force participation has been decreasing since the financial crisis of 2008 from around 66 per cent to around 62.7 per cent now.¹⁵²⁷ This brings into question whether “a large part of the decline in the participation rate is structural” or cyclical which will be important to determine if proper policy initiative are to be taken. Karen Kosanovich, an economist at the Bureau of Labor Statistics, mentioned that it is particularly worrisome that there are so few people entering into the labour force. She equally emphasized that “[t]he figures [in August] showed it was a broad-based decline in participation not limited to one age group or sex.”¹⁵²⁸

On 2 October 2014, President Obama gave a speech at Northwestern University during which he emphasized on several proposals including a minimum wage increase (to USD 10 per hour), more job training, more college loans in order for Americans to get higher education for better employment.¹⁵²⁹ President Obama noted that the federal government has “invested in more than 700 community colleges — which are so often gateways to the middle class — and [the government is hoping that by] them with employers to train high school graduates for good jobs in fast-growing fields like high-tech manufacturing and energy and IT and cybersecurity.” He also mentioned that “the unemployment rate has come down from a high of 10 percent in 2009, to 6.1 percent today.”

¹⁵²⁵ Budget in Brief: FY 2015, Department of Labor (Washington) March 2015. Date of Access: 6 October 2014. http://www.doleta.gov/budget/docs/FY2015_BIB_ETA_Excerpts.pdf

¹⁵²⁶ Rushe, Dominic., Inman, Phillip. US job growth slows to its lowest level this year., The Guardian (London) 5 September 2014. Date of Access: 30 September 2014. <http://www.theguardian.com/business/2014/sep/05/us-job-growth-slows>

¹⁵²⁷ Databases, Tables & Calculators by Subject., Bureau of Labour and Statitics (Washington) 2014. Date of Access: 06 October 2014. <http://data.bls.gov/timeseries/LNS11300000>

¹⁵²⁸ Stiwell, Victoria. Workforce Participation at 36-Year Low as Jobs Climb. Bloomberg (***) 2 May 2014. Date of Access: 6 October 2014. <http://www.bloomberg.com/news/2014-05-02/workforce-participation-at-36-year-low-even-as-more-jobs-beckon.html>

¹⁵²⁹ Remarks by the President on the Economy -- Northwestern University, The White House (Washington) 2 October 2014. Date of Access: 6 October 2014. <http://www.whitehouse.gov/the-press-office/2014/10/02/remarks-president-economy-northwestern-university>

During the compliance period the U.S. has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Atena Sadegh

European Union: +1

The European Union has fully complied with the commitment on labour and employment.

On 17 January 2014, the EU proposed to improve the EURES website — a pan-European job search engine run by the EU — in order to provide more job offers, increase the likelihood of job matches.¹⁵³⁰

On 24 January 2014, European Commission President José Manuel Barroso and Vice President Neelie Kroes approached CEOs at the World Economic Forum in Davos to expand the number of traineeships offered under the Davos Declaration. An essential element to “the 2014 expansion of the coalition will be the goods and retail sectors, which increasingly depend on workers with digital skills, including on shop and factory floors.”¹⁵³¹ The Davos declaration seeks to train young person in digital technologies to match the growing needs of companies. It has already partnered with several companies such as Microsoft and Cisco to create 100 000 traineeships by the 2015. During the 2014 World Economic Forum the European Commission President met with corporate leaders again to propose an expansion of the traineeships by 250,000.

On 30 January 2014 the European Investment Bank — a non-profit lending institution of the EU — has agreed to lend EUR50 million to Europejski Fundusz Leasingowy S.A. to fund medium and small businesses that wish to support youth employment.¹⁵³²

The EU has promised funding to retrain unemployed workers from defunct manufacturing sectors. On 5 March 2013 European Commission has proposed EUR1.9 million in funding to Spain to help unemployed auto manufacturing workers in Andalusia learn new skills or start their own business.¹⁵³³ It has also proposed EUR3 million in funding for Italy to retrain the 1,146 redundant workers in their TV manufacturing industry.

On 25 June 2014, the European Commission proposed to fund Greece EUR6 million in order to “help 508 former workers of the bakery manufacturer Nutriart and its providers and downstream producers find new jobs, and to help 505 young people not in employment, education or training.” On 5 September 2014, the European Commission proposed EUR911 thousand funding to Belgium, from the European Globalisation Adjustment Fund, to help 752 former workers of the defunct steel producer Carsid S.A. find new jobs.

On 10 March 2014, the EU’s Council of Ministers adopted a Quality Framework on Traineeships, which “enables trainees to acquire high-quality work experience under safe and fair conditions, and to

¹⁵³⁰ Employment: Commission proposes to improve EURES job search network, European Commission (Brussels) 17 January 2014. Date of Access: 5 March 2014. http://europa.eu/rapid/press-release_IP-14-206_en.htm

¹⁵³¹ European Commission joins forces with companies to deliver over 250,000 extra training courses and thousands of new digital jobs, European Commission (Brussels) 24 January 2014. Date of Access: 9 March 2014. http://europa.eu/rapid/press-release_IP-14-40_en.htm

¹⁵³² First ever “Jobs for Youth” financing for SMEs in Poland, European Investment Bank (Warsaw) 30 January 2014. Date of Access: 5 March 2014. http://europa.eu/rapid/press-release_BEI-14-17_en.htm

¹⁵³³ Employment: Commission proposes €1.9 million from Globalisation Fund to help redundant workers in the Spanish car industry, European Commission (Brussels) 5 March 2014. Date of Access: 9 March 2014. http://europa.eu/rapid/press-release_IP-14-212_en.htm

increase their chances of finding a good quality job.”¹⁵³⁴ The framework also calls upon all Member States to adapt their legislation in accordance with the principles outlined in the framework.

On 9 April 2014, the European Commission proposed that a European Platform be created in order to increase cooperation within the EU “to prevent and deter undeclared work more effectively.”¹⁵³⁵ The idea is to set up a “[p]latform [that] would bring together various national enforcement bodies involved in the fight against undeclared work, [which is] a phenomenon that causes serious damage to working conditions, fair competition and public budgets.” The EU Commissioner for Employment, Social Affairs and Inclusion László Andor, reiterated the importance of decreasing the job informality stating that “[u]ndeclared work deprives workers of social protection, puts their health and safety at risk and lowers labour standards [and it] also undermines fair competition for businesses and endangers the sustainability of public finances and social security systems.”

On 5 May 2014, the European Commission announced during a press release the adoption of a ‘Partnership Agreement’ with Denmark. The ‘Partnership Agreement’ will set down “the strategy for the optimal use of European Structural and Investment Funds in the country’s regions and cities.” The European Commission will provide Denmark with EUR553 million towards Cohesion Policy funding and EUR629 million towards rural development. Denmark was the first of the 28 Member States to adopt a ‘Partnership Agreement,’ with the European Commission.¹⁵³⁶ As of October 7 2014, Bulgaria, Cyprus, Czech Republic, Finland, France, Germany, Greece, Hungary, Netherlands, Poland and Romania have also adopted a “Partnership Agreement” with a European Commission at various dates, and were awarded various sums of funding. These investments are expected to “help tackle unemployment; boost competitiveness and economic growth through support to innovation, training and education in cities, towns and rural areas; promote entrepreneurship; and fight social exclusion.”

According to Eurostat, 21.6 percent of people under the age of 25 across Europe are un-employed.¹⁵³⁷ On 22 April, the EU pledged EUR6 billion in funding through the Youth Employment Initiative and adopted ‘Youth Guarantee’ to alleviate this issue. If successfully implemented, ‘Youth Guarantee’ would structurally reform the Member States’ training, job-search and education systems to drastically improve school-to-work transitions and the employability of young people. The EU has adopted several policies and provided funding to numerous EU Member States to help them implement ‘Youth Guarantee.’¹⁵³⁸

On 3 June 2014, the European Union adopted the French national Operational Programme for the implementation of the Youth Employment Initiative. France received EUR620 million in total funding “to help young people not in employment, education or training find jobs.”¹⁵³⁹

¹⁵³⁴ Youth employment: Commission welcomes adoption of Quality Framework to improve quality of traineeships, European Commission (Brussels) 10 March 2014. Date of Access: 7 October 2014. http://europa.eu/rapid/press-release_IP-14-236_en.htm

¹⁵³⁵ Undeclared work: Commission proposes new Platform to improve prevention and deterrence, (Brussels) 9 April 2014. Date of Access: 7 October 2014. http://europa.eu/rapid/press-release_IP-14-387_en.htm

¹⁵³⁶ European Commission adopts EU's first ‘Partnership Agreement’ on using EU Structural and Investment Funds for growth and jobs in 2014-2020(Brussels) 5 May 2014. Date of Access: 7 October 2014. http://europa.eu/rapid/press-release_IP-14-514_en.htm

¹⁵³⁷ Europe Sacrifices a Generation With 17-Year Unemployment Impasse, Bloomberg BusinessWeek (Milan) 7 October 2014. Date of Access: 7 October 2014. <http://www.businessweek.com/news/2014-10-07/europe-sacrifices-a-generation-with-17-year-unemployment-impasse>

¹⁵³⁸ The EU Youth Guarantee, European Commission (Brussels) 16 September 2014. Date of Access: 7 October 2014. http://europa.eu/rapid/press-release_MEMO-14-530_en.htm

¹⁵³⁹ Youth Employment Initiative: €620 million to tackle youth unemployment in France, European Commission (Brussels) 3 June 2014. Date of Access: 7 October 2014. http://europa.eu/rapid/press-release_IP-14-622_en.htm

On 11 July 2014, Italy received EUR 1.1 billion from the EU budget to implement ‘Youth Guarantee’ within Italy.¹⁵⁴⁰

On 23 September 2014, the EU launched a new cooperation structure called the Public Employment Services Network. The network will help the EU Member States “coordinate their policies and actions against unemployment.”¹⁵⁴¹ This network will also help EU Member States provide improved assistance to youth and is “particularly important for the practical implementation of the Youth Guarantee, the ambitious EU-wide reform aiming to help all jobless people under 25 to find employment.”

During the compliance period the European Union has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analysts: Harinya Shanthakumar

¹⁵⁴⁰ Youth Employment Initiative: €1.1 billion of EU money to tackle youth unemployment in Italy, European Commission (Brussels) 11 July 2014. Date of Access: 7 October 2014. http://europa.eu/rapid/press-release_IP-14-826_en.htm

¹⁵⁴¹ Undeclared work: Commission proposes new Platform to improve prevention and deterrence, (Brussels) 9 April 2014. Date of Access: 7 October 2014. http://europa.eu/rapid/press-release_IP-14-387_en.htm

9. Labour and Employment: Vocational Training Programs

“We are committed to creating vocational training programs.”

G20 St. Petersburg Leaders’ Declaration

Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia		0	
Italy			+1
Japan			+1
Korea			+1
Mexico		0	
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.85	

Background

The 2013 St. Petersburg Summit marked the first time that the Ministers of Labour were in attendance and active participation, attesting to the importance with which they viewed addressing unemployment challenges. This also represents the collaboration and coordination in labour, social, macroeconomic and financial policies.

Though there are variances across regions, jittery investors and employers have held back from hiring due to the continuously bleak economic outlook and insufficient policy responses. The job market has remained especially difficult for some segments of the population, such as youth and other vulnerable groups. The G20 members plan to improve these groups’ employability through job search assistance, work experience, and public employment programs, as well as hiring subsidies and conditional transfers as per country’s circumstances.

Commitment Features

The G20 members committed to creating apprenticeship and vocational training programmes to encourage hiring. The G20 governments plan to invest in people’s skills, education and continued learning to give them skill portability and better prospects, to facilitate mobility and enhance employability.

Where appropriate, these programmes would find innovative ways to reduce non-wage labour costs, moving towards early intervention measures and effective job-search assistance for different groups of youth, and motivating youth entrepreneurship and business start-ups. Tailored strategies including

youth guarantee approaches, developing school and university curricula that support entrepreneurship, and facilitating exchange of best practices among the G20 members and the social partners are deemed crucial in this respect.

The target groups for these programs are youth, women, long-term unemployed, low skilled workers, single parents, people with disabilities and older workers.

Scoring Guidelines

-1	Member takes no active steps to create vocational training programs AND declares no intent to do so.
0	Member declares its intent to create vocational training programs for one or more of the defined target groups but does not begin doing so.
+1	Member declares its intent to create vocational training programs AND begins creating them for one or more of the defined target groups.

Lead Analyst: Rui Kelly Li

Argentina: +1

Argentina has fully complied with its commitment to apprenticeship and vocational training programmes, particularly in regard to its efforts in the area of youth employment promotion and skills training.

In January 2014, President Christina Kirchner announced the launch of a new federal program called “ProgresAr,” which will contribute ARS80 million towards youth employment and training. Under the program, Argentinian youth between the ages of 18 and 24 who are unemployed, have informal jobs, receive a salary below minimum wage, or who are not enrolled in higher education will receive a universal stipend of ARS600 per month.¹⁵⁴² In return, beneficiaries of the stipend must regularly attend classes to graduate from primary or secondary school, enrol in a university course or participate in another type of formal education or training. The program also allows for access to job placement assistance through the Ministry of Labour, and care of dependent children through the Ministry of Social Development.¹⁵⁴³ Payments have begun and the registration process can be conducted online. The ProgresAr program will reach 1.5 million eligible youth and also provide support for vocational training, counselling and job placement through Argentina’s Ministry of Labour and Employment.¹⁵⁴⁴

On 6 October 2014, the government had reported 470,465 young people receiving payments from the ProgresAr program, with over 1 million enrolled through the www.progresar.anses.gob.ar web page. The Executive Director of the ANSES, Diego Bossio, stated that “the number of entries to PROGRESS exceeded all our expectations.” The numbers of registered individuals are distributed throughout the country as follows: 382,673 in the province of Buenos Aires; 72,451 in Skip; 68,779 in

¹⁵⁴²ProgresAr, El Nuevo Plan Del Gobierno Para Los Jóvenes “niVni”, La Nacion Argentina (Buenos Aires), 22 January 2014. Date of Access: 23 March 2014.

<http://www.lanacion.com.ar/1657619VprogresarVelVnuevoVplanVdelVgobiernoVparaVlosVjovenesVniVni>.

¹⁵⁴³ Calendario De Pagos Plan Progresar Septiembre 2014, 25 August 2014. Date of Access: 6 October 2014.

<http://calendariodepago.com.ar/calendario-de-pagos-plan-progresar/>

¹⁵⁴⁴“ANSES”receives 106,000 applications to enter ‘Progresar’ program, Buenos Aires Herald (Buenos“Aires), 30 January 2014. Date of Access: 23 March 2014. <http://www.buenosairesherald.com/article/150972/ansesVreceivesV106000VapplicationsVtoVenterV’progresar’Vprogram>.

Tucuman and 68,558 to 68,380 in Santa Fe and Córdoba. Of enrolled participants, 75% are between the ages of 19 and 22 and 73% are engaged in some form of education or training.¹⁵⁴⁵

At the municipal level, the Government of the City of Buenos Aires provides over two thousand free vocational training courses each year in technical fields such as construction, auto mechanics, graphic design, plumbing and textile-related trades. These programmes garner over 60,000 participants each year and assist them with skills building, technical knowledge, social inclusion and digital literacy. The City of Buenos Aires also provides separate and more targeted vocational training programmes to youth over 16 years of age. These vocational training centres are implemented through the Ministry of Education with the aim of providing greater employment prospects by helping Argentinians to develop skills that will meet domestic employment demand. A special emphasis has also been placed on social inclusion for vulnerable and marginalized groups.¹⁵⁴⁶

Thus, Argentina has fully complied with its commitment of establishing and implementing vocational training at various levels of government, particularly in regard to youth unemployment. Through its various initiatives, Argentina is aiming to provide its population with the necessary education and skills to become engaged in the workforce.

Argentina is awarded an overall score of +1.

Analysts: Stacey Bocknek and Ariel Sim

Australia: +1

Australia has fully complied with its commitment to provide significant additional funding for schools.

In addition to the above commitment, Australia also committed to provide AUD14.3 billion in additional funding over seven years from 2012-13 to move to full implementation of a national disability insurance scheme by 1 July 2019, and significant additional school funding will be provided over the next four years to strengthen education.

The Australian Department of Education website mentions that the Australian government will “provide over [AUD14 billion dollars] to higher education.”¹⁵⁴⁷ The funding will be administrated through the Higher Education Support Act (HESA).

On 17 December 2013, the Australian government announced that “no further projects would be funded under the EIF Regional Priorities Round.”¹⁵⁴⁸ This announcement came after an assessment of “funding priorities as part of the Mid-Year Economic and Fiscal Outlook.” It is also mentioned that “the timing of any further Education Investment Fund (EIF) funding rounds is yet to be determined and is a matter for Government.”

¹⁵⁴⁵ Más de 470.000 Jóvenes Estudiantes" Acceden Al Cobro De Progresar En Septiembre (Buenos Aires), Date of Access : 6 October 2014. <http://www.progresar.anses.gob.ar/noticia/mas-de-jovenes-estudiantes-acceden-al-cobro-de-progresar-en-septiembre-12>.

¹⁵⁴⁶ La Ciudad ofrece más de 3500 cursos gratuitos de capacitación laboral, City of Buenos Aires (Buenos Aires), 21 February 2014, Date of Access: 23 March 2014. <http://www.buenosaires.gob.ar/noticias/cursosVgratuitosVdeVcapacitacionV>.

¹⁵⁴⁷ Funding, Australian Government Department of Education, 26 November 2013. Date of Access: 22 February 2014. <http://education.gov.au/funding>.

¹⁵⁴⁸ Education Investment Fund, Australian Government Department of Education, 29 January 2014. Date of Access: 22 February 2014. <http://education.gov.au/education-investment-fund>.

On 1 July 2014, the Australian Medical levy rose from one and a half to two per cent to help fund the national disability insurance scheme.¹⁵⁴⁹

On 26 August 2014, the Australian government announced the 2015 phase of the New Colombo Plan, which will add “approximately 60 scholarships and around \$8 million in mobility grants for Australian undergraduate students.”¹⁵⁵⁰ The New Colombo Plan aims to foster connections in the Indo-Pacific Region.

On 10 September 2014 the Australian Minister for Education declares that the government will commit a further AUD16.5 million to overseas studies to prepare tertiary students for “work in a global environment.”¹⁵⁵¹

On 11 September 2014, the G20 nations signed a Joint Declaration, formalizing a commitment to address issues youth, women, and handicapped people face in industries. The nations promise to ensure youth have solid foundations in literacy and numeracy, and to facilitate communication between schools, employers, and employment services to match workforce needs and training. Furthermore, the G20 nations promise to improve the participation of women in the workforce, with the goal of closing the gap between male and female participation by 25 per cent by 2025.¹⁵⁵²

On 6 September 2014, the National Skill Development Corporate (NSDC) of India and Australia’s Department of Industry signed a Memorandum of Understanding (MOU). Both countries agreed to strengthen their relationship in the area of technical vocational education and training. Both countries promise to exchange information and policy ideas on issues of mutual interest, with a focus on industry participation and training delivery. By November 2014, both countries aim to run a pilot in the automotive, healthcare, IT, and telecom sectors in order to “create transnational standards for both...countries.”¹⁵⁵³

The Australian Department of Education has also promised AUD209 million for round five of the Trades Skills Centres program.¹⁵⁵⁴ This funding would benefit 136 centres in more than 220 schools nationally, including Tasman District School.¹⁵⁵⁵

Australia has declared its intent to fund the creation of additional vocational training centres. The Australian government has also made steps to achieve its goal to provide AUD12.3 billion to the national disability insurance scheme. Although Australia has announced the end of funding under the EIF for the foreseeable future, it declared significant additional funding for tertiary education.

¹⁵⁴⁹ Federal budget feels pain as savings measures slated for July 1 delayed by Senate, 1 July 2014. Date of Access: 6 October 2014. <http://www.abc.net.au/news/2014-07-01/budget-hole-as-savings-measures-delayed-by-senate/5561118>.

¹⁵⁵⁰ 2015 Round. Date of Access: 6 October 2014. <http://www.dfat.gov.au/new-colombo-plan/current-round.html>.

¹⁵⁵¹ \$16.5 million to help 5000 Australians study overseas, 10 September 2014. Date of Access: 6 October 2014. <http://ministers.education.gov.au/pyne/165-million-help-5000-australians-study-overseas>.

¹⁵⁵² G20 Labour and Employment Ministerial Declaration, 11 September 2014. Date of Access: 6 October 2014. https://www.g20.org/sites/default/files/g20_resources/library/2014%20LEMM%20Declaration.pdf.

¹⁵⁵³ India, Australia come together to collaborate on skill development, 6 September 2014. Date of Access: 6 October 2014. http://www.indiablooms.com/ibns_new/news-details/N/3989/india-australia-come-together-to-collaborate-on-skill-development.html.

¹⁵⁵⁴ Trade Training Centres in Schools Program, Australian Government Department of Education, 23 January 2014. Date of Access: 22 February 2014. <http://education.gov.au/trade-training-centres-schools-program>.

¹⁵⁵⁵ Tasman District School Gets New Trade Skills Centre, Eric Hutchinson MP, 31 January 2014. Date of Access: 22 February 2014. <http://www.eric-hutchinson.com.au/wp-content/uploads/2014-01-31-money-for-new-trades-skills-centre-at-Tasman-District-School.pdf>.

Furthermore, the government has stated intent to address workforce challenges faced by the target groups.

Australia is awarded an overall score of +1.

Analyst: Andy Li

Brazil: +1

Brazil has complied with its commitment to invest in educating its labourers to enhance mobility and increase employability. Brazil has complied with its commitment to maintain scholarship programs for undergraduate students to encourage labour productivity.

The Organization of American States (OAS) and the Coimbra Group of Brazilian Universities (CGBU), with the support of the Brazilian Foreign Ministry's Division of Educational Topics, opened the 2014 round of OAS-GCUB scholarships. This includes 500 plus scholarship opportunities for citizens of OAS member states. The scholarships provide tuition for masters and doctoral candidates to study in Brazil.¹⁵⁵⁶

Brazil extended the Science without Borders to a further 100 000 scholarships for 2015. This extension includes provisions for foreign senior researchers to perform joint research projects in Brazil.¹⁵⁵⁷

On 22 October 2013, OECD Secretary-General Angel Gurría made a speech at Brasilia, evaluating and congratulating Brazil's progress in improving support for its youth. Her speech also launched the Investigating in Youth: Brazil report, which highlighted initiatives that have produced and continue to produce results. Advances mentioned include the "large increases in funding," the increase in vocational training programmes due to the PRONATEC programme, and the aid provided to school drop-outs to help them acquire necessary workplace skills.¹⁵⁵⁸

On 4 November 2013, Education Ministers from the BRICS — Brazil, Russia, India, China and South Africa — countries met and agreed to coordinate and collaborate at the higher education level. Issues discussed include "strengthening collaboration between BRICS universities, partnerships and knowledge exchanges on technical and vocational education and training."¹⁵⁵⁹

On 22 July 2014, the Brazilian President signs the new ten-year National Education Plan (PNE). The plan establishes a goal to invest 10 per cent of the country's GDP to education by 2024. The main objectives are to increase school attendance among the poor and to erase illiteracy.¹⁵⁶⁰

According to the government of Canada, Brazilian government will "be implementing a national program to support access to technical and vocational training by vulnerable women." Programs

¹⁵⁵⁶ External Award: OAS-GCUB Scholarship in Brazil, 30 June 2014. Date of Access: 6 October 2014. <http://www.sfu.ca/dean-gradstudies/blog/year/2014/06/OAS-GCUB.html>.

¹⁵⁵⁷ Brazil extends Science Without Borders with 100,000 new scholarships, 4 July 2014. Date of Access: 6 October 2014. <http://monitor.icef.com/2014/07/brazil-extends-science-without-borders-with-100000-new-scholarships/>.

¹⁵⁵⁸ Brazil should continue efforts to boost education and improve young people's job prospects, OECD, 22 October 2013. Date of Access: 21 February 2014. <http://www.oecd.org/education/brazilshouldcontinueeffortstoboosteducationandimproveyoungpeoplesjobprospects.html>.

¹⁵⁵⁹ BRICS ministers agree on high-level HE collaboration, University World News, 8 November 2013. Date of Access: 21 February 2014. <http://www.universityworldnews.com/article.php?story=20131107163621596>.

¹⁵⁶⁰ Brazil's 10-year Education Plan Sanctioned by Rousseff, 22 July 2014. Date of Access: 6 October 2014. <http://riotimesonline.com/brazil-news/rio-politics/brazils-10-year-education-plan-sanctioned-by-rousseff/>.

developed though the Knowledge Exchange for Equity Program (KEEP) help women acquire skills in fields related to “tourism, food production and processing, crafts and design, and fisheries.”¹⁵⁶¹

Brazil has and plans to continue increasing labour productivity through funding undergraduate studies. It is anticipated that by 2015 over “10 million students will be in universities,” supported by federal loans given through government programs such as PROUNI and FIES. The “government’s Scientific Mobility Program” will continue to provide 101,000 scholarships to aid university students who wish to study at foreign universities.¹⁵⁶²

Although Brazil has not formally declared its intent to continue creating vocational training programs, Brazil has continued to maintain vocational training programs for the specified target groups. Furthermore, Brazil has committed to increasing investment in education for the target groups. With regards to Brazil’s country specific commitments, Brazil has maintained its scholarship programmes for tertiary level students.

Brazil has received a +1 for complying with stated commitments.

Analyst: Andy Li

Canada: +1

Canada has fully complied with its commitment to create vocational training programmes and has been working actively towards its implementation.

Canada also committed to fund businesses to train unemployed or underemployed people through the Canada Job Grant, negotiating distinct agreements with its provinces and territories. When fully implemented in 2017-18, approximately 130 000 people will have access to training each year.¹⁵⁶³ The CJG is designed to match employer and provincial contributions up to a maximum of \$5000 in order to provide employers with more flexibility on the ways in which this training funding is spent in educational institutions.¹⁵⁶⁴

Canada’s progress was most evident on 11 February 2014, when Finance Minister Jim Flaherty tabled the budget. It contained the following initiatives. To help offset the apprenticeship costs of those registered in the Red Seal trades, it created the Canada Apprentice Loan to provide those individuals with interest-free loans of over CAD 100 million. To support entrepreneurs, it invested CAD 40 million into the Canada Accelerator and Incubator Program, which provides mentorship and other resources to help Canadians start and develop new businesses.¹⁵⁶⁵

Canada announced CAD 26.4 million in funding over four years to help expand two training programs connecting youth and other working-age people with intellectual disabilities and employers. Of this funding, CAD 15 million over three years is earmarked for the Canadian Association for Community Living’s Ready, Willing and Able initiative. Recognizing the challenges faced by those with autism

¹⁵⁶¹ Brazil, Foreign Affairs, Trade and Development Canada (Ottawa) 6 September 2013. Date of Access: 21 February 2014. <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/fWebCSAZEN?ReadForm&idx=01&CC=BR>.

¹⁵⁶² Education and Training, Export.gov. Date of Access: 22 February 2014. http://export.gov/brazil/static/CC_BR_DoingBusiness_CCG_PDF_Chap4_EducationandTraining_Latest_eg_br_062843.pdf

¹⁵⁶³ St. Petersburg Leaders’ Declaration, G20 Information Centre (Toronto) September 2013. Access Date: 1 February 2014. https://www.g20.org/sites/default/files/g20_resources/library/Saint_Petersburg_Declaration_ENG.pdf.

¹⁵⁶⁴ The myths about Canada’s skills gap, Maclean’s (Toronto) 30 September 2014. Chris Soerenson. Access Date: 30 September 2014. <http://www.macleans.ca/work/jobs/the-myths-about-canadas-skills-gap/>.

¹⁵⁶⁵ Connecting Canadians with available jobs, Government of Canada (Ottawa) February 2014. Access Date: 19 February 2014. <http://www.budget.gc.ca/2014/docs/plan/ch3---1---eng.html>.

spectrum disorder, Canada set aside CAD 11.4 million over four years to support their vocational training.¹⁵⁶⁶

Additionally, Canada introduced the Flexibility and Innovation in Apprenticeship Technical Training pilot project for apprentice technical training. In discussions with premiers in September 2014, federal employment Minister Jason Kenney suggested that provinces direct more fiscal transfers to polytechnic institutions and vocational schools with programs in skilled trades.¹⁵⁶⁷

Addressing the vulnerable seniors' employment difficulties, Canada invested CAD 75 million in the Targeted Initiative for Older Workers to help them transition into the job market.¹⁵⁶⁸

Canada adhered to its commitments at St. Petersburg by creating vocational training and apprenticeship programmes to help vulnerable groups such as youth, seniors and those with disabilities to participate in the labour force.

Thus, for its efforts, Canada has been awarded the score of +1.

Lead Analyst: Rui Kelly Li

China: +1

China has fully complied with both its commitment to enhance the “social safety net” and “promote” reform by opening up its market, and the Final St. Petersburg Summit Declaration to create vocational training programs. It has supported widespread vocational training programs, and has made steps to target vulnerable groups. It is working multilaterally with other nations to achieve this goal.

A background paper, published April 2014, also by the OECD for the 2014 Melbourne G20 Summit notes that China is accelerating the development of a modern vocational education system. In particular, the papers commends China for the development of short and long term vocational training schools, amounting in 3075 skilled workers' schools, with subsidies attracting students to these programs.¹⁵⁶⁹

A partnership workshop on vocational education was held on May 5, 2014 between China and Myanmar, organised by the ASEAN-China centre. Experts from both sides were able to share knowledge on vocational education.¹⁵⁷⁰

Premier Li Keqiang stated at a National vocational educational conference in Beijing on June 23, 2014 the importance of having a highly skilled vocational labour workforce. A guideline implemented by the

¹⁵⁶⁶ Job training for Canadians with intellectual disabilities gets boost in federal budget, Toronto Star (Toronto) 11 February 2014. Alex Boutilier and Joel Eastwood. Access Date: 19 February 2014.

http://www.thestar.com/news/canada/2014/02/11/job_training_for_canadians_with_intellectual_disabilities_gets_boost_in_federal_budget.html.

¹⁵⁶⁷ Jason Kenney: Provinces who want TFWs should invest more in vocational schools, Macleans (Toronto) 30 September 2014. Canadian Press. Access Date: 30 September 2014. <http://www.macleans.ca/news/canada/jason-kenney-provinces-who-want-tfws-should-invest-more-in-vocational-schools/>.

¹⁵⁶⁸ Building Canada one budget at a time: Brietkreuz, News Review (Yorkton) February 2014. Access Date: 19 February 2014. <http://www.yorktonnews.com/article/20140219/YORKTONNEWS0101/302199997/building---canada---one---budget---at---a---time---brietkreuz>.

¹⁵⁶⁹ G20-OECD-EC Conference on Quality Apprenticeships for Giving Youth a Better Start in the Labour Market, Organisation for Cooperation and Development (Paris), 9 April 2014, http://www.oecd.org/els/emp/G20-OECD-EC%20Apprenticeship%20Conference_Issues%20Paper.pdf

¹⁵⁷⁰ ASEAN-China Centre Organized Myanmar-China Partnership Workshop on Vocational Education in Yangon, Myanmar, ASEAN-China Centre (Beijing), 8 May 2014. Date Accessed: 6 October 2014. http://www.asean-china-center.org/english/2014-05/08/c_133319033.htm

Chinese State Council on June 22, 2014, plans to increase the amount of students in vocational institutions from the current 29.34 million to 38.3 million by 2020. Already, China has the largest number of vocational institutions in the world.¹⁵⁷¹

In September 2014, a joint International Labour Organisation, World Bank and the OECD report prepared for the G20 Labour and Employment Ministerial meeting in Melbourne commended China for “aggressively raising” minimum wages. In addition, the report also noted expansion in social protection, and that working poverty has declined particularly in China.¹⁵⁷² This corresponds with its St. Petersburg commitment to “strengthen the social safety net.”

China’s national advisors recommended on September 12, 2014 that China implement vocational training programs as a means of combating the unemployment in regions highly populated by minorities.¹⁵⁷³ This indicates that vocational training is a priority for the Chinese economic leaders negotiating the trade.

On September 11, 2014, Britain’s Finance ministry announced that they were about to sign commercial deals with China worth 2.4 billion pounds, 200 million pounds of which would go towards the development of vocational training schools and nursing homes in China.¹⁵⁷⁴

China has taken active steps to meet its St. Petersburg commitments by continuing to fund the creation of vocational schools and improving their accessibility to minorities, youth and in rural areas.

Thus, China is awarded a score of +1.

Analyst: Madeline Torrie

France: +1

France has fully complied with its commitment to create vocational training programs.

Boundaries to employment removed included the reform of current training contribution requirements. Companies were previously required to make payments towards three separate agencies totalling 0.9 per cent of their mass salary for the purpose of training.¹⁵⁷⁵ This was replaced by a “duty to train” framework which has levels of contribution determinant on company size while ensuring that the funds

¹⁵⁷¹ China wants fewer college grads, more skilled workers. Sound familiar? Bloomberg Businessweek (New York), 24 June 2014. Date Accessed: 6 October 2014. <http://www.businessweek.com/articles/2014-06-24/china-wants-more-vocational-students-fewer-universities>

¹⁵⁷² G20 Labour Markets: Outlook, Key Challenges, and Policy Responses, The International Labour Organisation (Switzerland), Organisation for Cooperation and Development (Paris), and the World Bank Group (New York), 9 September 2014. Date Accessed: 6 October 2014. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_305421.pdf

¹⁵⁷³ Political Advisors Discuss Ethnic Minority Employment, People’s Daily (Beijing), 12 September 2014. Date Accessed: 6 October 2014. <http://english.peopledaily.com.cn/n/2014/0912/c90785-8781535.html>

¹⁵⁷⁴ UK says to sign nearly \$4 billion in trade deals with China, Reuters (London), 11 September 2014. 2014. Date Accessed: 6 October 2014. <http://www.reuters.com/article/2014/09/11/us-britain-china-trade-idUSKBN0H62L220140911>

¹⁵⁷⁵ Address by Minister Labour, Employment and Social Affairs Michel Sapin at the French National Assembly (Paris) 26 February 2014. Date of Access 28 February 2014. <http://travail-emploi.gouv.fr/actualite-presse,42/discours,2142/discours-de-michel-sapin-projet-de,17558.html>.

collected go to only one source, the “Organisme paritaire collecteur agréé.” Additionally, the proposed 24 hour minimum work week for part-time employees was temporarily suspended for six months.¹⁵⁷⁶

The Government of France has cited interest in continuing its “jobs of the future” program. On 25 October 2013 it published its 2014 target of creating 150,000 jobs for future positions, a 50 per cent increase from its 2013 target.¹⁵⁷⁷ On 29 September 2014 France announced it had met the target and proceeded to increase the 2014 goal by an additional 44,000.¹⁵⁷⁸ The program, which provides training for youth without postsecondary education, ended 2013 just shy of reaching its target.¹⁵⁷⁹

On 5 March 2014, France passed a vocational training law intended to implement far-reaching reforms in order to increase the number of apprentices in France. Indeed the promotion and growth of apprenticeship programmes is among the main components of France’s youth employment policy; the government aims to increase the number of apprenticeships in the country from 430,000 to 500,000 by 2017.¹⁵⁸⁰ This law will also remove bureaucratic boundaries and non-wage costs to employment, while providing more mentorship to individual’s skill training.¹⁵⁸¹ The bill would also provide support services for individuals through training and employee mentorship. Moreover, under the February 2014 legislation on vocational training, employment and social democracy, the apprenticeship levy was reformed whereby the levy would be split in order to allocate more resources to apprenticeships programmes through French Apprentice Training Centres.

The legislation also affords more protection to the status of “apprentice,” by reforming the apprenticeship contract, which will offer the apprentice the protection and status of a permanent contract of employment without calling their status into question. This provision affords more protection to apprentices by making it easier for them to obtain bank loans or to secure accommodation. It also reflects some employers’ desire to retain the apprentices they train.

These initiatives fall within the context of France’s framework on the restructuring of France’s schools that was implemented on 8 July 2013, as well as the law of 22 July 2013 regarding higher education and research. These aim to improve the integration of young people into the workforce by making sandwich placements and internships a mandatory component of vocational masters and degrees. In this regard, the target is to double the number of students completing internships and course-related work by 2020.

¹⁵⁷⁶ Formation professionnelle : la réforme définitivement adoptée, MYTF1 News. 27 February 2014. Date of Access : 4 March 2014. <http://ci.tf1.fr/economie/entreprise/formation-professionnelle-la-reforme-definitivement-adoptee-8373981.html>.

¹⁵⁷⁷ Budget 2014: l’essentiel de l’effort de redressement repose sur des économies, View Publique. 20 February 2014. Date of Access 4 March 2014. <http://www.vie-publique.fr/actualite/dossier/budget-2014/budget-2014-essentiel-effort-redressement-repose-economies.html>.

¹⁵⁷⁸ Le chiffre de 150 000 emplois d’avenir a été atteint aujourd’hui, Ministère du Travail, de l’Emploi, de la Formation Professionnelle et du Dialogue Social (Paris) 29 September 2014. Date of Access : 5 October 2014. <http://travail-emploi.gouv.fr/actualite-presse,42/communiqués,2138/emplois-d-avenir,2189/actualités,2264/le-chiffre-de-150-000-emplois-d,18042.html>.

¹⁵⁷⁹ Sapin: succès dans le dialogue social, revers sur l’emploi, Le Monde. 26 February 2014. Date of Access: 4 March 2014. http://www.lemonde.fr/politique/article/2014/02/26/le-bilan-de-michel-sapin-succes-dans-le-dialogue-social-revers-sur-l-emploi_4373444_823448.html.

¹⁵⁸⁰ Apprentissage : 500 000 apprentis d’ici 2017 en France, Ministère de la ville, de la jeunesse et des sports (Paris) 22 September 2014. Date of Access: 21 October 2014. <http://www.jeunes.gouv.fr/actualites/actualites-interministerielles/article/apprentissage-500-000-apprentis-d>

¹⁵⁸¹ Loi relative à la formation professionnelle, à l’emploi et à la démocratie sociale : une adoption expresse pour des réformes d’envergure, Ministère du Travail, de l’Emploi, de la Formation Professionnelle et du Dialogue Social (Paris) 27 February 2014. Date of Access: 4 March 2014. <http://travail-emploi.gouv.fr/actualite-presse,42/communiqués,2138/loi-relative-a-la-formation,17563.html>.

After taking the above measures into account, one can conclude that France has complied with its commitment to vocational training and apprenticeships, both through its recently-passed vocational training law, as well as through the continued success of its “jobs for the future” initiative.

Thus, France has been rewarded a score of +1.

Analyst: M. Iain McCauley

Germany: +1

Germany has fully complied with its commitment. It has both declared its intent to adhere to its commitment and has followed through in creating and maintaining programs for the specified target groups.

In addition to the above commitment, Germany also committed to continue to implement its “Skilled Workers Strategy” to promote the availability of highly qualified workers through its immigration policy.

On 1 November 2013, Germany makes changes to their “Promotion of occupational mobility of interested in training young people and unemployed young professionals from Europe” program to increase vocational training support for youth in the EU. The program, “The Job of my Life,” now provides up to 16 weeks of German language classes as well as up to twelve weeks of multi-language support during the preparatory training placement. Furthermore, the new guidelines provide support to aid youth with previous vocational training in finding placement in a similar field.¹⁵⁸²

On 3 December 2013, the German Federal Ministry of Labour and Social Affairs reaffirms its intent to “increase vocational training rates” through special initiatives such as the Perspective 50 plus programme. The ministry will also lead in utilizing the European Social Fund to improve gender equality in the labour market as well as “create incentives for more part-time training” with particular focus on older or less skilled individuals.¹⁵⁸³

On 8 January 2014, German Federal Labour Minister Andrea Nahles makes a press release reaffirming Germany’s commitment to aiding those with difficulties finding employment either due to insufficient qualifications or as a “result of having been without work for many years.”¹⁵⁸⁴

On 11 September 2014, the G20 nations sign a Joint Declaration, formalizing a commitment to address issues youth, women, and handicapped people face in industries. The nations promise to ensure youth have solid foundations in literacy and numeracy, and to facilitate communication between schools, employers, and employment services to match workforce needs and training. Furthermore, the G20 nations promise to improve the participation of women in the workforce, with the goal of closing the gap between male and female participation by 25 per cent by 2025.¹⁵⁸⁵

¹⁵⁸² Seit 1.11.2013 gibt’s was Neues, Bundesagentur für Arbeit (Berlin) 1 November 2013. Date of Access: 18 February 2014. <http://www.thejobofmylife.de/de/neuigkeiten.html>.

¹⁵⁸³ Initial and continuing training, Federal Ministry of Labour and Social Affairs (Berlin) 3 December 2013. Date of Access: 18 February 2014. <http://www.bmas.de/EN/Our-Topics/Initial-and-Continuing-Training/start-initial-and-continuing-training.html?nn=45510>.

¹⁵⁸⁴ “Create new opportunities on the labour market,” Federal Ministry of Labour and Social Affairs (Berlin) 8 January 2014. Date of Access: 19 February 2014. <http://www.bmas.de/EN/Service/Press/press-releases/labour-market-figures-december-2013.html?nn=46168>.

¹⁵⁸⁵ G20 Labour and Employment Ministerial Declaration, 11 September 2014. Date of Access: 6 October 2014. https://www.g20.org/sites/default/files/g20_resources/library/2014%20LEMM%20Declaration.pdf.

Germany has been awarded a +1 for adhering to its commitments and has declared its commitment to future support for the target groups.

Analyst: Andy Li

India: +1

India has fully complied with its commitment to create vocational training programs. India has increased expenditures for skill development, continued to provide support in its partnership with the National Skill Development Corporation (NSDC), and created stronger institutions to prevent non-wage labour costs through the National Skills Qualification Framework (NSQF).

In addition to the above commitment, India also committed to set a target that 50 million people will acquire necessary skills by 2017, including 9 million youth in 2013-14. In addition, the National Skill Development Corporation will set the curriculum and standards for training in different skills and provides monetary incentives for youths to acquire their skill certification for which budget provision of about USD1 billion is made for 2013-14.

On 19 December 2013 the Government of India passed the NSQF.¹⁵⁸⁶ This program is meant to simplify vocational training through the creation of a credit accumulation and transfer system integrated into existing programs that allows individuals to move more easily between education, vocational training and work. The program's intent is to minimize non-cost barriers vocational training that exist currently.

On 17 February 2014 the Government of India released their interim budget for 2014-15. In this budget they allocated INR17.89 billion in new funding towards Social Security for Unorganized Workers and Skill Development.¹⁵⁸⁷

The budget provided further funding for the NSDC allowing to expand its job training programmes significantly.¹⁵⁸⁸ The NSDC has provided training for 1,349,742 since 2011 and on 6 March 2014 announced that will have the capacity to train 75,000,000 in the next ten years.

On 13 August 2014 the Government of India passed amendments to the Apprentices Act of 1961. This added new apprenticeship designated trades including IT-services, and non-engineering graduate and diploma holders.¹⁵⁸⁹

India has declared its intent to follow through on the commitment and begun to follow through on this commitment through its budget allocations, passage of NSQF and partnership with the NSDC.

Thus, India has been rewarded a score of +1 for its commitment to vocational training programs.

Analyst: M. Iain McCauley

¹⁵⁸⁶ National Skills Qualifications Framework, Press Information Bureau (Mumbai) 19 December 2013. Date of Access: 4 March 2014. <http://pib.nic.in/newsite/erelease.aspx?relid=102050>.

¹⁵⁸⁷ Expenditure Budget, Ministry of Finance (New Delhi) 17 February 2014. Date of Access: 7 March 2014. <http://indiabudget.nic.in/ub2014-15/eb/sbe62.pdf>.

¹⁵⁸⁸ Address by Minister of Finance P. Chidambaram at Parliament of India (New Delhi) 17 February 2014. Date of Access: 7 March 2014. <http://indiabudget.nic.in/ub2014-15/bs/bs.pdf>.

¹⁵⁸⁹ LS passes Apprentices (Amendment) Bill, Business Standard (New Delhi) 15 August 2014. Date of Access: 5 October 2014. http://www.business-standard.com/article/pti-stories/lok-sabha-passes-apprentices-bill-114081400713_1.html.

Indonesia: 0

Indonesia has partially complied with its commitment to creating vocational training programs. The government has stated its intention to create and reform vocational programs. Additionally, it has undertaken measures to facilitate mobility, enhance employability and create jobs. However, Indonesia has not implemented a comprehensive vocational training program for target groups such as youth, women, low-skilled workers, etc.

An article published on 26 October 2013 noted the Jakarta Education Agency signed an agreement to include retail management in the curriculum of vocational schools in the city. Jakarta's Deputy Governor stated this agreement was important in ensuring vocational graduate are qualified to work in modern stores.¹⁵⁹⁰

On November 6, 2013, the Ministry of Manpower and Transmigration (MOMT) proposed building a cooperative framework with the Japan International Training Cooperation Organization in order to enhance advance training for technical intern trainees at vocational training facilities.¹⁵⁹¹

On 7 November 2013, MOMT Spokesman Suhartono said Indonesia's government was "currently preparing a job creation program" that "would include developing workforce skills through training, helping the workforce set up small and medium enterprises and carrying out an emergency job creation program."¹⁵⁹²

On 13 — 14 November 2013, the Indonesian Coordinating Ministry for Economic Affairs, the MOMT, International Labour Organization, The National Development Planning Agency, the Indonesian Economy Council, and the Indonesian Employers Association jointly hosted the Indonesia Employment Forum. Stated objectives included: facilitating coordination among Indonesian stakeholders on current policy initiatives, formulating strategies for achieving inclusive economic growth, and following up on G20 commitments to promote job creation.¹⁵⁹³

On 20 November 2013, the Republic of Indonesia secured a USD \$400,000,000 development policy loan from the World Bank.¹⁵⁹⁴ The main objective for the money was to "enhance Indonesia's capacity and institutions for reducing poverty and boosting shared prosperity." Specific goals included: strengthening the public sector's fiscal stability, protecting the vulnerable by expanding social assistance, empowering communities to take charge of their development needs, enhancing skills and technology, and improving public financial management for improved service delivery. Examples of implementation

¹⁵⁹⁰ Students to learn about retail management, The Jakarta Post (Jakarta), 26 October 2013. Date of Access: 21 February 2014. <http://www.thejakartapost.com/news/2013/10/26/students-learn-about-retail-management.html>.

¹⁵⁹¹ Regular Discussion Held with Indonesian Government Liaison. Date of Access: 24 February 2014. http://www.jitco.or.jp/english/engagement_sending_out/indonesia/2013/1210/.

¹⁵⁹² Economic slowdown drives up unemployment rate, The Jakarta Post (Jakarta), 7 November 2013. Date of Access: 21 February 2014. <http://www.thejakartapost.com/news/2013/11/07/economic-slowdown-drives-unemployment-rate.html>.

¹⁵⁹³ Indonesia Employment Forum, International Labour Organization, 13 – 14 November 2013. Date of Access: 21 February 2014. http://www.ilo.org/jakarta/whatwedo/eventsandmeetings/WCMS_229967/lang--en/index.html.

¹⁵⁹⁴ Official Documents- Loan Agreement, L8304-ID (Closing Package), World Bank (Washington, DC), 20 November 2013. Date of Access: 21 February 2014. <http://documents.worldbank.org/curated/en/2013/11/18674831/official-documents--loan-agreement-l8304-id-closing-package>.

would be subsidized fuel price increase and implementation of new national social security system (Sistem Jaminan Sosial Nasional).¹⁵⁹⁵

In report published on 17 December 2013, the International Labour Organization pointed out “limited linkages and synergies between various AMLPs [active labour market policies and programmes],” while also noting limited connections between ALMP programs and the needs or demands of the labour market. They cite that ALMPs rarely identify youth as a beneficiary of such program. Additionally, the ALMPs are short term and do not link beneficiaries to job search facilities or other post-training support options. The lack of synergy limits the overall effectiveness of ALMP interventions.¹⁵⁹⁶

On 17 January 2014, Better Work Indonesia held a business forum with both MOMT and the recently established Social Security Agency. The forum intended to inform employers on amendments to social security and health insurance laws, enhancing communication among companies and other stakeholders (such as the government and labour unions) on employee rights.¹⁵⁹⁷

On 25 January 2014, the Jakarta Post reported that local non-governmental organizations believe there must be more “empowerment” training for women in Greater Manggarai and Flores. Specifically, thousands of women are unemployed due to lack of entrepreneurial skills, so the government must “develop creative programs on topics such as organic farming, plantations and other economic activities.”¹⁵⁹⁸

On 12 February 2014, Soekarwo was re-elected as East Java’s governor. In his inauguration speech, Soekarwo promised to develop more vocation schools in order to reduce unemployment in the next five year. Additionally, he committed to strengthening East Java’s economy by providing “assistance to businesses through cooperatives or community groups.”¹⁵⁹⁹

1-2 April 2014 marks the dates for the Technical Vocational Education and Training (TVET) conference in Jakarta. Several ministries — the Indonesian Ministry of Education and Culture, the MOMT, the Ministry of Industry, National Development and Planning Agency and the German Ministry for Economic Cooperation and Development — jointly agreed to host the conference in order to exchange good TVET practices while stimulating TVET networking within member countries of the Association of South East Asian Nations.¹⁶⁰⁰

On 22 April 2014, the Embassy of India in Jakarta organized a meeting in which H.E. Mr. Gurjit Singh, Ambassador of India, said India was planning to open another vocational training in Papua. Mr. Suryo

¹⁵⁹⁵ Second Institutional Strengthening for Social Inclusion (Second Institutional, Tax Administration, Social and Investment) Development Policy Loan Project. World Bank (Washington, DC), 21 October 2013. Date of Access: 21 February 2014. <http://documents.worldbank.org/curated/en/2013/10/18459911/indonesia-second-institutional-strengthening-social-inclusion-second-institutional-tax-administration-social-investment-development-policy-loan-project>.

¹⁵⁹⁶ Labour and social trends in Indonesia in 2013: Reinforcing the role of decent work in equitable growth, World Bank, 17 December 2013. Date of Access: 21 February 2014. http://www.ilo.org/jakarta/whatwedo/publications/WCMS_233249/lang--en/index.html.

¹⁵⁹⁷ Enterprise Forum, Better Work Indonesia, 4 February 2014. Date of Access: 25 February 2014. <http://betterwork.org/indonesia/?p=4622>

¹⁵⁹⁸ More training for women needed in Manggarai, Jakarta Post, Jakarta, 25 January 2014. Date of Access: 6 October 2014. <http://www.thejakartapost.com/news/2014/01/25/more-training-women-needed-manggarai.html>.

¹⁵⁹⁹ Soekarwo inaugurated as E. Java governor, The Jakarta Post (Surabaya, East Java), 13 February 2014. Date of Access: 29 February 2014. <http://www.thejakartapost.com/news/2014/02/13/soekarwo-inaugurated-e-java-governor.html>.

¹⁶⁰⁰ Ensuring TVET Quality, 10 January 2014. Date of Access: 25 February 2014. <https://www.regional-tvet-conference-indonesia.org/en/article/67.ensuring-tvet-quality.html>.

Sulisto, the Chairman of the Indonesian Chamber of Commerce, welcomed India's investment, "especially participation in focused trade fairs."¹⁶⁰¹

On 11 June 2014, the secretary-general of the Indonesian Employers Association (Apindo), Suryadi Sasmita, said that tertiary education was still too academic and did not equip graduates with the relevant skills for the workplace.¹⁶⁰²

In August 2014, the Republic of Indonesia and United Nations established a collaboration to foster knowledge exchange about best sustainable development strategies. Specifically, that committed to identifying 1 million "green youth ambassadors" in schools by 2017.¹⁶⁰³

In September 2014, the Asian Development Bank warned that there appears to be an "education and skills mismatch with jobs" that poses challenges for local corporations to expand their business. The Jakarta Post report the incoming president Joko Widodo is aware of this problem and has vowed to push "revamping of character-building programs for Indonesian schoolchildren."¹⁶⁰⁴

On 2 October 2014, protestors rallied in front of the state palace, calling upon the government to do more "to end the outsourcing of workers," in which employers use temporary contracts to avoid high severance payments and minimum wage labour laws.¹⁶⁰⁵

Although Indonesia has expressed interest in creating more effective vocational training programs, it has not acted substantially on its declarations. In particular, the government has not taken visible steps to organize programs for target groups. Thus, Indonesia has partially complied with its vocational training commitment and is awarded a score of 0.

Analysts: Victoria Wicks and Derek Cuddington

Italy: +1

Italy has fully complied with its St. Petersburg G20 Summit commitments in regards to labour and employment, specifically dealing with vocational training programs.

On October 9th 2013, the International Labour Office financed by the European Commission released a working paper title "Coping with the crisis in Italy: Employment relations and social dialogue amidst the recession." It praised Italy for its reactive economic policies in relation to the economic crisis which effected that country. It credited them with being "successful in retaining employment and demonstrated the ability to address challenges through social concentration."¹⁶⁰⁶

¹⁶⁰¹ India Business Forum and KADIN Indonesia call for more business collaboration. Date of Access: 5 Oct 2014. <http://www.theglobeandmail.com/community/work-at-the-globe-how-to-apply-for-the-2015-summer-program/article20916555/>.

¹⁶⁰² Education must prepare students for employment, Jakarta Post, Jakarta, 11 June 2014. Date of Access: 5 October 2014. <http://www.thejakartapost.com/news/2014/06/11/education-must-prepare-students-employment.html>.

¹⁶⁰³ Green education promoted for sustainable development, Jakarta Post, Jakarta, 31 August 2014. Date of Access: 4 October 2014. <http://www.thejakartapost.com/news/2014/08/31/green-education-promoted-sustainable-development.html>.

¹⁶⁰⁴ RI needs major change in education to spur growth, Jakarta Post, Jakarta, 13 September 2014. Date of Access: 4 October 2014. <http://www.thejakartapost.com/news/2014/09/13/ri-needs-major-change-education-spur-growth.html>.

¹⁶⁰⁵ Workers rally in Jakarta ahead of Wage negotiations, Jakarta Globe, Jakarta, 2 October 2014. Date of Access: 5 October 2014. <http://thejakartaglobe.beritasatu.com/news/jakarta/workers-rally-jakarta-ahead-wage-negotiations/>.

¹⁶⁰⁶ "Coping with the crisis in Italy: Employment relations and social dialogue amidst the recession", International Labour Office (Geneva) 9 October 2014. Date of Access: 7 March 2014. http://www.ilo.org/ifpdial/information-resources/publications/WCMS_223695/lang--en/index.html.

On January 15th 2014, the European Union acknowledged it received Italy's Youth Guarantee Implementation Plan. With an allocation of 530.18 million Euros to begin the process of instating such policies, Italy is expected to match those funds doled to them by the European Social Fund. Now, member states will receive feedback in-order to ensure their plans are realistic and verified to succeed.¹⁶⁰⁷

In 2013, Ernest and Young published The EY G20 Entrepreneurship Barometer 2013 describing Italy's efforts to reduce the tax wedge present in that country. Businesses previously cited a complicated tax regime and regulatory system as key barriers to their success. Italy phased in tax incentives for businesses who hire young workers and began to simplify their tax and regulatory systems allowing for improvements in business start-up time.¹⁶⁰⁸

On July 11th 2014, the European Commission accepted Italy's national Operational Programme for the Youth Employment Initiative, only the second in Europe after France. This plan will be one part of a multifaceted effort to meet the Youth Guarantee. 1.5 billion Euros are now at the government's disposal and will begin to be doled out. Also, Italy announced it will include those under 29, not just 25 as the European Union originally put forward in their plans, in their efforts to secure employment for young people as part of the Youth Guarantee.¹⁶⁰⁹

As demonstrated by these initiatives, Italy is actively working towards a European Union wide initiative to make a Youth Guarantee in hopes of curbing the bleak youth employment market.

Italy receives a score of +1 as it has also taken concrete measures to begin the elimination of the strong tax wedge present in the country, the second part of its commitment at the G20 summit.

Analyst: Max Stern

Japan: +1

Japan has fully complied with its commitment to create vocational training programs. Japan implemented employment service programs aimed at the youth demographic and is scheduled to move ahead on policies which develop employment opportunities for elderly persons. Furthermore, Japan expanded its Equal Employment Opportunity Law. However, Japan has not created new policies or opportunities for the disabled, advanced new curricula involving entrepreneurship, or new structures offering support to single parents.

Scheduled for the fiscal year (FY) of 2013, Japan will create university-affiliated job support/consultation "Hello Work" (Japan's employment service centre) locations for graduates and current students, provide "Intensive Support for Unemployed Graduates 2013" for students who do not receive a job offer prior to graduating, create a network of small to medium-sized companies interested in recruiting young people, create a special designation for companies proactive about hiring younger people, and increase the number of "Regional Youth Support Stations" designed to enhance

¹⁶⁰⁷ Press Release, European Commission (Brussels) 15 January 2014. Date of Access: 7 March 2014. http://europa.eu/rapid/press-release_MEMO-14-13_en.html.

¹⁶⁰⁸ "The EY G20 Entrepreneurship Barometer 2013", Ernest and Young (United Kingdom) 2013. Date of Access: 7 March 2014. [http://www.ey.com/Publication/vwLUAssets/EY-G20-country-report-2013-Italy/\\$FILE/EY-G20-country-report-2013-Italy.pdf](http://www.ey.com/Publication/vwLUAssets/EY-G20-country-report-2013-Italy/$FILE/EY-G20-country-report-2013-Italy.pdf)

¹⁶⁰⁹ Press Release, European Commission (Brussels) 11 July 2014. Date of Access: 5 October 2014. http://europa.eu/rapid/press-release_IP-14-826_en.html.

the vocational independence of young people, including NEETs (young people “Not in Education, Employment, or Training”), from 110 to 160.^{1610,1611}

Scheduled for FY2013, Japan will implement the ageless society realization model project, increasing consultations with business operators on employment management that aims towards an ageless society and provide subsidies for business operators that develop employment environments for the elderly.

From 3 June 2014, the Ministry of Health, Labour and Welfare, and Annual Health created an online portal which contains assistance for companies with employee management, job-matching, and skills development.¹⁶¹² In September 2014, “Hello Work” made its resources available online to target private businesses and local governments to increase the likelihood of matching job-seekers with employers.¹⁶¹³

Effective 1 July 2014, Japan expanded its Equal Employment Opportunity Law to include clauses protecting against same-sex sexual harassment and protecting against companies who refuse to promote employees to management positions based on their marital status, possibility of taking maternity leave, or one’s family situation.¹⁶¹⁴ Japan is underutilizing its educated women, but the Prime Minister promotes a target of 30 per cent of senior management positions to be filled by women by 2020.^{1615,1616,1617}

As of September 2014, there has been little change in the institutional resources available to persons with disabilities (e.g., vocational ability development schools numbers have stayed at 19 for five years).

261 facilities existed nationwide for vocational training in 2013. This number decreased from 275 in FY 2008-2009, to 269 in FY 2009-2010, to 264 in FY 2010-2011, and 265 in 2011-2012.¹⁶¹⁸

Japan has complied with its commitment to create vocational and training programs.

Therefore, Japan received a score of +1.

Analysts: Rui Kelly Li and Derek Cuddington

¹⁶¹⁰ Labour and Welfare Report 2012-2013, Japan Ministry of Health, Labour and Welfare, Annual Health. Access Date: 5 October 2014. <http://www.mhlw.go.jp/english/wp/wp-hw7/dl/05e.pdf>.

¹⁶¹¹ Human Resources Development Report, Japan Ministry of Health, Labour and Welfare, Annual Health. Access Date: 5 October 2014. <http://www.mhlw.go.jp/english/wp/wp-hw7/dl/06e.pdf>.

¹⁶¹² Company Assistance Online Portal Information, Japan Ministry of Health, Labour and Welfare, Annual Health. Access Date: 5 October 2014. <http://www.mhlw.go.jp/stf/seisakunitsuite/bunya/0000053276.html>.

¹⁶¹³ Labour and Welfare Human Resources Press Release, Japan Ministry of Health, Labour and Welfare, Annual Health. Access Date: 5 October 2014. <http://www.mhlw.go.jp/stf/houdou/0000033347.html>.

¹⁶¹⁴ Equal Employment Opportunity Law Revisions, Japan Ministry of Health, Labour and Welfare, Annual Health. Access Date: 5 October 2014. <http://www.mhlw.go.jp/stf/houdou/0000033232.html>.

¹⁶¹⁵ The Global Gender Gap Report, World Economic Forum. Access Date: 5 October 2014. <http://www.weforum.org/reports/global-gender-gap-report-2013>.

¹⁶¹⁶ Education in 2013: An ‘A’ for Ambition, but Japan will Have to Do Better, The Japan Times, 29 December 2013. Teru Clavel. Access Date: 5 October 2014. <http://www.japantimes.co.jp/community/2013/12/29/issues/education-in-2013-an-a-for-ambition-but-japan-will-have-to-do-better/>.

¹⁶¹⁷ "Japan will implement labour reform measures, such as increasing the capacities of childcare services, to raise the employment rate of women (age 25-44) to 73% by 2020.", St. Petersburg Action Plan. Access Date: 5 October 2014. <http://www.oecd.org/g20/meetings/saint-petersburg/St-Petersburg-Action-Plan.pdf>.

¹⁶¹⁸ Labour and Welfare Reports 208-13, Japan Ministry of Health, Labour and Welfare. Access Date: 5 October 2014. <http://www.mhlw.go.jp/english/wp/>.

Korea: +1

Korea has fully complied with its commitment to enhance labour participation for women, youth, and older workers by strengthening childcare support, launching an apprenticeship system, and providing incentives and subsidies for small and medium-sized enterprises (SMEs) to hire these targeted individuals. These measures are part of an overall strategy to increase Korea's employment rate from 64 per cent to 70 per cent by 2017.¹⁶¹⁹

On 28 November 2013, the Korean Research Institute for Vocational Education and Training (KRIVET) hosted a seminar on labour mobility as part of the Global HR Forum 2013, during which it reaffirmed its intent to implement an apprenticeship system in response to youth unemployment and skills mismatch.¹⁶²⁰ Korea officially launched the Work-Study Dual System, modelled after the German apprenticeship program, in January 2014. This measure to promote youth employment puts companies in charge of teaching recruits the necessary job skills on top of their academic education.¹⁶²¹

On 19 December 2013, President Park Geun-hye introduced a more flexible system of working hours.¹⁶²² This measure responds to the many Korean women who found it difficult to shoulder both workplace and child-caring responsibilities.

On 10 January 2014, President Park pledged to create 1.65 million jobs for women and to increase the female employment rate from 53.5 per cent to 61.9 per cent before February 2018.¹⁶²³ Park appointed Minister of Gender Equality and Family Cho Yoon Sung to coordinate all government ministries towards meeting this target. Cho followed the Organization for Economic Cooperation and Development's advice of using peer pressure to press companies into hiring more women, such as praising Samsung Electronics and Lotte Group while calling on Hyundai Motor Co. to create more flexible part-time jobs for women.¹⁶²⁴

On 4 February 2014, the Ministry of Strategy and Finance (MOSF) reiterated its commitment to support female employment and outlined four areas of focus: maternity care, daycare, reemployment support and flexible work hours, and family-friendly markets. Support measures include creating a temporary database of workers to fill in for women on maternity leave, introducing flexible and

¹⁶¹⁹ MOEL pledges to implement 4 policy goals and 11 strategies in 2014 to achieve 70% employment rate, Ministry of Employment and Labour (Sejong) 11 February 2014. Access Date: 3 October 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1041.

¹⁶²⁰ Cedefop presents European VET in South Korea, European Centre for the Development of Educational Training (Seoul) November 2013. Access Date: 11 March 2014. <http://www.cedefop.europa.eu/EN/news/22145.aspx>.

¹⁶²¹ Column by Vice Minister Jung Hyun-ok on Enterprise- and industry-led vocational training, Ministry of Employment and Labour (Sejong) 7 April 2014. Access Date: 29 September 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1046.

¹⁶²² S. Korea's youth unemployment rate rises, China Daily (Beijing) 19 December 2013. Access Date: 11 March 2014. http://www.chinadaily.com.cn/world/2013-12/19/content_17184429.html.

¹⁶²³ South Korea Shuns Moms at Peril as Workforce Shrinks, Bloomberg (New York) 23 January 2014. Access Date: 4 October 2014. <http://www.bloomberg.com/news/2014-01-23/south-korea-shuns-moms-at-peril-as-workforce-shrinks.html>.

¹⁶²⁴ Samsung Seen Leading Hyundai as Family Friendly Employer, Bloomberg (New York) 13 March, 2014. Access Date: 4 October 2014. <http://www.bloomberg.com/news/2014-03-13/samsung-seen-leading-hyundai-as-family-friendly-employer.html>.

extended daycare services, offering monetary support to companies that extend employment contracts for women, and promoting flexible work hours in large firms.¹⁶²⁵

On 27 March 2014, the Ministry of Education (MOE) and the Ministry of Employment and Labour (MOEL) signed a Declaration of Intent (DOI) with Germany's Federal Ministry of Education and Research on Vocational & Education Training (VET) following President Park's visit to the country. The two countries agreed to enhance collaboration in research and policy in addition to holding annual joint conferences to further VET development.¹⁶²⁶

On 20 May 2014 at the 39th Employment Policy Council Meeting in Seoul, Employment and Labour Minister Phang Ha-nam announced the MOEL's plan to foster 3000 prospective work-based learning providers this year. The ministry will offer consulting to companies on both the Work-Study Dual System and the youth internship project to facilitate their development into suitable work-based learning providers.¹⁶²⁷

On 10 June 2014, the Ministry of Employment and Labour (MOEL), the Ministry of Education (MOE), the Ministry of Science, ICT and Future Planning (MSIP), software-related schools, and 11 large and medium-sized firms signed "the MOU for the realization of a competency-oriented society in the software sector."¹⁶²⁸ Under the MOU, students will be trained according to the National Competency Standards (NCS), a set of standardized knowledge and skills for a specific job developed by the state in consultation with industries, while software firms agree to hire workers based on their competency levels.¹⁶²⁹ Lastly, technical colleges and specialized high schools will reform their vocational curricula to reflect new NCS standards. Moreover, the Korean government and relevant ministries will provide financial support for the implementation of measures in order to increase youths' employability in Korea's software industry.

On 12 June 2014, Gyeonggi Technopark was selected by the "industrial complex-based joint childcare centre support project" to become Korea's first technopark to have a joint workplace childcare center. This project belongs to a larger initiative between the Ministry of Trade, Industry and Energy (MOTIE), the Ministry of Employment and Labour (MOEL), and the Ministry of Gender Equality and Family (MOFEG) to expand the female research and development workforce and prevent women from experiencing career-interruptions as a result of child-rearing. The Korean government will subsidize up

¹⁶²⁵ Support Focuses on Working Mothers, Returning to Work and Flexible Work Hours, Ministry of Strategy and Finance (Sejong) 4 February 2014. Access Date: 6 October 2014. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3519&bPage=9>.

¹⁶²⁶ MOE and MOEL sign DOI on cooperation for VET, Ministry of Education (Sejong) 27 March 2014. Access Date: 5 October 2014. <http://english.moe.go.kr/web/42208/en/board/enview.do?bbsId=265&boardSeq=53364&mode=view>.

¹⁶²⁷ MOEL plans to foster 3,000 prospective work-based learning providers this year, Ministry of Employment and Labour (Sejong) 21 May 2014. Access Date: 29 September 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1053.

¹⁶²⁸ Software industry, schools and government agree to cooperate to realize competency-oriented society, Ministry of Employment and Labour (Sejong) 10 June 2014. Access Date: 29 September 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1057.

¹⁶²⁹ Column by Vice Minister Jung Hyun-ok on Enterprise- and industry-led vocational training, Ministry of Employment and Labour (Sejong) 7 April 2014. Access Date: 29 September 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1046.

to 90 per cent of the cost for establishing the center in addition to offering partial support for operating costs up to KRW1.2 million per childcare teacher.¹⁶³⁰

On 21 July 2014, the Ministry of Education and the Human Resources Development Service of Korea launched a redesigned web portal to assist workers and students in designing long-term career paths online. Four hundred sixty-eight learning modules, guidebooks that outline both theoretical and practical skills to help individuals prepare for specific jobs, are available in addition to hiring, assignment, promotion checklists, training criteria, and 245 NCS.¹⁶³¹

On 24 September 2014, the MOEL announced comprehensive employment measures for older workers that centered on issues of employment insecurity, low-quality re-employment, and retirement income worries. To prepare older workers for future employment opportunities, it plans to offer career planning and skills upgrading programs such as the “compass project for older workers.” The Korean government will issue “second career subsidies” of KRW10 million per person to employers who willingly provide job placements for soon-to-be retirees as well as up to KRW30 million per company to help them create age-friendly jobs. Moreover, governmental measures to combat employment insecurity will include supporting talent exchange between large companies and SMEs in addition to extending internship support for older workers wishing to transfer to start-up companies.¹⁶³²

Korea has adhered to its commitment of implementing vocational training programmes and curricula reform for youth, strengthening childcare support and introducing flexible work hours for women, as well as improving older workers’ employability and job security.

Thus, Korea is awarded a score of +1.

Analysts: Rui Li and Yinan Yang Li

Mexico: 0

Mexico partially complied with its St. Petersburg G20 Summit commitments in regards to labour and employment, specifically dealing with vocational training programs. It has made specific commitments towards legislating a labour reform bill which would work towards labour flexibility and efficiency. However, no movement towards these efforts can be found.

On November 29th 2012, the Mexican legislature passed a labour reform bill in hopes of improving working conditions and dealing with issues of: wage payments, employment contracts and temporary employment, discrimination, outsourcing, termination and back wages, productivity and training, and union elections and transparency. All of these issues remain part of Mexico’s commitments after the G20 Summit in St. Petersburg. Mexico’s first labour law was enacted in 1931 and this is one of two significant updates to it since that time. Though the bill became effective on December 1st 2012, its

¹⁶³⁰ Joint workplace childcare center to be set up for female researchers in Gyeonggi Technopark, Ministry of Employment and Labour (Sejong) 12 June 2014. Access Date: 29 September 2014.

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1058.

¹⁶³¹ Integrated web portal for NCS and learning modules start its service Jul. 21st, Ministry of Employment and Labour (Sejong) 21 July 2014. Access Date: 29 September 2014.

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1070.

¹⁶³² MOEL unveils comprehensive employment measures for older people, Ministry of Employment and Labour (Sejong) 24 September 2014. Access Date: 29 September 2014.

http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1077.

content was diluted in-order to pass it through the legislature. Labour reform still is a pressing issue the government is trying to address.¹⁶³³

Thus, Mexico is awarded a score of 0.

Analyst: Max Stern

Russia: +1

Russia has fully complied with the commitment on vocational training programs.

On 15 April 2014, the Russian government updated the State Program on Promotion of Employment, which includes the Development of the Labour Market Institutions subprogram. It creates conditions for increasing quality of labour force and its professional mobility development and improves labour conditions. The subprogram provides for the development of vocational training and professional mobility through training and skills improvement and the improvement of the national system of professional qualifications. RUB18.9 billion will be allocated in 2013-2020.¹⁶³⁴

On 16 April 2014, Russian President Vladimir Putin signed an executive order creating the Presidential National Council for Professional Qualifications. The council will work on “issues pertaining to creating and developing in Russia a system of professional qualifications.”¹⁶³⁵ It will coordinate the work of state authorities, organizations of employers, trade unions, civil society organizations, educational and scientific organizations in the sphere of professional education and training.¹⁶³⁶

To increase employment among women on leave for child care, Russia has introduced additional vocational training measures and other support measures. RUB153.1 million and RUB161.2 million are allocated for training of 12,700 and 13,100 women in 2014 and 2015 respectively.¹⁶³⁷

On 28 May 2014, the Russian Ministry of Labour and Social Protection reported that 5,800 persons of pre-retirement age were engaged in vocational training in 2013 as compared to 5,600 persons in 2012.¹⁶³⁸ The Ministry notes that the level of employment of senior people increased to 29.2 per cent in 2013, which is 1.5 percentage points higher than in 2012.¹⁶³⁹

Russia has taken actions to demonstrate its intent to comply the commitment and create vocational training programs for target groups. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

¹⁶³³ “Mexican Federal Labor Law Reform: Opportunities and Challenges for Employers with Operations in México”, Mondaq: Connecting People and Knowledge (London, New York City, Sydney) 8 January 2013. Date of Access: 7 March 2014. <http://www.mondaq.com/x/215108/Contract+of+Employment/Mexican+Federal+Labor+Law+Reform+Opportunities+And+Challenges+For+Employers+With+Operations+In+Mxico>.

¹⁶³⁴ Government Resolution No. 298 of 15 April 2014, Russian Ministry of Labour and Social Protection 29 April 2014. <http://www.rosmintrud.ru/docs/government/134>.

¹⁶³⁵ Presidential National Council for Professional Qualifications created, President of Russia 16 April 2014. <http://eng.kremlin.ru/acts/7032>.

¹⁶³⁶ Statute of the Presidential National Council for Professional Qualifications, President of Russia 16 April 2014. <http://state.kremlin.ru/council/39/statute>.

¹⁶³⁷ On the training of women on leave for childcare purposes, Russian Government 11 May 2014. <http://government.ru/orders/12269>.

¹⁶³⁸ Results of the monitoring of social and economic status of senior people, Russian Ministry of Labour and Social Protection 28 May 2014. <http://www.rosmintrud.ru/docs/mintrud/protection/93>.

¹⁶³⁹ Citizens of pre-retirement and retirement age can get free vocational training, Russian Ministry of Labour and Social Protection 29 May 2014. <http://www.rosmintrud.ru/employment/employment/379>.

Saudi Arabia: +1

Saudi Arabia has fully complied with the vocational Programmes Commitment by instituting apprenticeship and vocational training programmes that facilitate better prospects and enhance employability, with a focus on specific target groups.

On 25 February 2014 Niagara College won a bid to operate 26 vocational and technical training institutions in Saudi Arabia. The current focus of the colleges is to exclusively train young, male students. The college is exploring possibilities of including female students.¹⁶⁴⁰

On 28 February 2014 a Saudi Petroleum Services Polytechnic (SPSP) Construction and Drilling Training Centre was launched in Dammam. The SPSP institutions provide vocational training specific to petroleum industries.¹⁶⁴¹

On 7 March 2014 the Saudi Industrial Property Authority launched a project to establish an “industrial city for women workers” located in Yanbu. Initially, this will create 50 jobs for women. The purpose of this venture is to support the target group of women in industry, and will include technical training institutes for women. Currently 2000 plants are under construction.¹⁶⁴²

On 4 April 2014 the Technical Vocational Training Corporation (TVTC) announced that 300 new vocational training facilities are under construction, and are expected to be operational within three years. This skills and training program will reach approximately 450 000 trainees over a period of five years, and is targeted in a range of technical vocations for young women and men.¹⁶⁴³

On 16 September 2014 the Saudi Fund for Development (SFD) launched a program to construct nine new facilities for the Vocational Junior College in the northern province of Ha Nam. The focus of this program is youth training in human resources, and is expected to be complete in late 2017.¹⁶⁴⁴

Saudi Arabia has implemented training facilities, vocational programmes and is working to enhance the employability of women, a target group. Additional vocational programmes are in progress.

Thus Saudi Arabia has been awarded a score of +1.

Analyst: Alison Dillman

South Africa: +1

South Africa has fully complied with the commitment to support and implement quality vocational training programs. South Africa has displayed a commitment to the creation of vocational training programs, having launched new initiatives targeting youth and older workers.

On 16 January 2014, Minister of Higher Education B.E. Nzimande discussed the expansion of post-school education and training in his speech given at the launch of the White Paper for Post-School

¹⁶⁴⁰ College’s Taif classes for men only, St. Catharine’s Standard, 25 February 2014. Date Accessed: 4 March 2014. <http://www.stcatharinesstandard.ca/2014/02/25/colleges-taif-classes-for-men-only>.

¹⁶⁴¹ Polytechnic to build skills for petroleum services industry, Arab News, 28 February 2014. Date Accessed: 4 March 2014. <http://www.arabnews.com/news/532351>.

¹⁶⁴² Women-only industrial city to operate soon in Yanbu, Arab News, 7 March 2014. Date Accessed: 7 March 2014. <http://www.arabnews.com/news/536216>.

¹⁶⁴³ Vocational training program planned, 4 April 2014. Date Accessed: 4 October 2014. <http://www.arabnews.com/news/550426>.

¹⁶⁴⁴ Saudi Arabia invests in Vocational Junior College in Ha Nam, 17 September 2014. Date Accessed: 4 October 2014. <http://english.vietnamnet.vn/fms/education/112048/saudi-arabia-invests-in-vocational-junior-college-in-ha-nam.html>.

Education and Training. Nzimande specifically addressed the training needs of youth and of older workers. Nzimande noted that “the Post-School System will prioritize funding of the marginalised,” to increase access to these programs.¹⁶⁴⁵

Rob Davies, Minister of Trade and Finance, introduced the Itukise Internship Program for Unemployed Graduates at the Cape Peninsula University of Technology in Cape Town, South Africa.¹⁶⁴⁶ Implementation of the ZAR 71 million program commenced on 1 April 2014. Davies stated that, “the development of skills and the creation of opportunities for youth and graduates, will go a long way in reducing the levels of poverty and unemployment in South Africa.” He expressed the government’s objective to create opportunities for youth, while encouraging cooperation from the private sector. He noted that the Itukise program is also focused on marketing the manufacturing sector to young adults, and will enable labour force training, and learning “on and off the job.”

Nzimande further stated that the post-school system “will be responsive to the needs of individual citizens and employers in the public and private sectors, as well as serving broader developmental objectives.”

In his July 2014 budget speech, Deputy Minister of Education and Training, Mr. Mduduzi Manana, reiterated the government’s commitment to addressing unemployment among South African youth, noting in particular that the government has provided training programs in the mining sector for vulnerable youth. Manana also noted that the Ministry of Education and Training is developing a policy framework targeted towards disabled persons.¹⁶⁴⁷

South Africa’s recent efforts reflect its commitment to the growth and improvement of vocational training programs. Since the St. Petersburg Summit, South Africa has consistently supported vocational programming for youth and older workers, and has indicated its intention to develop programming targeted towards persons with disabilities.

Thus, South Africa receives a score of +1 for full compliance.

Analyst: Kertia Johnson and Kirstyn Koswin

Turkey: 0

Turkey has partially complied with its commitment to create vocational training programs.

In May 2012, the Improving the Quality of Vocational Education and Training in Turkey (METEK) Project was launched in collaboration with the European Union.¹⁶⁴⁸ The objective of this project is to realize the multi-dimensional activities under the title of “Quality Education and Communication” in order to reach a qualified, measurable and sustainable vocational and technical education system to meet the needs of business and students. Set to run until May 2014, below are a variety of

¹⁶⁴⁵Speech by the Minister of Higher Education and Training Education, MP, Dr B.E. Nzimande at the Launch of the White Paper for Post-School Education and Training, Department of Higher Education and Training (Pretoria) 16 January 2014. Date of Access: 4 October 2014. <http://www.gov.za/speeches/view.php?sid=43020>.

¹⁶⁴⁶ Skills development is vital in reducing youth unemployment – Minister Davies, Department of Trade and Industry (Pretoria) 4 March 2014. Date of Access: 4 October 2014. <http://www.gov.za/speeches/view.php?sid=44130>.

¹⁶⁴⁷ Budget Vote Speech by the Deputy Minister of Education and Training, Department of Higher Education and Training (Cape Town) 22 July 2014. Date of Access: 4 October 2014. <http://www.gov.za/speeches/view.php?sid=46983>.

¹⁶⁴⁸“Project, METEK Project (Ankara)” Access Date: 10 May 2014 <http://metek.meb.gov.tr/index.php/en/project>.

activities that have taken place to improve vocational training in Turkey during the compliance cycle.¹⁶⁴⁹

From 10 to 18 April 2013, several informational seminars were held on “Vocational Guidance and Career Counseling” and “Vocational Guidance for Disadvantaged Groups” in several cities in the province of Gaziantep.¹⁶⁵⁰ Seminar participants had the opportunity to partake in a variety of sessions including; career counselor roles and competencies, career counseling paradigm shifts and results, the professional development process, stages of career development processes, and theories of career counselling.

On 6 September 2013, Turkey and the European Union, funded by Ministry of National Education, in partnership with the Labour and Social Security Ministry of Human Resources Development Operational Programme, carried out a Vocational and Technical Education Quality Improvement Project.¹⁶⁵¹ The project will create nine curriculum development workshops in Mardin. The workshops under the Ministry of National Education will include 57 area teachers from secondary institutions, 78 academics, as well as public, private and civil society organizations, and two industry representatives.

On 30 September 2013, the Republic of Turkey and the European Union, funded by the Ministry of National Education and Labour and Social Security and the Ministry of Human Resources Development Operational Programme carried out a Vocational and Technical Education Quality Improvement Project on Career Guidance and Career Counseling Education.¹⁶⁵² The programme involved ten curriculum development workshops that were held in Gaziantep and had 110 participating educational institutions.

On 1-3 November 2013, during the Turkish Government’s Consultation and Evaluations meeting, the Prime Minister announced his determination to close down private tutoring schools, known as “dershane” in Turkish, suggesting that such schools violate the principle of equal opportunity in education.¹⁶⁵³ Education Minister Nabi Avci announced that during the 2014-2015 academic year no dershanes will be present in the education system and at least 20 percent will be converted into private schools. Recip Tayyip Erdogan also suggested employing the teachers who lose their jobs after the closure of the dershanes in public schools.

¹⁶⁴⁹ “Turkish government determined to close private tutoring schools, Hurriyet Daily News (Ankara)” 5 November 2015. Access Date: 10 May 2014. <http://www.hurriyetdailynews.com/turkishVgovernmentVdeterminedVtoVcloseVprivateVtutoringVschooIs.aspx?PageID=238&NID=57375&NewsCatID=338>.

¹⁶⁵⁰ “METEK Project, Vocational, Guidance, and Career, Counseling and Vocational Guidance for disadvantages groups “informational” seminars” Coru, Sivas, Pain, and was held in Gaziantep, METEK Project (Gzaiantep)” 21 April 2014. Access Date: 10 May 2014. <http://metek.meb.gov.tr/index.php/en/pressVroom/news/446VmetekVprojesiVmeslekiVrehberlikVveVkariyerVdanismanligiVveVdezavantajliVgruplaraVyonelikVmeslekiVrehberlikVkonuluVbilgilendirmeVseminerleriVcorumVsivasVagriVveVgaziantepVteVgerceklestirildi..>

¹⁶⁵¹ “METEK, Projesi Dokuzuncu Müfredat Geliştirme Çalıştayı Mardin de Yapıldı. 6 September 2014. Access Date: 10 May 2014. [http://metek.meb.gov.tr/index.php/en/trainingVperformedVactivities/234VmetekVprojesiVdokuzuncuVmufredatVgelistirmeVcalistayiVmardinVdeVyapildi.\(Accessed using Google Translate.\)](http://metek.meb.gov.tr/index.php/en/trainingVperformedVactivities/234VmetekVprojesiVdokuzuncuVmufredatVgelistirmeVcalistayiVmardinVdeVyapildi.(Accessed%20using%20Google%20Translate.))

¹⁶⁵² “METEK, Career, Guidance, and Career, Counseling, Project, Training, and Curriculum Development Workshop 10 Hotels in Gaziantep was held in Tugcan, METEK Project (Tugcan)” 30 September 2013. Access Date: 10 May 2014. <http://metek.meb.gov.tr/index.php/en/pressVroom/news/243VmetekVprojesiVmeslekiVrehberlikVveVkariyerVdanismanligiVgigitimiVileV10VmufredatVgelistirmeVcalistayiVgaziantepVtugcanVotelVdeVyapildi.>

¹⁶⁵³ Turkish government determined to close private tutoring schools, Hurriyet Daily News (Ankara) 5 November 2015. Access Date: 10 May 2014. <http://www.hurriyetdailynews.com/turkishVgovernmentVdeterminedVtoVcloseVprivateVtutoringVschooIs.aspx?PageID=238&NID=57375&NewsCatID=338>.

On 6 November 2013, Gokhan Cetinsaya, President of the Council of Higher Education (YOK), announced Turkey's first academic freedom declaration.¹⁶⁵⁴ The declaration includes nine articles that relate to the academic freedom of faculty members and students. This is a major step as the YOK had previously been criticized for rigid and authoritarian policies such as banning headscarves on campuses, forcing some students to drop out of school, and its "coefficient" system that limited students learning opportunities in vocational and religious schools.

On 17 December 2013, the International Conference on "Building Mutual Trust between the Labour Market and Vocational Education and Training" was held in Istanbul.¹⁶⁵⁵ The objective of the conference was to create mutual trust between the labour market and vocational training entities by drawing attention to the quality system in vocational education and training. During the conference a variety of panels were held including; Employer's View on Vocation and Technical Education and Training, Quality-Oriented Vocational Education and Training, Key Actors in VET: Teachers, and Improving the Quality of Students to Meet the Needs of Qualified Graduates.

On 27 January 2014, the Ministry of National Education Associate Director General of Technical and Vocational Education, Omar Acikgoz and Cooks and Pastry Federation President Umit Yuksel signed the Protocol on Cooperation in Education.¹⁶⁵⁶ The Protocol will allow the directors of schools and institutions working in the food and beverages service area to develop teacher competence, update current programs, implement related Turkish cuisine joint work executions, increase students adequacy to be employed in the sector and develop competency certification programs.

On 6-7 March 2014, a national conference was held with the aim of discussing the problems and solutions regarding the structure of the post-secondary schools, quality of education and transition process from education to employment.¹⁶⁵⁷

On 30 March — 5 April 2014, vocational education representatives visited Vienne and Prague to exchange information training of trainers, training systems, vocational guidance and career counseling services. The visit included the "Austrian Federal Ministry of Education and Women's Affairs," "Euroguidance," "Czech Republic's Ministry of Education" and the "National Vocational Education and Training Institution." There were 10 participants including; representatives from the Minister of National Education, İŞKUR, the METEK Project and school principals and teachers.¹⁶⁵⁸

¹⁶⁵⁴ "Turkey's First Academic Freedom Declaration, Hurriyet Daily News (Ipek Coskun)" 11 November 2014. Access Date: 10 May 2014. <http://www.hurriyetdailynews.com/turkeysfirstacademicfreedomdeclaration.aspx?pageID=238&nID=57702&NewsCatID=396>.

¹⁶⁵⁵ "International Conference on Building Mutual Trust Between the Labour Market and Vocational Education held in Istanbul, METEK Project (Istanbul)" 17 December 2013. Access Date: 10 May 2014. <http://metek.meb.gov.tr/index.php/en/pressroom/news/315/internationalconferenceonbuildingmutualtrustbetweenthelabourmarketandvocationaleducationheldinistanbul>.

¹⁶⁵⁶ "With the Directorate General of Technical and Vocational Education and Pastry Cooks Federation between the Protocol on Cooperation in Education was signed, Republic of Turkey Ministry of National Education (Ankara)" 28 January 2014. Access Date: 10 May 2014. <http://mtegm.meb.gov.tr/www/meslekiVeVeternikVegitimVgenelVmudurluguVileVascularVveVpastacilarVfederasyonuVaspaFedVarasindaVegitimdeVisVbirligiVprotokoluVmzalandi/icerik/564>.

¹⁶⁵⁷ "Post-Secondary Education School Discussed "Quality" in Education and Training, METEK Project (Corum)" 10 March 2014. Access Date: 10 May 2014. <http://metek.meb.gov.tr/index.php/en/pressroom/news/397/postsecondaryeducationvschoolsdiscussedqualityinveducationandvtraining>.

¹⁶⁵⁸ Study Visit to Austria and Czech Republic Made. METEK Project. Access Date: 6 October 2014. <http://metek.meb.gov.tr/index.php/en/press-room/news/450-study-visit-to-austria-and-czech-republic-made>.

On 7-9 May 2014, a METEK Project Curriculum Development Workshop was held in Mardin. Under the Project's Training Component, participants assembled at Mardin Artuklu Anatolian High School to develop training standards. Participants included vocation and technical education teachers, the Branch Manager of Mardin Provincial Directorate of National Education, the Directorate General of Vocational and Technical Education, the Acting Head of Social Partners and Projects Department, and staff from the fields of justice, marine, ship building, child development, food technology, nursing, livestock, agriculture, laboratory services and medical laboratories.¹⁶⁵⁹

On 12 May 2014, students of vocational high schools described the school of their dreams at the exhibition of the "My Perfect School" Competition initiated under the METEK Project by General Directorate of Vocational and Technical Education, held at Başkent Teacher's House. The competition ended in February 2014 and engaged 43 provinces. The top 10 student works from students in 10th, 11th and 12th grades described an ideal vocational school, to be shared with authorities from the Ministry of National Education. Ministry of National Education representatives and the Acting Director General of Vocational and Technical Education Osma Yıldırım were in attendance.¹⁶⁶⁰ A similar session was held on 17 — 21 February 2014 in Rize Dedeman Otel.

On 12-16 May 2014, a Teacher Training on Vocational Counselling and Career Guidance was held in Van, with 120 staff, teachers and academicians from secondary schools, vocational high school, post-secondary institutions and representatives from the Ministry of National Education in attendance. Topics included transforms in business life, the labour market, choice of profession, career guidance, assessment, career management and job seeking techniques. Van Provincial Directorate of National Education and METEK Project representatives also participated.¹⁶⁶¹

On 24-25 April and 5-7 May 2014, workshops were provided for vocational education representatives on quality system development in Ankara. The workshops also evaluated pilot programs and existing quality implementation measures in schools. Sponsored by the Ministry of National Education, the Council of High Education, İŞKUR, the Vocational Qualifications Authority, representatives from TOBB, TİSK, TESK, TÜRK-İŞ, HAK-İŞ, branch managers of provincial directorates of national education and school staff were in attendance.¹⁶⁶²

Although Turkey has taken many steps through the Improving the Quality of Vocational Education (METEK) Project and other initiatives, its programs have not targeted vulnerable groups.

Turkey is awarded a score of 0 for partial compliance.

Analysts: Antonia Tsapralis and Ariel Sim

¹⁶⁵⁹ "METEK Project Curriculum Development Workshop Held in Mardin. METEK Project." Access Date: 6 October 2014. <http://metek.meb.gov.tr/index.php/en/press-room/news/454-metek-project-curriculum-development-workshop-held-in-mardin>.

¹⁶⁶⁰ "Students of Vocational High Schools Described the School of their Dreams..., METEK Project." Access Date: 6 October 2014. <http://metek.meb.gov.tr/index.php/en/press-room/news/456-students-of-vocational-high-schools-described-the-school-of-their-dreams>.

¹⁶⁶¹ "Teacher Training on Vocational Counselling and Career Guidance Held in Van, METEK Project." Access Date: 6 October 2014. <http://metek.meb.gov.tr/index.php/en/press-room/news/477-teacher-training-on-vocational-counselling-and-career-guidance-held-in-van>.

¹⁶⁶² "National Quality Development System Evaluation of Pilot Implementation Workshops Held in Ankara. METEK Project. Access Date: 6 October 2014. <http://metek.meb.gov.tr/index.php/en/press-room/news/452-national-quality-development-system-evaluation-of-pilot-implementation-workshops-held-in-ankara>.

United Kingdom: +1

The United Kingdom has fully complied with the commitment to creating an educated workforce through vocational and training programs. Consistent efforts have been made to improve technical education and funding has been allocated to this endeavor, with particular attention paid to the needs of youth in vocational programming.

Skills Minister Matthew Hancock spoke on technical and vocational training on 28 January 2014. Minister Hancock addressed the 1944 Butler Education Act, and the importance of “equal prestige for vocational and academic routes.”¹⁶⁶³ Hancock expressed the need for a refocusing on the vocational system in order to increase the prospect of success for youth. He outlined key focus areas such as the responsiveness of the system and better standards for apprenticeships. Efforts are focused on a variety of industries including the food, finance and aerospace industries. Hancock called for an increase in standards, which will allow for an equally valued vocational education system as compared to academic education.

Efforts made towards this achievement includes the introduction of new fields of study, while encouraging 16 to 18 year old youth to choose programs and acquire qualifications that will lead to employment. Meanwhile, traineeships and extended work experience allows for a better integration of youth into the workforce.¹⁶⁶⁴ So far, over GBP7 billion has been spent on the education and training for 16 and 17 year olds within this year.

A total of GBP238 million has been made accessible to multiple companies within the UK, through government funding, with the aim of improving the skills base of the country to meet workforce needs. Corporations have also collaborated with government initiative to fund vocational training.¹⁶⁶⁵

The UK government has implemented policy for the improvement of the Further Education system. It is concerned with the supply of quality education and vocational training, and “creating the skilled workforce employers need.”¹⁶⁶⁶ Key areas of focus include but are not limited to the improvement of apprenticeships, introducing a new funding system, implementing a new traineeship programme, and introducing a Technical Baccalaureate allowing for high quality vocational qualifications. Between 12 September and 20 November 2013, consultations were held on improving the quality of further education and training, while cooperating with students, parents and education providers.¹⁶⁶⁷

On 5 August 2014, the Department of Education announced proposals for seven new university technical colleges. These new schools will create spaces for 5,000 14 to 19 year-olds to obtain a

¹⁶⁶³ The Skills Summit: importance of technical and vocational training, Department for Business, Innovation, and Skills; Department for Education (London) 28 January 2014. Date of Access: 13 October 2014.

<https://www.gov.uk/government/speeches/the-skills-summit-importance-of-technical-and-vocational-training>.

¹⁶⁶⁴ The Skills Summit: importance of technical and vocational training, Department for Business, Innovation, and Skills; Department for Education (London) 28 January 2014. Date of Access: 13 October 2014.

<https://www.gov.uk/government/speeches/the-skills-summit-importance-of-technical-and-vocational-training>.

¹⁶⁶⁵ Millions in government funding made available to target industrial strategy skills training, Department for Business, Innovation, and Skills (London) 9 September 2013. Date of Access: 13 October 2014.

<https://www.gov.uk/government/news/millions-in-government-funding-made-available-to-target-industrial-strategy-skills-training>.

¹⁶⁶⁶ Improving the Quality of Further Education and Skills Training, Government UK, Department for Business, Innovation and Skills and Department for Education (London) 01 October 2014. Access Date: 14 October 2014

<https://www.gov.uk/government/policies/improving-the-quality-of-further-education-and-skills-training>.

¹⁶⁶⁷ Improving the Quality of Further Education and Skills Training, Government UK, Department for Business, Innovation and Skills and Department for Education (London) 01 October 2014. Access Date: 14 October 2014

<https://www.gov.uk/government/policies/improving-the-quality-of-further-education-and-skills-training>.

technical or vocational based education, using programs designed by the universities and employers.¹⁶⁶⁸

On 20 August 2014 the Department for Business, Innovation and Skills announced the “Get In, Go Far” campaign. The campaigns launch corresponds with the announcement of 40 new apprenticeship positions designed by employers, which give youth an opportunity to earn income while learning vocational skills.¹⁶⁶⁹ The aim of the campaign is to encourage youth to take advantage of the apprenticeship opportunities available.

The UK government has allocated funds to technical/vocational training programs and facilities, with particular emphasis on creating opportunities for youth. The UK government has also taken significant steps towards the improvement of its educational system through a variety of reforms and policies, and increased partnerships with the private sector.

Therefore, the United Kingdom is given a +1 for compliance.

Analyst: Kirstyn Koswin

United States: +1

The United States has fully complied with the commitment to support and implement quality vocational training programs.

US President Barack Obama included funding for jobs training in his 2015 budget proposal.¹⁶⁷⁰ The budget proposed over USD7.7 billion in new spending for apprenticeship and skills training.¹⁶⁷¹ However, Republicans, including Speaker of the House of Representatives John Boehner, were strongly opposed to the proposed budget.¹⁶⁷²

The Workforce Innovation and Opportunity Act was passed on 22 July 2014. While all contents of Obama’s 2015 budget proposal have not been passed into law, the Workforce Innovation and Opportunity Act represents a significant step towards achieving the goals outlined in the proposed budget. The Act provides for additional employment and training support for youth and people with disabilities.¹⁶⁷³

The US has also provided additional funding for vocational training through several other programs.

¹⁶⁶⁸ New technical schools provide job boost for young people, Department of Education (London) 5 August 2014. Date of Access: 14 October 2014. <https://www.gov.uk/government/news/new-technical-schools-provide-job-boost-for-young-people>.

¹⁶⁶⁹ Get in and Go Far with new apprenticeships, Department for Business, Innovation, and Skills (London) 20 August 2014. Date of Access: 14 October 2014. <https://www.gov.uk/government/news/get-in-and-go-far-with-new-apprenticeships>.

¹⁶⁷⁰ The Budget for the Fiscal Year 2015, Department of Labor (Washington) Date of Access: 5 October 2014. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/labor.pdf>.

¹⁶⁷¹ Obama budget would spend big on job training, Reuters (Washington) 4 March 2014. Date of Access: 5 October 2014. <http://www.reuters.com/article/2014/03/04/us-usa-fiscal-training-idUSBREA231WJ20140304>.

¹⁶⁷² John Boehner: ‘Most Irresponsible Budget Yet’, Politico (Arlington County) 4 March 2014. Date of Access: 5 October 2014. <http://www.politico.com/story/2014/03/john-boehner-budget-104237.html>.

¹⁶⁷³ H.R.803 - Workforce Innovation and Opportunity Act, 113th Congress (Washington) 22 July 2014. Date of Access: 5 October 2014. <https://www.congress.gov/bill/113th-congress/house-bill/803/text>.

On 23 December 2013 the US Department of Labour launched the “Self-Employment Training pilot program” in Los Angeles City and County, California.¹⁶⁷⁴ The program targets unemployed workers with the hopes that they can be trained to start businesses in their field of expertise. This is one of four pilot programs announced throughout the US.

On 19 November 2013 the Departments of Labour and Education launched the Youth CareerConnects Grants.¹⁶⁷⁵ This will make USD100 million available to provide high school students with programs that provide education and skill development relevant to industry needs.

On June 24 the Department of Labor announced USD1.9 million in grants to provide financial support for training in the Women in Apprenticeship and Nontraditional Occupations program.¹⁶⁷⁶

On 6 August 2014 the Department of Labor announced USD73.6 million in YouthBuild grants to support at-risk youth through academic and occupational skills training.¹⁶⁷⁷

The United States efforts, including the passing of the Workforce Innovation Opportunity Act and multiple other programs within the Department of Labor, reflects the commitment of the United States to supporting and implementing quality vocational programs.

Thus, the United States receives a score of +1.

Analysts: Iain M. McCauley and Kirstyn Koswin

European Union: +1

The European Union has fully complied with the commitment to support and implement quality vocational training programs. The EU has taken numerous steps and courses of action to continue in assisting members with the implementation of vocational training programs, particularly in regard to addressing the issue of youth unemployment.

The Copenhagen process that has begun in 2002 is on-going, and has aimed to improve the performance, quality and attractiveness of vocational education and training (VET) through enhanced cooperation at the European level. These goals have been established through mutually agreed priorities and are continuously reviewed.¹⁶⁷⁸

More specifically, the EU’s VET goals include improving the quality of training, teachers and other professionals in the sector, and improving the relevance of European VET courses to the labour market. These objectives are being achieved by improving national European vocational training systems through the European Quality Assurance Framework for Vocational Education and Training (EQAVET). Activities include supporting skills competitions, supporting an EU-wide “toolkit” to

¹⁶⁷⁴ US Department of Labor unveils Self-Employment Training pilot program to help unemployed workers create their own business, United States Department of Labor (San Francisco) 23 December 2013. Date of Access: 5 October 2014. http://www.doleta.gov/ETA_News_Releases/20132467.cfm.

¹⁶⁷⁵ Youth CareerConnects Grants, United States Department of Labor (Washington) 19 November 2013. Date of Access: 5 October 2014. http://www.doleta.gov/ETA_News_Releases/20132231.cfm.

¹⁶⁷⁶ \$1.9M in grants to support women in nontraditional occupations announced by US Labor Department, Department of Labor (Washington) 24 June 2014. Date of Access: 5 October 2014. <http://www.dol.gov/opa/media/press/eta/ETA20141177.htm>.

¹⁶⁷⁷ \$73.6M in YouthBuild grants awarded by the US Labor Department, Department of Labor (Washington) 6 August 2014. Date of Access: 5 October 2014. <http://www.dol.gov/opa/media/press/eta/ETA20141446.htm>.

¹⁶⁷⁸ The Copenhagen process: enhanced European cooperation in vocational education and training (Belgium) 8 April 2011. Date of Access: 4 October 2014. http://europa.eu/legislation_summaries/education_training_youth/vocational_training/ef0018_en.htm.

integrate the European Credit System for Vocational Education and Training (ECVET), and by implementing the Youth on the Move initiative — an EU campaign that helps young people gain the necessary knowledge and skills to gain employment.

Since the 2013 St. Petersburg Summit, the EU has reiterated its commitment to implement these aforementioned policies and programs.

On 28 January 2014, the EU Commission published a report that was sent to the European Parliament and Council on the progress of the 2009 EQAVET framework. The report notes the experience gained since the framework was initially implemented, and provides suggestions for improvements going into the future. For example, it notes that EU states should improve VET programs by increasing their attractiveness, embedding stronger work-based learning, enhancing labour market relevance, developing stronger career and education guidance, implementing teachers and trainers professional development, as well as improving the recognition and transparency of VET learning outcomes between countries.¹⁶⁷⁹

On 11 April 2014, Joachim Calleja, Director of the European Centre for the Development of Vocational Training (CEDEFOP) reiterated the importance of vocational training as a means to combat youth unemployment, and pledged further support to EU members for apprenticeships as a platform for building learning environments in workplaces. He also referred to EU-led initiatives that are being implemented to tackle youth unemployment, such as the youth guarantee and the use of structural funds and Erasmus+, initiatives that are being funded by the Commission between 2014-2020.¹⁶⁸⁰

While many of the EU's vocational programs are broadly targeted, it also has programs that specifically target youth. Youth guarantee and Erasmus+ are two such programs. Youth Guarantee aims to ensure youth under 25 find quality employment within four months of leaving formal education or becoming unemployed.¹⁶⁸¹ Erasmus+ is a seven-year, EUR14.7 billion program, currently being implemented by the EU to provide study, training, and work experience opportunities for youth.¹⁶⁸²

The European Commission's many efforts to provide vocational and skills programming, which include initiatives specifically targeted towards youth, reflects the commitment of the European Union to supporting and implementing quality vocational programs.

Thus, the EU receives a score of +1.

Analyst: Kirstyn Koswin

¹⁶⁷⁹ Report on the implementation of the recommendation of European Parliament and of the Council of 18 June 2009 on the establishment of a European Quality Assurance Framework for Vocational Education and Training (Brussels) 28 January 2014. Date of Access: 5 October 2014. http://ec.europa.eu/education/policy/vocational-policy/doc/eqavet_en.pdf.

¹⁶⁸⁰ European policies: catalysts for innovation and youth employment, European Centre for the Development of Vocational Training 30 April 2014. Date of Access: 4 October 2014. <http://www.cedefop.europa.eu/EN/news/22620.aspx>.

¹⁶⁸¹ Youth Guarantee, Employment, Social Affairs and Inclusions. Date of Access: 4 October 2014. <http://ec.europa.eu/social/main.jsp?catId=1079>.

¹⁶⁸² Erasmus+: The new program for Education, Training, Youth, and Sport for 2014-2020, EU Program for Education, Training, Youth, and Sport 2 October 2014. Date of Access: 4 October 2014. http://ec.europa.eu/programmes/erasmus-plus/discover/index_en.html.

10. Crime and Corruption

“We commit to take measures to ensure that we meet the FATF [Financial Action Task Force] standards regarding the identification of the beneficial owners of companies.”

G20 St. Petersburg Leaders’ Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina			+1
Australia		0	
Brazil			+1
Canada		0	
China		0	
France		0	
Germany		0	
India		0	
Indonesia		0	
Italy		0	
Japan	-1		
Korea	-1		
Mexico		0	
Russia			+1
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom			+1
United States		0	
European Union			+1
Average		+0.15	

Background

The G20 has repeatedly affirmed its commitment to combating crime and corruption since the 2009 Pittsburgh Summit. The G20 recognizes that “corruption threatens the integrity of markets, undermines fair competition, distorts resource allocation, destroys public trust, and undermines the rule of law. Corruption is a severe impediment to economic growth, and a significant challenge for developed, emerging and developing countries.”¹⁶⁸³ The G20 also recognizes its responsibility to “prevent and tackle corruption, to establish legal and policy frameworks that promote a clean business environment and to continue to assist G20 countries in their capacity building efforts to combat corruption.” At the 2013 St. Petersburg Summit, the G20 leaders recognized the importance of the Financial Action Task Force’s (FATF) work in anti-money laundering/counter-terrorist financing (AML/CFT) measures and the identification of beneficial ownership.

¹⁶⁸³ G20 Anti-Corruption Action Plan 2013-2014, Organisation for Economic Co-operation and Development (Paris) 2014. Access Date: 14 March 2014. http://www.oecd.org/g20/topics/anti-corruption/G20_Anti-Corruption_Action_Plan_%282013-2014%29.pdf.

The 2009 Pittsburg Summit Leaders' Declaration stated that "[the G20 leaders welcomed] the progress made by the FATF in the fight against money laundering and terrorist financing and [called] upon the FATF to issue a public list of high risk jurisdictions by February 2010."¹⁶⁸⁴

The 2011 Cannes Summit Final Declaration echoed this call: "[The G20 leaders] support the work of the Financial Action Task Force (FATF) to continue to identify and engage those jurisdictions with strategic Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT) deficiencies and update and implement the FATF standards calling for transparency of cross-border wires, beneficial ownership, customer due diligence and enhanced due diligence."¹⁶⁸⁵

Later in 2012 the Los Cabos Summit Leaders' Declaration again repeated that "[the G20 leaders supported] the renewal of the Financial Action Task Force (FATF) mandate, thereby sustaining global efforts to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction. [The] G20 members also [welcomed] the adoption of the revised FATF standards and look forward to their implementation. [The leaders welcomed] the progress made by FATF in identifying and monitoring high-risk jurisdictions with strategic Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) deficiencies, using AML/CFT tools in the fight against corruption, improving transparency of corporate vehicles and increasing cooperation against tax crimes, addressing the risks posed by tax havens, as well as in increasing the reach and the effectiveness of AML/CFT measures by also considering financial inclusion efforts. [Lastly, the G20 leaders looked] forward to the completion in 2013 of the update of the FATF assessment process for the next round of mutual evaluations."¹⁶⁸⁶

On 4-5 November 2012, Ministers of Finance and Central Bank Governors of the G20 reaffirmed their commitment to FATF standards, stating: "We remain committed and encourage the FATF to continue to pursue all its objectives, and notably to continue to identify and monitor high-risk jurisdictions with strategic Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) deficiencies. We look forward to the completion in 2013 of the revision of the FATF assessment process. We encourage all countries to adapt their legal framework with a view to complying with the revised FATF's Recommendations, in particular the necessity to identify the beneficial owner of corporate vehicles, and we look forward to the assessment of the effectiveness of the measures countries take and their compliance with the global standards in the next round of Mutual Evaluations."¹⁶⁸⁷

The Tax Annex to the 2013 St. Petersburg G20 Leaders' Declaration outlines the critical role of the Global Forum on Transparency and Exchange in strengthening international cooperation on matters of taxation.¹⁶⁸⁸ The G20 stated that the "Global Forum [would] draw on the work of the FATF on

¹⁶⁸⁴ The G20 Leaders Statement: The Pittsburg Summit, G20 Information Centre (Toronto) 25 September 2009. Access Date: 14 March 2014. <http://www.g20.utoronto.ca/2009/2009communique0925.html>.

¹⁶⁸⁵ Cannes Summit Final Declaration - Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access Date: 14 March 2014. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>.

¹⁶⁸⁶ G20 Leaders Declaration: Los Cabos, G20 Information Centre (Toronto) 19 June 2012. Access Date: 14 March 2014. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

¹⁶⁸⁷ Ministers of Finance and Central Bank Governors of the G20 reaffirm commitment to the FATF, Financial Action Task Force (Paris) 8 November 2012. Access Date: 14 March 2014. <http://www.fatf-gafi.org/documents/news/ministersoffinanceandcentralbankgovernorsoftheg20reaffirmcommitmenttothefatf.html>.

¹⁶⁸⁸ Tax Annex to the St. Petersburg Leaders' Declaration, G20 Information Centre (Toronto) 5 September 2013. Access Date: 14 March 2014. <http://www.g20.utoronto.ca/2013/2013-0905-tax.html>.

beneficial ownership and ensure that all countries have information regarding the beneficial ownership of entities operating in their jurisdictions.”¹⁶⁸⁹

Together, the G20 Anti-Corruption Working Group and the FATF have convened three Experts Meetings on Corruption. The first meeting, convened in 2011, was the first international platform for AML/CFT specialists and anti-corruption experts to discuss innovation in combating corruption.¹⁶⁹⁰ The second meeting in 2012 focused on specific issues relating to “international cooperation, specifically in the context of money laundering cases involving the proceeds of corruption and asset recovery.”¹⁶⁹¹ The 2013 meeting reiterated the G20’s support of FATF standards in combating crime and corruption. The meeting focused on the preventative measures within the FATF recommendations along with issues on the lack of transparency regarding beneficial ownership arrangements.

On 23 February 2014, the Communiqué of G20 Finance Ministers and Central Bank Governors asked the “G20 Anti-Corruption Working Group for an update by our April meeting on concrete actions that the G20 can take to meet the Financial Action Task Force (FATF) standards regarding the beneficial ownership of companies and other legal arrangements such as trusts by G20 countries leading by example.”¹⁶⁹²

At the Cannes Summit in 2011, the G20 leaders requested that the FATF submit a report during the following summit in Los Cabos on the adoption of the revised FATF recommendations.¹⁶⁹³ The new FATF Recommendations address several key issues which were viewed as being of particular importance to the G20 leaders including “additional emphasis on customer due diligence, beneficial ownership and enhanced due diligence.”

Since the 2009 Leaders Summit in St. Petersburg, the G20 has reiterated on many occasions its commitment to combat crime and corruption through its partnership with the FATF in identifying beneficial ownership with the overall objective of combating money laundering and terrorism financing internationally.

Table 10-1 details the G20 countries’ membership status in the FATF.

¹⁶⁸⁹ Tax Annex to the St. Petersburg Leaders’ Declaration, G20 Information Centre (Toronto) 5 September 2013. Access Date: 14 March 2014. <http://www.g20.utoronto.ca/2013/2013-0905-tax.html>.

¹⁶⁹⁰ President’s Summary of Outcomes from the Experts’ Meeting on Corruption, Financial Action Task Force (Paris) 12 October 2013. Access Date: 14 March 2014. <http://www.fatf-gafi.org/media/fatf/documents/statements/Corruption-Expert-meeting-Oct-2013.pdf>.

¹⁶⁹¹ President’s Summary of Outcomes from the Experts’ Meeting on Corruption, Financial Action Task Force (Paris) 12 October 2013. Access Date: 14 March 2014. <http://www.fatf-gafi.org/media/fatf/documents/statements/Corruption-Expert-meeting-Oct-2013.pdf>.

¹⁶⁹² Communiqué of the G-20 Finance Ministers and Bank Governors, Department of Finance Canada (Ottawa) 23 February 2014. Access Date: 14 March 2014. <http://www.fin.gc.ca/n14/14-029-eng.asp>.

¹⁶⁹³ G20: support for new FATF Recommendations, Financial Action Task Force (Paris) 28 June 2012. Access Date: 14 March 2014. <http://www.fatf-gafi.org/documents/documents/20supportfornewfatfrecommendations.html>.

Table 10-1: G20 Membership in the Financial Action Task Force

Country	Membership Status
Argentina	Member since 2000
Australia	Member since 1990
Brazil	Member since 2000
Canada	Member since 1990
China	Member since 2007
France	Member since 1990
Germany	Member since 1990
India	Member since 2010
Indonesia	Not a member
Italy	Member since 1990
Japan	Member since 1990
Korea	Member since 2009
Mexico	Member since 2000
Russia	Member since 2003
Saudi Arabia	Not a member
South Africa	Member since 2003
Turkey	Member since 1991
United Kingdom	Member since 1990
United States	Member since 1990
European Union	European Commission is a member

Commitment Features

The commitment requires the G20 members to work in partnership in identifying the beneficial owners in order to meet FATF recommendations on AML)/CFT measures to combat corruption. The G20 recognizes the need for partnership and communication between the G20 Anti-Corruption Working Group, the B20 and C20, as well as the international business community in order to comply with the FATF guidelines.¹⁶⁹⁴

In 2012 the FATF released revised recommendations on the transparency and beneficial ownership of legal persons and arrangements. The recommendation states that “countries should ensure that there is adequate, accurate and timely information on the beneficial ownership and control of legal persons that can be obtained or accessed in a timely fashion by competent authorities. In particular, countries that have legal persons that are able to issue bearer shares or bearer share warrants, or which allow nominee shareholders or nominee directors, should take effective measures to ensure that they are not misused for money laundering or terrorist financing.”¹⁶⁹⁵ In addressing the transparency of legal arrangements, the FATF recommends that “countries should take measures to prevent the misuse of legal arrangements for money laundering or terrorist financing. In particular, countries should ensure that there is adequate, accurate and timely information on express trusts, including information on the

¹⁶⁹⁴ The G20 St. Petersburg Summit Leader’s Declaration, G20 Information Centre (Toronto) 6 September 2013. Access Date: 1 February 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

¹⁶⁹⁵ International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations, Financial Action Task Force/Organisation for Economic Co-operation and Development (France) February 2013. Access Date: 1 February 2014. http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf.

settlor, trustee and beneficiaries, that can be obtained or accessed in a timely fashion by competent authorities.”¹⁶⁹⁶

The revised recommendations solidify FATF expectations regarding beneficial ownership requirements and outline specific measures that countries are expected to take.¹⁶⁹⁷

In the 2012 revisions, the FATF outlined several processes by which countries are addressing the transparency of beneficial ownership. The measures include:

- “providing guidance to financial institutions and other financial service providers on how to implement the applicable AML/CFT requirements;
- establishing interagency mechanisms and coordinated strategies for dealing with corruption networks or targeting corrupt politically exposed persons;
- having effective mechanisms for national cooperation and coordination on these issues, including engagement with the private sector;
- establishing company registries and trust registries (which may be centralised and/or publicly available), or using protected databases for the purpose of criminal investigations and prosecutions, including the name and address of the holders and beneficial owners of accounts;
- and ensuring that law enforcement and prosecutorial agencies have adequate powers to track and obtain beneficial ownership information.”¹⁶⁹⁸

To achieve full compliance the G20 member must take actions to establish transparency mechanisms in identifying beneficial owners that also act to foster cooperation and coordination between government agencies, law enforcement and the business community in order to fight money laundering and the financing of terrorism.

Scoring Guidelines

-1	Member does not take actions to establish transparency mechanisms in identifying beneficial owners AND does not establish cooperation and coordination between government agencies, law enforcement, and the business community.
0	Member takes actions to establish transparency mechanisms in identifying beneficial owners OR to establish cooperation and coordination between government agencies, law enforcement, and the business community.
+1	Member takes actions to establish transparency mechanisms in identifying beneficial owners AND to establish cooperation and coordination between government agencies, law enforcement, and the business community.

Lead Analyst: Caitlin Gillespie

¹⁶⁹⁶ International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations, Financial Action Task Force/Organisation for Economic Co-operation and Development (France) February 2013. Access Date: 1 February 2014. http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf.

¹⁶⁹⁷ International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations, Financial Action Task Force/Organisation for Economic Co-operation and Development (France) February 2013. Access Date: 1 February 2014. http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf.

¹⁶⁹⁸ President’s Summary of Outcomes from the Experts’ Meeting On Corruption, Financial Action Task Force/Organisation for Economic Co-operation and Development (France) 12 October 2013. Access Date: 1 February 2014. <http://www.fatf-gafi.org/media/fatf/documents/statements/Corruption-Expert-meeting-Oct-2013.pdf>.

Argentina: +1

Argentina has fully complied with its commitment of establishing transparency mechanisms in identifying beneficial owners and also acting to foster cooperation and coordination between government agencies, law enforcement, and the business community in order to fight money laundering and the financing of terrorism.

On 19 September 2013, Argentina, represented by Alejandro Vanoli, president of the National Commission of Values, signed a memorandum of understanding with India, represented by Upendra Kumar Sinha, from the Securities and Exchange Board of India.¹⁶⁹⁹ The memorandum ensures an exchange of information between the authorities of both countries in order to secure the application and effective compliance of their respective legislations.

On 18 October 2013, the Financial Action Task Force (FATF) identified several jurisdictions, including Argentina, with strategic deficiencies in anti-money laundering/combating terrorist financing (AML/CFT) measures for which they had developed an action plan, as part of its on-going review of compliance to the standards.¹⁷⁰⁰ In June 2011, Argentina had made a high-level political commitment to work alongside the FATF in addressing its deficiencies with the AML/CFT recommendations. As assessed by the FATF, it was determined that certain strategic deficiencies remained and that Argentina should continue to work on implementing its action plan. The FATF recommendations included: (1) addressing of the remaining deficiencies with regard to the criminalization of money laundering and freezing terrorist-related assets; (2) addressing of the remaining issues for the Financial Intelligence Unit and suspicious transaction reporting requirements; and (3) further enhancing the AML/CFT supervisory programme for all financial sectors.

Under the Russian presidency, the first FATF Plenary Meeting of FATF-XXV was held on 16-18 October 2013. The FATF reviewed the voluntary tax compliance (VTC) programs in Argentina.¹⁷⁰¹ The assessment was that the country had issued regulations for implementation of the program to ensure all AML/CFT were in place and informed that Argentina's financial institutions had continued to apply the measures. It was reviewed that some of the provisions of the country's VTC legislation limited the application of AML/CFT measures regarding the exception of tax evasion and customer due diligence requirements.

As part of the on-going process of the AML/CFT compliance review, on 14 February 2014, the FATF made a new assessment of Argentina's measures since October 2013.¹⁷⁰² The analysis pointed to Argentina's continued effort towards improving its AML/CFT regime, including the issuing of new regulations that strengthened suspicious transaction reporting requirements and financial sector regulator's existing powers to apply sanctions for AML/CFT deficiencies. As in the October review, new recommendations were suggested, including addressing of the remaining deficiencies with regard to the framework for freezing terrorist-related assets and enhancing the range and proportionality of the sanctions available for non-compliance with AML/CFT requirements.

¹⁶⁹⁹ Para mejorar la supervisión de los mercados de capitales, National Commission of Values (CNV) (Buenos Aires) 19 September 2013. Access Date: 26 February 2014.

<http://www.cnv.gob.ar/InfoFinan/Comunicados/acuerdoDeColaboracionConIndia.asp>.

¹⁷⁰⁰ Improving Global AML/CFT Compliance: On-going Process, 18 October 2013, FATF (Paris) 18 October 2013. Access Date: 24 February 2014. <http://www.fatf-gafi.org/countries/a-c/argentina/documents/fatf-compliance-oct-2013.html>.

¹⁷⁰¹ Outcomes from the Plenary meeting of the FATF, Paris, 16-18 October 2013, FATF (Paris) 18 October 2013. Access Date: 24 February 2014. <http://www.fatf-gafi.org/countries/a-c/argentina/documents/plenary-outcomes-oct-2013.html>.

¹⁷⁰² Improving Global AML/CFT Compliance: on-going process - 14 February 2014, FATF (Paris) 14 February 2014. Access Date: 24 February 2014. <http://www.fatf-gafi.org/countries/a-c/argentina/documents/fatf-compliance-feb-2014.html>.

On 20 March 2014, the National Commission of Values (CNV) decided to preemptively suspend the Security Valores Cordoba SBSA, for its noncompliance to the Law of Capital Markets.¹⁷⁰³ This suspension was due to an investigation on the members of this society for crimes of fraud and money laundering. The CNV's duty is to monitor and strengthen the functioning of the preventive system regarding money laundering and terrorism financing.

On 12 June 2014, Alejandro Vanoli signed a multilateral memorandum of understanding (MMoU) during a meeting of the directory of the International Organization of Securities Commissions (IOSCO) in Madrid.¹⁷⁰⁴ This agreement was a result of a positive evaluation from the IOSCO regarding Argentina's regulatory standards. With this agreement, Argentina joined a broad group of signatories to this MMoU, including 19 of the G20 nations. Alejandro Vanoli signaled the importance of this treaty as the "most important agreement in the history of the CNV." The memorandum serves to strengthen the prevention of fraudulent practices and other behaviours detrimental to transparency. The treaty allows the exchange of information on capital markets and banks between signatory members, enabling a drastic improvement on trans-border investigations.

On 27 June 2014, Argentina's Vice President Amado Boudou was charged with corruption in his dealings with Ciccone Calcografica, a company that printed the country's currency while he was economy minister in 2010.¹⁷⁰⁵ Boudou was accused of buying the company while serving as Argentina's chief economic policymaking figure.

On 11 September 2014, Alejandro Vanoli, together with Hector Helman, director of the CNV, handed to the country's securities market directors the certificate of registration authorizing them to function under the new Law 26.381 of Capital Markets.¹⁷⁰⁶ Upon the authorization, the markets must internally implement the new operational requirements, allowing for all agents to operate in an interconnected manner throughout the country.

Therefore, Argentina has received a score of +1 for continually strengthening its legislation aimed at identifying beneficial owners and also acting to foster cooperation and coordination between government agencies, law enforcement, and the business community in order to fight money laundering and the financing of terrorism.

Analyst: Artur Pereira

Australia: 0

Australia has partially complied with its commitment to take measures to ensure meeting the Financial Action Task Force (FATF) standards regarding the identification of the beneficial owners of companies and fostering cooperation and coordination between government agencies, law enforcement and the business community.

¹⁷⁰³ CNV Suspende Preventivamente A Security Valores Cordoba S.B.S.A., National Commission of Values (CNV) (Buenos Aires) 20 March 2014. Access Date: 06 October 2014. <http://www.cnv.gob.ar/InfoFinan/Comunicados/securityvalorescordoba.asp>.

¹⁷⁰⁴ La Argentina Suscribo el Acuerdo Multilateral de Entendimiento de IOSCO, National Commission of Values (CNV) (Buenos Aires) 12 June 2014. Access Date: 06 October 2014. <http://www.cnv.gob.ar/InfoFinan/Comunicados/acuerdoMultilateralEntendimientolosco.asp>.

¹⁷⁰⁵ Argentine vice president charged with conflict of interest, Reuters (Buenos Aires) 28 June 2014. Access Date: 06 October 2014. <http://www.reuters.com/article/2014/06/28/argentina-boudou-idUSL2N0P904220140628>.

¹⁷⁰⁶ LAaCNV Autorizo a los Mercados s Funcionar Bajo la Nueva Ley, National Commission of Values (CNV) (Buenos Aires) 11 September 2014. Access Date: 06 October 2014. <http://www.cnv.gob.ar/InfoFinan/Comunicados/autorizacionMercadosNuevaLey.asp>.

Australia has been a member of the FATF since 1990. Australia is also a member of the Asia/Pacific Group on Money Laundering (APG). Australia is set for the fourth round of joint APG/FATF Mutual Evaluations with a tentative on-site visit in August 2014 and a plenary discussion in February 2015.¹⁷⁰⁷

The Australian government passed the Financial Transaction Reports Act 1988 to “provide for the reporting of certain transactions and transfers to the Australian Transaction Reports and Analysis Centre (AUSTRAC) and to impose certain obligations in relation to accounts, and for related purposes.”¹⁷⁰⁸ AUSTRAC was established in 1989 and its purpose is “to protect the integrity of Australia’s financial system and contribute to the administration of justice through our expertise in countering money laundering and the financing of terrorism.”¹⁷⁰⁹ AUSTRAC cites FATF regulations as its regulatory guide.¹⁷¹⁰

In May 2013, AUSTRAC published a discussion paper titled Consideration of Possible Enhancements to the Requirements for Customer Due Diligence. The paper discussed how “Australia is recognized internationally as having a robust Anti-Money Laundering/Counter-Terrorism Financing regime.”¹⁷¹¹ However, the paper recognized that the FATF had “identified a number of deficiencies in Australia’s regulatory obligations.” Specifically, the paper stated, “without measures to increase the transparency of beneficial ownership, criminals and terrorists will be able to continue to abuse legal structures to aid money laundering or terrorism financing.”

In December 2013, the Organisation for Economic Co-operation and Development (OECD) issued a Report Measuring OECD Responses to Illicit Financial Flows from Developing Countries. It found that “Australia is lagging behind many other developed countries on ending money laundering and illicit financial flows.”¹⁷¹² The report finds that Australia was largely compliant with FATF recommendation 33 (beneficial owners — transparency of legal persons) but only partially compliant with FATF recommendation 34 (beneficial owners — transparency legal arrangements).¹⁷¹³

From 29 May to 26 June 2014 AUSTRAC opened Draft amendments to the Anti-Money Laundering and Counter-Terrorism Financial Rules (AML/CTF Rules) in chapter 4 in regards to electronic safe harbours for customers. This draft inserted provisions relating to the identification of beneficial owners by reporting entities, and “included ‘safe harbour procedures’ that may be applied to beneficial owners who are of medium or lower money laundering or terrorism financing risk.”¹⁷¹⁴

¹⁷⁰⁷ Australia, Countries Financial Action Task Force (Paris). Access Date: 10 February 2014. <http://www.fatf-gafi.org/countries/a-c/australia/>.

¹⁷⁰⁸ Financial Transaction Reports Act 1988, Australian Transactions Reports and Analysis Centre (Melbourne) 11 December 2013. Access Date: 10 February 2014. http://www.austrac.gov.au/ftr_act.html.

¹⁷⁰⁹ About AUSTRAC, Australian Transactions Reports and Analysis Centre (Melbourne) 5 April 2013. Access Date: 10 February 2014. http://www.austrac.gov.au/about_austrac.html.

¹⁷¹⁰ AUSTRAC Regulatory Guide, Australian Transactions Report and Analysis Centre (Melbourne) 17 January 2012. Access Date: 12 February 2014. http://www.austrac.gov.au/rg_app_h.html.

¹⁷¹¹ Consideration of Possible Enhancements to the Requirements for Customer Due Diligence, Australian Transactions Report and Analysis Centre (Melbourne) May 2013. Access Date: 14 February 2014. http://www.austrac.gov.au/files/cdd_discussion_paper.doc.

¹⁷¹² Australia’s role in money laundering further criticized, Devpolicy Blog (Canberra) 7 January 2014. Access Date: 14 February 2014. <http://devpolicy.org/in-brief/australias-role-in-money-laundering-further-criticised-20140107/>.

¹⁷¹³ Illicit Financial Flows from Developing Countries: Measuring OECD Responses, Organisation for Economic Co-operation and Development (Paris) 2014. Access Date: 5 October 2014. http://www.oecd.org/corruption/Illicit_Financial_Flows_from_Developing_Countries.pdf

¹⁷¹⁴ Explanatory note for consultation purposes, Australian Transaction Reports and Analysis Centre (Melbourne). Access Date: 5 October 2014. http://www.austrac.gov.au/files/draft_amend_ch4_electronic_safe_harbour.pdf.

In June 2014, the FATF changed from Russian Presidency to Australian Presidency. Among the outlined objectives for the July 2014-June 2015 presidency, the Australian president highlighted “working with the G20 on areas of mutual interest, including corruption and beneficial ownership,” as a main priority.¹⁷¹⁵

Thus, Australia has partially complied with its commitment. It has recognized compliance deficiencies via FATF identification and the discussion paper. The 2014 OECD report found that Australia has partially complied with recommendations to establish transparency mechanisms in identifying beneficial owners. There have been 3 proposed draft amendments to the AML/CTF Rules in 2014. However, there is no evidence of cooperation and coordination between government agencies, law enforcement and the business community.

Thus, Australia receives a compliance score of 0.

Analyst: Irene Ferro Colmenares

Brazil: +1

Brazil has fully complied with its commitment to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement, and the business community.

On 9 September 2013, the Comptroller General of the Union (CGU) participated in the “Operação Esopo,” an investigation led by the Federal Police, with the Federal Public Ministry and the Secretariat of the Federal Revenue of Brazil, into a criminal operation that diverted public resources through fraudulent bidding processes.¹⁷¹⁶ The investigation revealed “ghost” companies and companies intentionally lost the bid in order to obtain illegal patrimonial advantages.

On 19 September 2013, the CGU participated in the “Suseranos” operation, led by the Federal Police, in the state of Alagoas.¹⁷¹⁷ The objective was to disarticulate a criminal organization diverting public resources destined to education in the region of Coruripe, through fraudulent bidding processes. The illegal scheme, led by an ex-chief of the purchases sector in the prefecture, used fake companies and representatives. Among the irregularities, BRL6 million were found to have been illegally deviated.

On 25 September 2013, the CGU, with the Federal Police, triggered the “Usura II” Operation, resulting from an investigation involving the diversion of federal public resources in the state of Maranhão.¹⁷¹⁸

¹⁷¹⁵ Objectives for the Australian Presidency of the FATF (2014-2015). Access Date: 5 October 2014. <http://www.fatf-gafi.org/countries/a-c/australia/documents/objectives-2014-2015.html>.

¹⁷¹⁶ CGU participa da Operação Esopo para desarticular esquema de fraudes em licitações, The Office of the Comptroller General (CGU) (Brasilia) 9 September 2013. Date of Access: 06 October 2014. <http://www.cgu.gov.br/noticias/2013/09/cgu-participa-da-operacao-esopo-para-desarticular-esquema-de-fraudes-em-licitacoes>.

¹⁷¹⁷ CGU participa em Alagoas da Operação “Suseranos”, The Office of the Comptroller General (CGU) (Brasilia) 19 September 2013. Access Date: 06 October 2014. <http://www.cgu.gov.br/noticias/2013/09/cgu-participa-em-alagoas-da-operacao-2013suseranos201d>.

¹⁷¹⁸ CGU e PF realizam operação para apurar desvio de dinheiro público federal em municípios do Maranhão, The Office of the Comptroller General (CGU) (Brasilia) 25 September 2013. Access Date: 06 October 2014. <http://www.cgu.gov.br/noticias/2013/09/cgu-e-pf-realizam-operacao-para-apurar-desvio-de-dinheiro-publico-federal-em-municipios-do-maranhao>.

The investigation showed that fraudulent bidding processes were made in order to hire fake companies for services that were never completed. A total of BRL12 million was found to have been diverted.¹⁷¹⁹

On 25 October 2013, the government launched a website with information about Brazil's role in the Open Government Partnership. The website details the calendar of the main events relative to Brazil's participation to facilitate access the participation of citizens and social orgs in the partnership.¹⁷²⁰

On 8 November 2013, the secretary of Transparency and Corruption Prevention of the CGU, Sérgio Seabra, participated in the first Meeting for the Prevention and Fight Against Corruption, organized by the Latin-American and Caribbean States (Celac), held in Santa Cruz, Bolivia.¹⁷²¹ He emphasized the country's advances in the fight against corruption, and ended his participation stating, "the combat against corruption is a daily fight. We are aware of the challenges that are imposed on us and that there is a lot that needs to be done; we are certain that cooperation is a valuable instrument in this job."

On 19-22 November 2013, the CGU, with the Federal Public Ministry (MPF), partnered with the U.S Securities and Exchange Commission, promoted the Transnational Bribery Investigation Training Conference.¹⁷²² The goal was to debate punishing companies that act against the national or foreign administrations. The event approved the Law for Accountability of Legal Persons, to be implemented on 2014, which will implement more rigorous sanctions, internal guidelines for preventing and detecting company irregularities, and induce companies to create compliance mechanisms.

On 25-29 November 2013, the executive-secretary of the CGU, Carlos Higinio, participated in the fifth United Nations Convention against Corruption (UNCAC), held in Panama. The objective of the conference was to promote ratifying and monitoring of UNCAC, signed in 2003, that promotes cooperation on preventing, detecting, investigating, combatting and punishing corruption.¹⁷²³ Among the initiatives presented by the Brazilian representatives were the Transparency Portal and the actions of control and transparency to be adopted given the 2014 World Cup and the 2016 Olympics.

On 25-29 November 2013, the CGU participated in the annual meeting of the National Strategy for the Fight against Corruption and Money Laundering, held in Uberlândia, Minas Gerais. The conference was held to discuss the work done on 2013 as well as to deliberate and approve new actions for 2014.¹⁷²⁴

¹⁷¹⁹ CGU e PF realizam operação para apurar desvio de dinheiro público federal em municípios do Maranhão, The Office of the Comptroller General (CGU) (Brasília) 25 September 2013. Access Date: 24 February 2014. <http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia11413.asp>.

¹⁷²⁰ Governo Federal lança site sobre atuação do Brasil na Parceria para Governo Aberto, The Office of the Comptroller General (CGU) (Brasília) 30 October 2013. Access Date: 06 October 2014. www.cgu.gov.br/noticias/2013/10/governo-federal-lanca-site-sobre-atuacao-do-brasil-na-parceria-para-governo-aberto.

¹⁷²¹ CGU participa, na Bolívia, de reunião sobre Prevenção e Luta contra a Corrupção, The Office of the Comptroller General (CGU) (Brasília) 13 November 2013. Access Date: 06 October 2014. <http://www.cgu.gov.br/noticias/2013/11/cgu-participa-na-bolivia-de-reuniao-sobre-prevencao-e-luta-contra-a-corrupcao>.

¹⁷²² CGU realiza Conferência de Treinamento para Investigação de Suborno Transnacional, The Office of the Comptroller General (CGU) (Brasília) 22 November 2013. Access Date: 06 October 2014. <http://www.cgu.gov.br/noticias/2013/11/cgu-realiza-conferencia-de-treinamento-para-investigacao-de-suborno-transnacional>.

¹⁷²³ CGU participa, no Panamá, de dois eventos internacionais de combate à corrupção, The Office of the Comptroller General (CGU) (Brasília) 9 September 2013. Access Date: 06 October 2014. <http://www.cgu.gov.br/noticias/2013/11/cgu-participa-no-panama-de-dois-eventos-internacionais-de-combate-a-corrupcao>.

¹⁷²⁴ CGU participa da reunião plenária anual da Estratégia Nacional de Combate à Corrupção, The Office of the Comptroller General (CGU) (Brasília) 3 December 2013. Access Date: 06 October 2014. <http://www.cgu.gov.br/noticias/2013/12/cgu-participa-da-reuniao-plenaria-anual-da-estrategia-nacional-de-combate-a-corrupcao>.

On 9 April 2014 the CGU, together with the federal police, triggered the “Barnum” Operation, relative to the investigation of crimes of fraud in bidding processes, as well as corruption in the prefecture of Agua Clara, in the state of Mato Grosso do Sul, during the years of 2010 and 2011.¹⁷²⁵ The investigation analyzed the hiring of services totaling over BRL3.5 million.

On 30 April 2014, the CGU and federal police, with assistance from the MPF, initiated the “Dr. Lao” Operation, with the objective of disarticulating a criminal organization composed of members of the Brazilian Institute of Geography and Statistics in the state of Mato Grosso.¹⁷²⁶ This organization specialized in deviating public resources through the irregular use of the Federal Government’s Payment Cards. During the investigation, it was found that this criminal group moved BRL1.3 million from 2010 to 2013.

On 13 May 2014, the CGU and the federal police issued the “13 de Maio” Operation that aimed at combating a criminal organization deviating public resources destined to construction, school transportation, medical acquisitions, and the realization of social events in the state of Bahia.¹⁷²⁷ The group, composed of public officials and businessmen, had been acting for over a decade and acted through front companies that were hired and were involved in bribery schemes. A preliminary report estimated at least BRL30 million in deviated public resources.

On 2 September 2014, the CGU and MPF signed the new Protocol for Technical Cooperation with the goal of enhancing the tools for the tackling of corruption throughout Brazil.¹⁷²⁸ The accord would be in force for five years, and allows for changes and additions whenever it is in the interest of the institutions.

On 19 September 2014, through a partnership of the CGU, federal police, Federal District’s Public Ministry, and the Federal District’s civil police, the “São Cristovão” Operation was put in place.¹⁷²⁹ The goal of the operation was to disarticulate a criminal organization that was specialized in deviating public resources from the Transport’s Social Service and the National Transport Apprenticeship Service. The investigation was initiated in September 2013 when the CGU discovered the manipulation of bidding processes with the objective of benefiting individuals who were linked to the officials and executives of these institutions. According to investigations, a total of BRL20 million had been deviated from these institutions from 2013 to 2014.

Brazil has taken steps toward combating corruption and ensuring cooperation to tackle illegal schemes, as well as toward increasing government transparency through website transparency portals. Therefore, Brazil has received a score of +1 for establishing transparency mechanisms in identifying beneficial

¹⁷²⁵ CGU participa, hoje, da Operação Barnum em Mato Grosso do Sul, The Office of the Comptroller General (CGU) (Brasilia) 9 April 2014. Access Date: 06 October 2014. <http://www.cgu.gov.br/noticias/2014/04/cgu-participa-hoje-da-operacao-barnum-em-mato-grosso-do-sul>.

¹⁷²⁶ Operação Dr. Lao combate fraudes no IBGE e prende seis servidores no Mato Grosso, The Office of the Comptroller General (CGU) (Brasilia) 30 April 2014. Access Date: 6 October 2014. <http://www.cgu.gov.br/noticias/2014/04/operacao-dr-lao-combate-fraudes-no-ibge-e-prende-seis-servidores-no-mato-grosso>.

¹⁷²⁷ Operação “13 de maio” combate desvios de recursos públicos em municípios baianos, The Office of the Comptroller General (CGU) (Brasilia) 13 May 2014. Access Date: 6 October 2014. <http://www.cgu.gov.br/noticias/2014/05/operacao-201c13-de-maio201d-combate-desvios-de-recursos-publicos-em-municipios-baianos>.

¹⁷²⁸ CGU e MPF assinam acordo para fortalecer o combate à corrupção, The Office of the Comptroller General (CGU) (Brasilia) 2 September 2014. Access Date: 6 October 2014. <http://www.cgu.gov.br/noticias/2014/09/cgu-e-mpf-assinam-acordo-para-fortalecer-o-combate-a-corrupcao>.

¹⁷²⁹ Operação “São Cristovão” combate desvios de recursos no Sest/Senat, The Office of the Comptroller General (CGU) (Brasilia) 19 September 2014. Access Date: 6 October 2014. <http://www.cgu.gov.br/noticias/2014/09/operacao-201csao-cristovao201d-combate-desvios-de-recursos-no-sest-senat>.

owners and establish cooperation and coordination between government agencies, law enforcement, and the business community.

Analyst: Artur Pereira

Canada: 0

Canada has partially complied with its commitment to take measures to meet the standards of the Financial Action Task Force (FATF) regarding the identification of the beneficial owners of companies.

On 1 February 2014, amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) — which is the basis for preventive legislation on anti-money laundering/combating terrorist financing (AML/CFT) in relation to financial institutions and Designated Non-Financial Business or Profession in Canada — came in force. Among other issues, the amendments (specifically, the amendment to sections 11.1 and 53.1 of the PCMLTFA) brought progress to the outstanding issue of beneficial ownership identification.¹⁷³⁰

On 1 February 2014, the newly updated Guideline 6G: Record Keeping and Client Identification for Financial Entities came into effect.¹⁷³¹ The guideline was prepared by Financial Transactions and Reports Analysis Centre of Canada and, although not binding, brings progress to the issue of the identification of beneficial owners.¹⁷³² Specifically, the guideline stipulates that financial institutions have to identify every client who conducts a suspicious transaction.

On 11 February 2014, the Government of Canada released its 2014 Budget. In the 2014 Budget the Government announced it would introduce legislative amendments and regulations to strengthen Canada's anti-money laundering and anti-terrorist financing regime and improve Canada's compliance with international standards, while minimizing the compliance burden.¹⁷³³

On 17 February 2014, the FATF released the Sixth Follow-Up Report: Mutual Evaluation of Canada that assessed Canada's progress on the road to compliance with its standards. The report notes that the recent amendments to the PCMLTFA effectively address the previously existing weaknesses in the legislation in relation to beneficial ownership.¹⁷³⁴

Moreover, the recent amendments to the PCMLTFA have “brought Canada into substantial compliance with the 2003 FATF standards on the identification of beneficial ownership.”¹⁷³⁵

On 19 June 2014, the Economic Action Plan 2014 was enacted. A package of almost 40 legislative amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) was tabled through the Economic Action Plan 2014 Act, No. 1. In general, amendments that were

¹⁷³⁰ Sixth Follow-up Report: Mutual Evaluation of Canada, Financial Action Task Force (Paris) 17 February 2014. Access Date: 15 March 2014. <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/FUR-Canada-2014.pdf>.

¹⁷³¹ Guideline 6G: Record Keeping and Client Identification for Financial Entities, Financial Transactions and Reports Analysis Centre of Canada (Ottawa) February 2014. Access Date: 15 March 2014. <http://www.fintrac-canafe.gc.ca/publications/guide/guide6/6G-eng.asp#s6>.

¹⁷³² Sixth Follow-up Report: Mutual Evaluation of Canada, Financial Action Task Force (Paris) 17 February 2014. Access Date: 15 March 2014. <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/FUR-Canada-2014.pdf>.

¹⁷³³ The Road to Balance: Creating Jobs and Opportunities, Department of Finance (Ottawa) 11 February 2014. Access Date: 9 November 2014. <http://www.budget.gc.ca/2014/docs/plan/pdf/budget2014-eng.pdf>.

¹⁷³⁴ Sixth Follow-up Report: Mutual Evaluation of Canada, Financial Action Task Force (Paris) 17 February 2014. Access Date: 15 March 2014. <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/FUR-Canada-2014.pdf>.

¹⁷³⁵ Sixth Follow-up Report: Mutual Evaluation of Canada, Financial Action Task Force (Paris) 17 February 2014. Access Date: 15 March 2014. <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/FUR-Canada-2014.pdf>.

internal to Government came into force immediately and those that have an impact on the private sector will come into force in June 2015 or when enacting regulations are introduced.¹⁷³⁶

From 8 to 10 September 2014, Canada attended the fifth intersessional meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption.¹⁷³⁷ The Working Group is part of the United Nations Office on Drugs and Crime.

Canada has strengthened its legislation in relation to the identification of beneficial owners of companies through amendments to a relevant legislation but has not taken substantial steps to strengthen coordination between government agencies, law enforcement, and the business community. Thus, Canada is in partial compliance with its commitment to meet the FATF standards regarding the identification of the beneficial owners of companies.

Canada receives a score of 0.

Analysts: Vera V. Gavrilova and Leslie Woods

China: 0

China has partially complied with its commitment to take action to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement and the business community.

Chinese authorities and financial institutions have put considerable efforts into the prevention of money laundering over the recent years.

In 2013, the Chinese President Xi Jin Pin “launched a national crackdown on conspicuous consumption among party members and ordered anti-graft authorities to reclaim homes illegally occupied by local officials and seize public vehicles that are being improperly used.”¹⁷³⁸ The campaign has been broad and sustained, and is intensifying as it enters a second year. According to the Central Commission for Discipline and Inspection, 182,000 officials were punished for disciplinary violations in 2013.¹⁷³⁹

On 23 November 2013, Wang Qishan, the Chinese Secretary of the Central Commission for Discipline Inspection, urged efforts to “implement the decision on comprehensively deepening reform” approved by the Communist Party of China (CPC) Central Committee at the Third Plenary Session of the 18th CPC Central Committee.¹⁷⁴⁰ The main task is to punish and prevent corruption. Wang also called for institutional innovation and the building of a system to guarantee anti-corruption work.¹⁷⁴¹

On 25 November 2013, China attended the fifth Conference of States Parties to the United Nations Convention against Corruption (UNCAC) in Panama. Chinese Vice Foreign Minister Liu Zhenmin

¹⁷³⁶ Economic Action Plan 2014 Act, No. 1 (S.C. 2014, c. 20), Justice Laws Website (Ottawa) 19 June 2014. Access Date: 9 November 2014. http://laws-lois.justice.gc.ca/eng/annualstatutes/2014_20/.

¹⁷³⁷ Open-ended Intergovernmental Working Group on Prevention, United Nations Office on Drugs and Crime (Vienna) 2014. Access Date: 4 October 2014. <http://www.unodc.org/unodc/en/treaties/CAC/working-group4.html>.

¹⁷³⁸ Xi Jinping's Anticorruption Paradox, Bloomberg Business Week (Beijing) 15 January 2014. Access Date: 3 March 2014. <http://www.businessweek.com/articles/2014-01-15/xi-jinpings-anti-corruption-paradox>.

¹⁷³⁹ Less Party Time: The Communist Party's anti-graft campaign has had a surprising impact, but a new report shows how far there is to go, The Economist (Beijing) 25 January 2014. Access Date: 2 March 2014. <http://www.economist.com/news/china/21595029-communist-partys-anti-graft-campaign-has-had-surprising-impact-new-report-shows-how>.

¹⁷⁴⁰ CPC watchdog calls for innovation in anti-corruption work, Xinhuanet (Beijing) 23 November 2013. Access Date: 3 March 2014. http://news.xinhuanet.com/english/china/2013-11/13/c_132885721.htm.

¹⁷⁴¹ CPC watchdog calls for innovation in anti-corruption work, Xinhuanet (Beijing) 23 November 2013. Access Date: 3 March 2014. http://news.xinhuanet.com/english/china/2013-11/13/c_132885721.htm.

delivered a speech calling to develop a “coalition to promote a culture of zero tolerance for corruption.”¹⁷⁴² Liu stressed that as part of its recent decision to comprehensively deepen reforms, Chinese leaders have pledged to “punish and prevent corruption, and called for institutional innovation and the building of a system to guarantee anti-corruption work.”

On 3 March 2014, the central bank of China announced a new set of rules aimed at combating money laundering and terrorist financing risks in the Shanghai Free Trade Zone, which has been serving as a testing area for economic policies in China.¹⁷⁴³

In early July 2014, China’s state-owned official television network CCTV made a public accusation against the Bank of China, one of the major state-owned banks in China, for participating in money laundering activities.¹⁷⁴⁴

From 14 to 18 July 2014, the 17th Annual Meeting of the Asia Pacific Group (APG) was held in Macau, China. Nearly 400 delegates from all 41 APG members attended the meeting, along with observer delegates from France, Germany, Portugal, the Russian Federation and Tuvalu (admitted earlier in the year). The Financial Action Task Force, the Eurasian Group against Money Laundering, the Asian Development Bank, the IMF, World Bank, United Nations, UNODC, among with newly admitted organizations, attended as Observer organizations.¹⁷⁴⁵

On 21 July 2014, the People’s Bank of China signed a memorandum with the Monetary Authority of Macau aimed at taking initial steps in addressing money laundering in Macau’s casinos.¹⁷⁴⁶

As demonstrated by the above measures, China has partially complied with its commitment to establish transparency mechanisms in identifying beneficial owners and establishing cooperation and coordination between government agencies, law enforcement and the business community, and therefore, receives a compliance score of 0.

Analyst: Angel Chu

France: 0

France has partially complied with its commitment to take action to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement and the business community. France has advanced in the establishment of transparency mechanisms in identifying beneficial owners.

On 7-8 November 2013 France participated in the Organisation for Economic Co-operation and Development’s (OECD) Forum on Tax and Crime in Istanbul, Turkey. The forum addressed priority issues on the responsibility for combating financial crime and “supported an ambiguous programme

¹⁷⁴² China pledges zero tolerance for corruption: vice FM, Xinhuanet (Beijing) 26 November 2013. Access Date: 3 March 2014. http://news.xinhuanet.com/english/china/2013-11/26/c_132919653.htm.

¹⁷⁴³ China introduces new AML regulations and more..., AML Source (New York) 3 March 2014. Access Date: 6 October 2014. <http://blog.amlsource.com/2014/03/03/aml-news-briefing-3/>.

¹⁷⁴⁴ Keeping track of the cash, China Daily Asia (Beijing) 25 July 2014. Access Date: 6 October 2014. http://www.chinadailyasia.com/asiaweekly/2014-07/25/content_15152125.html.

¹⁷⁴⁵ 17th APG Annual Meeting Concludes In Macao, China, Asia Pacific Group (Sidney) 22 July 2014. Access Date: 7 October 2014. <http://www.apgml.org/news/details.aspx?pcPage=2&n=43>.

¹⁷⁴⁶ China takes steps to enforce anti-money laundering laws in Macau, Duhaime’s Anti-Money Laundering Law in Canada (Toronto) 22 July 2014. Access date: 7 October 2014. <http://www.antimoneylaunderinglaw.com/2014/07/china-takes-steps-to-enforce-anti-money-laundering-laws-in-macau.html>.

going forward.”¹⁷⁴⁷ At the conclusion of the forum, participants, including France, released a communique in which they committed to “strengthen cooperation with other authorities in the fisheries sector in particular on beneficial ownership.”

On 6 December 2013, the government of France has passed the Law #2013-1117 authorizing the creation of a centralized public registry to identify beneficial owners of trusts.¹⁷⁴⁸ The creation of the centralized registry will allow for the provision of more accurate and up-to-date information on beneficial owners, in line with the standards of the FATF.

On 20 February 2014 France supported a European Parliament vote to “set up public registers to identify company owners.”¹⁷⁴⁹ The public register provision will require “banks and financial institutions, auditors, lawyers, accountants, notaries, tax advisors, asset managers, trusts and real estate agents” to provide ownership names to national authorities. The provision also outlines a 30-day requirement for any ownership changes to be communicated to national authorities. The provision will provide “a better starting point to verify the beneficial ownership of potential clients to organisations.”

In May 2014 the International Monetary Fund’s Topical Trust Fund (TTF) launched its second phase.¹⁷⁵⁰ France, alongside Japan, Luxembourg, the Netherlands, Qatar, Saudi Arabia, Switzerland and the United Kingdom, pledged USD18.9 million to the TTF. The TTF, launched originally in 2009, finances capacity development in AML/CFT. The TTF “complements existing accounts that finance the IMF’s AML/CFT capacity development activities in member countries.”¹⁷⁵¹

France has participated in forums and European Parliament votes on improving the identification of beneficial ownership and has implemented legislation within its own borders to enhance the transparency mechanisms in identifying beneficial owners. However, France has not taken steps to strengthen cooperation and coordination between government agencies, law enforcement and the business community.

Therefore, France receives a compliance score of 0.

Analyst: Caitlin Gillespie

Germany: 0

Germany has partially complied with its commitment to take measures to ensure meeting the Financial Action Task Force (FATF) standards regarding the identification of the beneficial owners of companies and fostering cooperation and coordination between government agencies, law enforcement and the business community.

¹⁷⁴⁷ Outcomes Statement: The 3rd OECD Forum on Tax and Crime, Organisation for Economic Co-operation and Development (Paris) 8 November 2013. Access Date: 25 February 2014. <http://www.oecd.org/tax/crime/outcomes-third-forum-on-tax-crime.pdf>.

¹⁷⁴⁸ LOI n° 2013-1117 du 6 décembre 2013 relative à la lutte contre la fraude fiscale et la grande délinquance économique et financière, Légifrance (Paris) 7 December 2013. Access Date: 29 July 2014. http://www.legifrance.gouv.fr/affichTexte.do;jsessionid=CA2B8CFF2C9DFC93EB3250E62337C30C.tpdjo03v_3?cidTexte=JORFTEXT000028278976&categorieLien=id.

¹⁷⁴⁹ MEPs vote to abolish secret company ownership, EUobserver (Brussels) 21 February 2014. Access Date: 25 February 2014. <http://euobserver.com/justice/123221>.

¹⁷⁵⁰ Donors Pledge US\$18.9 Million to Strengthen Technical Assistance on Anti-Money Laundering and Combating the Financing of Terrorism, International Monetary Fund (Washington) 18 December 2013. Access Date: 3 October 2014. <http://www.imf.org/external/np/sec/pr/2013/pr13527.htm>.

¹⁷⁵¹ The IMF and the Fight Against Money Laundering and the Financing of Terrorism, International Monetary Fund (Washington) 5 September 2014. Access Date: 3 October 2014. <http://www.imf.org/external/np/exr/facts/aml.htm>.

Germany has been a member of the FATF since 1990.¹⁷⁵² It is an observer in the Asia/Pacific Group on Money Laundering, Eurasian Group and the Financial Action Task Force of South American Against Money Laundering. Germany is one of two G20 members that has yet to ratify the United Nations Convention Against Corruption (UNCAC).¹⁷⁵³ Although compliance commitments do not relate directly to UNCAC, it covers “five main areas: prevention, criminalization and law enforcement measures, international cooperation, asset recovery, and technical assistance and information exchange.”¹⁷⁵⁴ UNCAC is the only “legally binding universal anti-corruption instrument.” As a result, it plays an important role in complying with FATF recommendations, as both UNCAC and the FATF deal with combating financial corruption.

The German government released an action plan to prevent the misuse of legal persons and legal arrangements. It states, “Germany is committed to further strengthening its regime and related implementation measures.”¹⁷⁵⁵ It outlines seven key features: “having companies know their beneficial owners ... ensuring timely access to beneficial ownership information ... carrying out national risk assessments ... preventing the misuse of legal arrangements ... adequately supervising obliged entities for compliance with their AML/CFT [anti-money laundering/combating terrorist financing] requirements ... applying effective, proportionate and dissuasive sanctions ... providing international cooperation.”

The action plan discusses transparency, cooperation and communication between government agencies, law enforcement and the business community. Within ensuring timely access to beneficial ownership information the report states that “competent authorities [will have] information provided by the obliged financial institutions.”¹⁷⁵⁶ Within supervising entities for compliance with beneficial ownership and applying sanctions, the Federal Financial Supervisory Board will continue guidance and project development in order to help other supervising authorities.

A December 2013 Organisation for Economic Co-operation and Development (OECD)’s report on Measuring OECD Responses to Illicit Financial Flows from Developing Countries reported country compliance with the recommendations on beneficial ownership. The report finds that Germany was non-compliant with both FATF recommendations 33 (beneficial owners — legal persons) and 34 (beneficial owners — legal arrangements).¹⁷⁵⁷

¹⁷⁵² Germany, Countries, Financial Action Task Force (Paris). Access Date: 17 February 2014. <http://www.fatf-gafi.org/countries/d-i/germany/>.

¹⁷⁵³ United Nations Convention Against Corruption Signatures and Ratification Status as of 29 November 2013, United Nations Office on Drugs and Crime (Vienna) 29 November 2013. Access Date: 7 March 2014. <https://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹⁷⁵⁴ G20 Background Policy Brief, InterAction (Washington) March 2013. Access Date: 17 February 2014. <http://www.interaction.org/sites/default/files/2013%20G20%20Anti-corruption%20and%20Transparency%20Background%20Policy%20Brief.pdf>.

¹⁷⁵⁵ Germany’s Action Plan to prevent the misuse of legal persons and legal arrangements, German Federal Government (Berlin). Access Date: 18 February 2014. http://www.bundesregierung.de/Content/DE/StatischeSeiten/Breg/G8G20/Anlagen/g8-lough-erne-deutscher-aktionsplan.pdf?__blob=publicationFile&v=2.

¹⁷⁵⁶ Germany’s Action Plan to prevent the misuse of legal persons and legal arrangements, German Federal Government (Berlin). Access Date: 18 February 2014. http://www.bundesregierung.de/Content/DE/StatischeSeiten/Breg/G8G20/Anlagen/g8-lough-erne-deutscher-aktionsplan.pdf?__blob=publicationFile&v=2.

¹⁷⁵⁷ OECD Report: Measuring OECD Responses to Illicit Financial Flows from Developing Countries, Organisation for Economic Co-operation and Development (Paris) 2013. Access Date: 14 February 2014. <http://allafrica.com/download/resource/main/main/idatcs/00080564:5629d44029a11bc7c21eb466e22d6081.pdf>.

At the June 2014 FATF Plenary, Germany was removed from the regular follow-up process given the results in its 3rd Follow-Up Report since the deficiencies identified in the 2010 Mutual Evaluation Report. The 3rd Follow-Up Report found that Germany has made significant advances in, “amendments of the AML Law to ensure that verification of beneficial ownership is required in all cases and that in cases of low risk, a minimum level of due diligence is still carried out. Germany has also adopted a much broader definition regarding the beneficial owner in the context of a trust arrangement.”¹⁷⁵⁸ Despite these advances, the FATF 3rd Follow-Up Report still found Germany to be only partially compliant with the 2010 mutual evaluation report recommendations specifically regarding beneficial ownership.¹⁷⁵⁹

Although, Germany has outlined in its action plan seven key features for preventing misuse of legal persons and arrangements, the 2013 OECD report found that Germany has not complied with the recommendations to take actions to establish transparency mechanisms in identifying beneficial owners. Although Germany was taken off the regular follow-up process, the 3rd follow-up process report presented in June 2014 found it to be only partially compliant with regards to beneficial ownership. There is evident cooperation and coordination between government agencies, law enforcement and the business community.

Therefore, Germany receives a compliance score of 0.

Analyst: Irene Ferro Colmenares

India: 0

India has partially complied with its commitment to take measures to meet the FATF standards regarding the identification of the beneficial owners of companies.

On 27 August 2013, India passed new amendments to the Prevention of Money Laundering Act and the Unlawful Activities Prevention Act. These implementations have dealt with technical deficiencies implementing effective confiscation and provisional measures as well as preventative measures.¹⁷⁶⁰

On 23 February 2014, India passed the Whistleblowers Act that has been awaiting approval since 2011. The bill encourages citizens to disclose information on corruption or the willful misuse of power by public servants as well as Ministers. A procedure for inquiring into the complaints has been set up, as well means to protect whistleblowers from victimisation. Punishments for false or frivolous complaints are also components of the bill.¹⁷⁶¹

On 18 March 2013, amendments to the “The Prevention of Bribery of Foreign Public Officials and Officials of Public International Organisations Bill, 2011” were approved.¹⁷⁶² A series of bills still await approval by the government, including: the Public Procurement Bill, the Prevention of Bribery of

¹⁷⁵⁸ Mutual Evaluation of Germany: 3rd Follow Up Report Summary, FATF, June 2014. Access Date: 5 October 2014. <http://www.fatf-gafi.org/topics/mutualevaluations/documents/follow-up-report-germany-2014.html>

¹⁷⁵⁹ 3rd Follow-Up Report: Mutual Evaluation of Germany (June 2014). Access Date: 5 October 2014. <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/FUR-Germany-2014.pdf>

¹⁷⁶⁰ Mutual Evaluation of India: 8th Follow-up report & Progress Report on Action Plan, Financial Action Task Force (Paris) 25 June 2013. Access Date: 23 February 23 2014. <http://www.fatf-gafi.org/topics/mutualevaluations/documents/india-fur-2013.html>.

¹⁷⁶¹ Whistleblowers' Protection Act Passed, The Hindu (New Delhi) 23 February 2014. Access Date: 16 March 2014. <http://www.thehindu.com/news/national/whistleblowers-protection-bill-passed/article5717263.ece>.

¹⁷⁶² Government Nod to Changes in Bill to Tackle Foreign Bribery by Foreigners, The Economic Times (New Delhi) 18 March 2013. Access Date: 14 March 2014. http://articles.economictimes.indiatimes.com/2013-03-18/news/37815010_1_public-international-organisations-foreign-public-officials-bribery.

Foreign Public Officials and Officials of Public International Organisations Bill, as well as amendments to existing laws to include bribery in the private sector as a punishable offence.¹⁷⁶³

On 18 December 2013, India passed the Anti-Corruption Act, also known as the Lokpal and Lokayuktas Bill. It allows for the creation of the institution of Lokpal to verify allegations of corruption, with jurisdiction over all public servants, with its powers extending even to the prime minister.¹⁷⁶⁴ On 1 January 2014, the Bill received the assent from President Pranab Mukherjee.¹⁷⁶⁵ On 16 January 2014, the Bill came into force.¹⁷⁶⁶

India has taken steps to advance its anti-corruption legislation, notably, through the creation of the Lokpal Bill. India, however, has not progressed in establishing transparency mechanisms in identifying beneficial owners.

Therefore, India receives a score of 0.

Analysts: Vera V. Gavrilova and Serda Sparks

Indonesia: 0

Indonesia has partially complied with its commitment to combat corruption and crime. It has taken a number of measures to comply with recommendations of the international agreements and organizations; however, it has fallen short in reaching the desired outcomes within the set time limits.

The country has gone through some turbulence when a prominent anti-corruption judge was arrested on charges of Graft in October 2013.¹⁷⁶⁷ Indonesia ratified the United Nations Convention against Corruption (UNCAC) on 19 September 2006.¹⁷⁶⁸

On 19 October 2013, according to a public statement issued by the Financial Action Task Force (FATF), the country has been active in improving its regime on anti-money laundering/combating terrorist financing (AML/CFT). Despite “Indonesia’s high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Indonesia has not made sufficient progress in implementing its action plan within the agreed timelines, and certain key CFT deficiencies remain regarding the establishment and implementation of an adequate legal framework and procedures for identifying and freezing of terrorist assets.”¹⁷⁶⁹

On 14 February 2014, the FATF issued a public statement in which it continued to voice its concerns with Indonesia. It has commended the country on initiating the implementation process of United

¹⁷⁶³ India: Countering Corruption in the Private Sector: A Shared Responsibility, United Nations Office on Drugs and Crime (Vienna) 2013. Access Date: 14 March 2014. <http://www.unodc.org/southasia//frontpage/2013/may/india-countering-corruption-in-the-private-sector-a-shared-responsibility.html>.

¹⁷⁶⁴ Salient Features of Lokpal, Lokayuktas Bill, The Hindu (New Delhi) 18 December 2013. Access Date: 16 March 2014. <http://www.thehindu.com/news/national/salient-features-of-lokpal-lokayuktas-bill/article5474256.ece>.

¹⁷⁶⁵ Lokpal Bill gets President’s nod, The Time of India (New Delhi) 1 January 2014. Access Date: 22 October 2014. <http://timesofindia.indiatimes.com/india/Lokpal-Bill-gets-Presidents-nod/articleshow/28243367.cms>.

¹⁷⁶⁶ Order S.O. 409(E), Ministry of Personnel, Public Grievances, and Pensions (New Dehli) 15 February 2014. Access Date: 22 October 2014. http://ccis.nic.in/WriteReadData/CircularPortal/D2/D02ser/407_12_2014-AVD-IV-B-15022014.pdf.

¹⁷⁶⁷ Top Indonesian ‘Anticorruption’ Judge Is Arrested for Graft, World Time, (Indonesia) 3 October 2013. Access Date: 7 March 2014. <http://world.time.com/2013/10/04/arrest-of-antigraft-judge-shows-depth-of-indonesias-corruption-crisis/>.

¹⁷⁶⁸ United Nations Convention Against Corruption Signatures and Ratification Status as of 29 November 2013, United Nations Office on Drugs and Crime (Vienna) 29 November 2013. Access Date: 7 March 2014. <https://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹⁷⁶⁹ FATF Public Statement, 18 October 2013, The Financial Action Task Force (Paris) 18 October 2013. Access Date: 7 March 2014. <http://www.fatf-gafi.org/countries/s-t/turkey/documents/fatf-public-statement-oct-2013.html>.

Nations Security Council Resolution (UNSCR) 1267 and effectively implementing the terrorist asset-freezing system. However, the statement added that the “FATF encourages Indonesia to address its remaining deficiencies in compliance with FATF standards by taking steps to fully implement UNSCR 1267 and to clarify the legal framework and procedures for freezing terrorist assets.”¹⁷⁷⁰ An additional public statement issued by the FATF on 27 June 2014 reiterated these concerns.¹⁷⁷¹

Indonesia participates in the 2014–2017 regional program of the United Nations Office on Drugs and Crime (UNODC) to strengthen anti-corruption efforts in the region. In addition, the country has participated in a UNCAC anti-corruption workshop held from 24 to 27 February 2014. The workshop “brought together for the first time some 60 civil society organization members, government officials and anti-corruption practitioners from 14 countries across Asia.”¹⁷⁷²

On 9 December 2013, an EU led project was launched in partnership with UNODC, Indonesia Corruption Watch, and Transparency International Indonesia. The project “helped enhancing civil society participation in the fight against corruption and the establishment of a national Anti-Corruption Forum which brings together the government and civil society organizations to enhance cooperation in anti-corruption drive.”¹⁷⁷³

On 8 to 10 September 2014 Indonesia also attended the UNODC fifth intersessional meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption.¹⁷⁷⁴

Indonesia has made efforts at combating crime and corruption through several international agreements and projects, but has not made substantial forward motion in taking actions to establish transparency mechanisms in identifying beneficial owners and establishing cooperation and coordination between government agencies, law enforcement and the business community.

Therefore, Indonesia receives a compliance score of 0.

Analysts: Israa Hamad and Leslie Woods

Italy: 0

Italy has partially complied with its commitment to take action to meet the standards of the Financial Action Task Force (FATF) regarding the identification of the beneficial owners of companies and establish cooperation and coordination between government agencies, law enforcement and the business community.

In September 2013, “the Italian national anti-corruption authority (the Commissione indipendente per la Valutazione, la Trasparenza e l’Integrità — CIVIT) approved the three-year national anti-corruption

¹⁷⁷⁰ FATF Public Statement, 14 February 2014, The Financial Action Task Force (Paris) 14 February 2014. Access Date: 7 March 2014. <http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/documents/public-statement-feb-2014.html>.

¹⁷⁷¹ FATF Public Statement, 27 June 2014, The Financial Action Task Force (Paris) 27 June 2014. Access Date: 4 October 2014. <http://www.fatf-gafi.org/countries/d-i/indonesia/documents/public-statement-june-2014.html>.

¹⁷⁷² Working together to more effectively fight corruption across Asia, United Nations Office on Drugs and Crime (Vienna) 28 February 2014. Access Date: 7 March 2014. <https://www.unodc.org/southeastasiaandpacific/en/2014/03/kl-workshop/story.html>.

¹⁷⁷³ EU and UNODC support Indonesia in fighting corruption, United Nations Office on Drugs and Crime (Vienna) 12 December 2013. Access Date: 7 March 2014. <https://www.unodc.org/indonesia/en/2013/12/fighting-corruption/story.html>.

¹⁷⁷⁴ Open-ended Intergovernmental Working Group on Prevention, United Nations Office on Drugs and Crime (Vienna) 10 September 2014. Access Date: 4 October 2014. <https://www.unodc.org/unodc/en/treaties/CAC/working-group4.html>.

plan prepared by the Department of Public Administration.”¹⁷⁷⁵ The plan “focuses on preventive and transparency measures for the public administration, but also comprises few measures aimed at increasing detection of corrupt practices.” Some performance indicators are also provided, while deadlines for fulfillment of the measures are not defined in detail.

On 18 December 2013, the “CONSOB’s [the Italian securities regulator] resolution no. 18731, set out implementation measures in relation to customer due diligence obligations to be complied with by financial promoters.”¹⁷⁷⁶

On 1 January 2014, “two regulations, issued by the Bank of Italy in April 2013, entered into force, which deal with the customer due diligence in the field of anti-money laundering and the keeping of the Single Financial Transactions Database [Archivio Unico Informatico].”¹⁷⁷⁷

In August 2014, the Italian government opened its first anti-corruption class for public officials in Florence, in an effort to combat the problem of widespread corruption within the state bureaucracy.¹⁷⁷⁸ The class “is part of Italy’s recent shift to focusing on preventive instead of punitive measures to fight corruption, introduced by a landmark 2012 anti-corruption law. Under the new rules, each city administration must appoint an anti-corruption compliance officer to monitor problems and map out new anti-graft and transparency plans.”

On 11 June 2014, the fourth Annual High-Level Anti-Corruption Conference for G20 Governments and Business was held in Rome, Italy. The conference, jointly organized by Italian Co-Chair of the G20 Anti-Corruption Working Group and the OECD, built on the conclusions of the G20 and B20 discussions for the past three years and implemented the G20 priority for closer co-operation between governments and the private sector.¹⁷⁷⁹ Participants discussed progress in advancing the top priorities of the global anti-corruption agenda and solutions to address the latest challenges facing countries, business and civil society.

In early July 2014, the Italian Premier Matteo Renzi gave enhanced powers to the top anti-corruption official in an effort to prevent money-laundering scandals like the case of Venice’s mayor earlier in the year.¹⁷⁸⁰

¹⁷⁷⁵ Annex - Italy to the EU Anti-Corruption Report, European Commission (Brussels) 3 February 2014. Access Date: 2 March 2014. http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/docs/2014_acr_italy_chapter_en.pdf.

¹⁷⁷⁶ United States: Recent Developments In The Italian Anti-Money Laundering Legislation, Modaq (New York) 27 January 2014. Access Date: 2 March 2014. <http://www.mondaq.com/unitedstates/x/288818/Financial+Services/RECENT+DEVELOPMENTS+IN+THE+ITALIAN+ANTIMONEY+LAUNDERING+LEGISLATION>.

¹⁷⁷⁷ United States: Recent Developments In The Italian Anti-Money Laundering Legislation, Modaq (New York) 27 January 2014. Access Date: 2 March 2014. <http://www.mondaq.com/unitedstates/x/288818/Financial+Services/RECENT+DEVELOPMENTS+IN+THE+ITALIAN+ANTIMONEY+LAUNDERING+LEGISLATION>.

¹⁷⁷⁸ Florence hosts Italy’s first anti-corruption class for public officials, The Guardian (Florence) 11 August 2014. Access Date: 8 October 2014. <http://www.theguardian.com/world/2014/aug/11/italy-first-anti-corruption-class-florence-public-officials>.

¹⁷⁷⁹ Fourth Annual High-Level Anti-Corruption Conference for G20 Governments and Business, Organisation for Economic Cooperation and Development (Paris) 11 June 2014. Access Date: 7 October 2014. <http://www.oecd.org/governance/g20-anticorruption-2014.htm>.

¹⁷⁸⁰ Italy’s Renzi enhances anti-corruption czar, CNS News (Virginia) 13 July 2014. Access Date: 8 October 2014. <http://www.cnsnews.com/news/article/italys-renzi-enhances-anti-corruption-czar>.

Although Italy has been working to enhance its anti-corruption legislation, it has not taken firm action in establishing transparency mechanisms in identifying beneficial owners and establishing cooperation and coordination between government agencies, law enforcement and the business community. Thus, Italy receives a compliance score of 0.

Analyst: Angel Chu

Japan: -1

Japan has not complied with its commitment to meet the standards of the Financial Action Task Force (FATF) regarding the identification of the beneficial owners of companies.

On 5 February 2014, the Organisation for Economic Co-operation and Development's Working Group on Bribery reported on Japan's effort to implement the recommendations of the Phase 3 report. The working group has significant concerns about the low level of foreign bribery enforcement in Japan, with many allegations involving Japanese companies. It also believes that the implementation of the Anti-Bribery Convention is not given adequate priority by Japanese authorities, citing a lack of targeted resources for the purpose of detecting, investigating, and prosecuting foreign bribery cases, the lack of a legal authority in charge of confiscating foreign proceeds, or having foreign bribery as a predicate offence leading to money laundering. There is a bill amending the Anti-Organized Crime Law that has not been passed by the Diet that could deal with many of the weaknesses Japan has to address in regards to the Anti-Bribery Convention.¹⁷⁸¹ The same report also cites areas where Japan has made progress. Japan intends to expand its bilateral tax treaties to allow the sharing of tax information by tax authorities with other law enforcement and judicial authority on foreign bribery cases. Targeted training on foreign bribery to contact points in Japan's overseas mission has been implemented.

On 6 December 2013, the Japanese government passed the State Secrets Bill, which outlines new penalties for potential whistleblowers. Whistleblowers can now be criminally prosecuted for disclosing evidence to the public.¹⁷⁸²

On 19 November 2013, at the European Union-Japan Summit in Tokyo, the mutual legal assistance in criminal matters agreement, which had been signed on 2 January 2011, was reiterated to continue cooperation between the two trading partners.¹⁷⁸³

On 1 May 2014 in a Joint Statement with the United Kingdom, Japan reiterated its "commitment to lead by example in the effective implementation of the Financial Action Task Force (FATF) Standards and early implementation of our beneficial ownership national Action Plans. In this respect, Japan will give serious consideration to creating a mechanism, based on the Japan Action Plan, to prevent the misuse of companies and legal arrangements, bearing in mind the G8 Action Plan Principles which include ideas such as a public central registry of beneficial ownership information."¹⁷⁸⁴

¹⁷⁸¹ Japan's Follow-Up to the Phase 3 Report and Recommendations, Organisation for Economic Co-operation and Development (Paris) February 2014. Access Date: 13 March 2014. <http://www.oecd.org/daf/anti-bribery/JapanP3WrittenFollowUpReportEN.pdf>.

¹⁷⁸² Japan's State Secrets Bill Polarizes Society, *The Diplomat* (Tokyo) 28 November 2013. Access Date: 13 March 2014. <http://thediplomat.com/2013/11/japans-state-secrets-bill-polarizes-society/>.

¹⁷⁸³ EU-Japan relations and the 21st EU-Japan Summit, Press Release Database (Tokyo) 19 November 2013. Access Date: 13 March 2014. http://europa.eu/rapid/press-release_MEMO-13-999_en.htm.

¹⁷⁸⁴ UK-Japan Joint Statement, Foreign & Commonwealth Office (London) 1 May 2014. Access Date: 22 October 2014. <https://www.gov.uk/government/news/uk-japan-joint-statement>.

On 27 June 2014, the FATF called on Japan to improve its AML/CFT standards, legislation and to better address the deficiencies identified in its third mutual evaluation of October 2013.¹⁷⁸⁵ The FATF identified deficiencies in “the incomplete criminalisation of terrorist financing; the lack of satisfactory customer due diligence requirements and other obligations in the area of preventive measures applicable to the financial and non-financial sectors; the incomplete mechanism for the freezing of terrorist assets; and the failure to ratify and fully implement the Palermo Convention.”

Although Japan has been working to strengthen its anti-corruption legislation, no action has been taken with regards to the identification of beneficial owners of companies. Japan has also failed to establish cooperation and coordination between government agencies, law enforcement and the business community.

Hence, Japan receives a score of -1.

Analyst: Caitlin Gillespie and Sevdal Sparks

Korea: -1

Korea not complied with its commitment to enact the standards of the Financial Action Task Force (FATF) regarding the identification of the beneficial owners of companies. Although actively battling crime and corruption, Korea has taken minimal actions specifically in relation to the identification of the beneficial owners of companies.

On 29 November 2013, the Anti-Corruption and Civil Right Commission of Korea demonstrated its goals and achievements to the fifth session of the Conference of the States Parties to the United Nations Convention against Corruption. Many initiatives are ready, including a bill on the Prevention of Illegal Solicitation and Conflict of Interest that is under review at the National Assembly.¹⁷⁸⁶

On 3 April 2014 Korea's National Tax Tribunal (NTT) issued a decision that provides guidance on beneficial ownership.¹⁷⁸⁷ The case involved a KOR1 (a Korean company) that was established under a joint venture with KOR2 and a UK holding company that was owned by a French company. Korea's national tax authority “asserted that the Korea-France tax treaty, rather than the Korea-UK treaty, should be applied because the French company was the beneficial owner of the dividend income, and the UK holding company was a mere conduit that should be disregarded.” The NTT upheld the tax authority's decision, stating that “the French company made all major decisions on KOR1's business and KOR1 was, in substance, operated and managed by the French company.”

On 29 May 2014 Korea's NTT, in a ruling regarding the US company Shareholder, stated that “that the term “ownership” of a Korean company in Article 12 of the US-Korea Income Tax Treaty (Treaty) is not limited to direct ownership, if an indirect shareholder has the right to dividends, provided that the

¹⁷⁸⁵ FATF calls on Japan to enact adequate anti-money laundering and counter terrorist financing legislation, Financial Action Task Force (Paris) 27 June 2014. Access Date: 22 October 2014. <http://www.fatf-gafi.org/countries/japan/documents/japan-aml-cft-deficiencies.html>.

¹⁷⁸⁶ ACRC Chairman reaffirms Korea's strong support for implementation of UNCAC, Anti-Corruption & Civil Rights Commission (Seoul) 2 January 2014. Access Date: 14 March 2014. <http://www.acrc.go.kr/eng/board.docommand=searchDetail&method=searchDetailViewInc&menuId=020501&boardNum=35634>.

¹⁷⁸⁷ Korea:Tribunal rules on beneficial ownership and application of reduced treaty rates on dividends, Deloitte Global Services Limited (Seoul) 27 June 2014. Access Date: 22 October 2014. http://newsletters.usdbriefs.com/2014/Tax/WTA/140627_7.pdf.

indirect shareholder satisfies the 10 [per cent] ownership requirement and is a US resident for treaty purposes.”¹⁷⁸⁸

On 27 June 2014 the FATF released an evaluation on the Democratic People’s Republic of Korea’s (DPRK) acknowledging that DPRK has engaged, since February 2014, with the FATF in discussing its AML/CFT deficiencies.¹⁷⁸⁹ The FATF also stated that it “remains concerned by the DPRK’s failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threat this poses to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies.”

Korea has begun formal court rulings on the identification of beneficial ownership in the attempt to improve its AML/CFT structures. Although Korea has begun implementing court rulings on beneficial ownership, it has not yet begun to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement and the business community.

Therefore, Korea receives a compliance score of -1.

Analyst: Caitlin Gillespie and Sevda Sparks

Mexico: 0

Mexico has partially complied with its commitment to combat crime and corruption through the establishment of transparency mechanisms in identifying beneficial owners and establishing cooperation and coordination between government agencies, law enforcement, and the business community.

On 24 October 2013, in order to enhance and reinforce coordination between the United States and Mexican authorities on a variety of operational and regulatory anti-money laundering initiatives, the Financial Crimes Enforcement Network Director Jennifer Calvery and Mexico’s National Banking and Securities Commission President Jaime Gonzalez Aguade signed a Memorandum of Understanding, strengthening both countries’ ability to fight transnational financial crime.¹⁷⁹⁰ The memorandum supports each countries’ anti-money laundering and combating terrorist financing (AML/CTF) missions. The partnership is conducted through the exchange of supervisory information as well as providing more strict controls and safeguards to ensure that the shared information is well protected and used in confidential and authorized manner for AML/CTF supervision purposes only.

On 7 February 2014, in the promulgation of the Constitutional Reform in Matters of Transparency, President Enrique Peña Nieto, emphasized that the government was determined to perform a public management in an efficient and transparent fashion.¹⁷⁹¹ Among the main points of the Constitutional

¹⁷⁸⁸ Korea’s National Tax Tribunal holds indirect US shareholder is a beneficial owner, Ernst & Young (UK) 14 July 2014. Access Date: 22 October 2014. <http://www.ey.com/GL/en/Services/Tax/International-Tax/Alert--Korea-s-National-Tax-Tribunal-holds-indirect-US-shareholder-is-a-beneficial-owner>.

¹⁷⁸⁹ FATF Public Statement, Financial Action Task Force (Paris) 27 June 2014. Access Date: 22 October 2014. <http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/documents/public-statement-june-2014.html>.

¹⁷⁹⁰ U.S. and Mexican AML/CFT Supervisors Sign First-Ever MOU to Exchange Financial Information to Thwart Drug Crime, Financial Crimes Enforcement Network (FinCEN) (Washington) 24 October 2013. Access Date: 26 February 2014. http://www.fincen.gov/news_room/nr/html/20131024.html.

¹⁷⁹¹ La transparencia acompañará y reforzará la transformación que estamos impulsando en el país: Enrique Peña Nieto, Presidencia de la República (Mexico City) 7 February 2014. Access Date: 26 February 2014. <http://www.presidencia.gob.mx/articulos-prensa/la-transparencia-acompanara-y-reforzara-la-transformacion-que-estamos-impulsando-en-el-pais-enrique-pena-nieto/>.

Reform were the strengthening of the right to public information access, the creation of new and more solid transparency institutions, and the establishment of new faculties for the national body.

On 12-14 February 2014, under the Russian presidency, the plenary meeting of the Financial Action Task Force (FATF) was held. Among the issues dealt with was the approval and publishing of follow-up reports to the mutual evaluation of Mexico in order to assess the advancements and update the country's steps towards complying with FATF standards since October 2012.¹⁷⁹²

On 4 March 2014, Mexico's government stated it would be taking control over the first division soccer club Gallos Blancos de Queretaro, whose owner is the CEO of a company at the center of a money-laundering probe involving Citigroup's Mexican subsidiary Banamex.¹⁷⁹³ This action is part of an investigation of the oil company Oceanografía following a total of USD400 million in fraudulent loans at Banamex. The loans were made on the basis of services being provided by the Mexican state-owned oil company Pemex, hence suggesting the possibility of a money laundering scheme.

On 29 May 2014, following the investigation of the Oceanografía money laundering charges, the Mexican Attorney General's office issued the arrest of its chief executive Amado Yanez.¹⁷⁹⁴ This followed Citigroup's decision of firing 11 employees earlier on in the month following an internal review. Banamex also faces US criminal investigation on the possibility of violation of money-laundering laws, as well as probes by US and Mexican authorities into the fraudulent loans.

On 12 September 2014, the Mexican government removed the limit on monthly cash deposits of USD14 thousand that border businesses could make in exchange for these companies allowing authorities to monitor their financial transactions along with meeting other requirements.¹⁷⁹⁵ Companies that allowed the monitoring of financial transactions, being established for three or more years, and that are able to prove their necessity of deposits larger than USD14 thousand would be allowed to operate. President Enrique Peña Nieto stated this change would "fight money laundering but without affecting businesses and corporations that work honestly."

Mexico has taken steps towards combating crime and corruption through changes in legislation with the intent of increasing transparency, and alliances to combat money laundering and tax evasion. However, Mexico has not taken actions to adhere to the FATF standards on beneficial ownership, as prescribed in the commitment. Thus, Mexico has received a compliance score of 0.

Analyst: Artur Pereira

Russia: +1

Russia has fully complied with the commitment on crime and corruption.

In Russia, the issue of beneficial ownership is dealt with in the context of de-offshorization of the economy. On 12 December 2013, in the Presidential Address to the Federal Assembly, President Vladimir Putin proposed several measures for "relieving the economy of offshore activity," so that the

¹⁷⁹² Outcomes from the meeting of the FATF Plenary, Paris 12-14 February 2014, FATF (Paris) 14 February 2013. Access Date: 26 February 2014. <http://www.fatf-gafi.org/countries/j-m/mexico/documents/plenary-outcomes-feb-2014.html>.

¹⁷⁹³ Mexico to seize soccer club Gallos amid Citi probe-official, Reuters (Mexico City) 04 March 2014. Access Date: 06 October 2014. <http://www.reuters.com/article/2014/03/05/citigroup-mexico-soccer-idUSL1N0M20D920140305>.

¹⁷⁹⁴ Mexico orders arrest of CEO in Oceanografía fraud probe, Reuters (Mexico City) 29 May 2014. Access Date: 06 October 2014. <http://www.reuters.com/article/2014/05/29/mexico-oceanografia-idUSL1N00F27Q20140529>.

¹⁷⁹⁵ Mexico lifts limit on businesses' dollar deposits originally implemented to halt money laundering, The Associated Press (Mexico City) 12 September 2014. Access Date: 06 October 2014. http://www.masslive.com/business-news/index.ssf/2014/09/mexico_lifts_limit_on_businesses_dollar.html.

“incomes of companies that are registered in offshore jurisdictions and belong to Russian owners or whose ultimate beneficiaries are Russian nationals follow Russian tax laws, and tax payments made to the Russian budget.”¹⁷⁹⁶

On 27 May 2014, the Russian Ministry of Finance published a draft law on amending Part I and Part II of the Tax Code of the Russian Federation (concerning taxation of the profits of controlled foreign companies and foreign entities). The draft law introduces the terms of beneficial ownership and controlled foreign companies, which are entities controlled by Russian tax residents.¹⁷⁹⁷

On 2 September 2014, the Russian Ministry of Finance published new version of the draft law on amending Part I and Part II of the Tax Code of the Russian Federation. The share of Russian tax residents’ participation in controlled foreign companies was decreased from 10 to 50 per cent for a 2-year transition period.¹⁷⁹⁸

On 14 February 2014, President Putin met with Alexander Shokhin, President of the Russian Union of Industrialists and Entrepreneurs (RSPP), which is the main Russian employers association. Shokhin discussed with the President the de-offshorization of the Russian economy and presented the views of Russian business on this issue.¹⁷⁹⁹

On 18 June 2014, Russian Prime Minister Dmitry Medvedev met with key Russian business people — members of the RSPP board — to discuss the draft law on de-offshorization.¹⁸⁰⁰ The business people emphasized the need to counter tax evasion through the use of offshore and foreign jurisdictions, while considering the interests of the bona fide taxpayer; to keep competitiveness of Russian companies as compared to one foreign ones; to prevent new constraints on the export of Russian capital; and to ensure the ability to implement the law on de-offshorization and manage new regulation.

Russia has thus taken actions to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement and the business community. Russia has therefore been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to fight crime and corruption. Saudi Arabia has not taken steps to meet the standards of the FATF regarding the identification of the beneficial owners of companies, but it has taken steps toward establishing cooperation and coordination between government agencies, law enforcement, and the business community.

¹⁷⁹⁶ Presidential Address to the Federal Assembly, President of Russia 12 December 2013.

<http://eng.kremlin.ru/transcripts/6402>.

¹⁷⁹⁷ Draft law On Amending Part I and Part II of the Tax Code of the Russian Federation (concerning taxation of the profits of controlled foreign companies and foreign entities), Russian Ministry of Finance 27 May 2014. http://www.minfin.ru/common/upload/library/2014/05/main/zakonoproekt_izm_NK_RF_nalogoobl_pribyli_kont_in_kom.pdf.

¹⁷⁹⁸ Draft law On Amending Part I and Part II of the Tax Code of the Russian Federation (concerning taxation of the profits of controlled foreign companies and foreign entities), Russian Ministry of Finance 2 September 2014. http://minfin.ru/ru/archive/index.php?id_4=22661.

¹⁷⁹⁹ Meeting with President of the Russian Union of Industrialists and Entrepreneurs Alexander Shokhin, President of Russia 14 February 2014. <http://eng.kremlin.ru/news/6667>.

¹⁸⁰⁰ Meeting with members of the board of the Russian Union of Industrialists and Entrepreneurs national employers association, Government of Russia 18 June 2014. <http://government.ru/en/news/13152>.

On 29 September 2013, Saudi Arabia ratified the United Nations Convention against Crime (UNCAC).¹⁸⁰¹ In October 2013, Saudi Arabian officials and experts participated in a three-day training program to strengthen the participants' understanding of the UNCAC review mechanism and "provid[ed] participants with the requisite expertise in UNCAC provisions to undergo and perform reviews."¹⁸⁰² The training included a number of departments that are related to AML/CFT such as the judiciary, Public Prosecution, Saudi Arabian Monetary Agency, National Anti-Corruption Commission, and representation from the private sector.

In January 2014, a Shoura Council member expressed dissatisfaction with the Anti-Corruption commission, stating that it has failed in taking the measures needed to contain corruption. According to the Shoura Council member this has resulted in the growth of corruption in the Kingdom and the loss of credibility before its citizens.¹⁸⁰³

On 24 April 2014, The Global Forum on Transparency and Exchange of Information for Tax Purposes issued a phase 1 report for Saudi Arabia, "highlight[ing] action being taken to implement the international standard for exchange of information on request."¹⁸⁰⁴ The report suggests that "the legal and regulatory framework in Saudi Arabia generally ensures that ownership, accounting and banking information is available for all relevant entities and arrangements." However, "Saudi Arabia's competent authority for exchange of information (EOI) purposes has the power to obtain all types of information from any person in Saudi Arabia, but can currently only fully use this power under 10 of its 30 EOI agreements." As of now, Saudi Arabia qualifies for a second round report, scheduled for the first half of 2015.¹⁸⁰⁵

Saudi Arabia has partially complied with the commitment, as it has not adhered to the FATF standards in the identification of beneficial ownership, but has taken steps toward establishing cooperation and coordination between government agencies, law enforcement and the business community through the Global Forum on Transparency and Exchange of Information for Tax Purposes report. Therefore, Saudi Arabia has partially complied with this commitment and received a score of 0.

Analysts: Israa Hamad and Elise Belzil

South Africa: 0

South Africa has partially complied with its commitment to take measures to ensure meeting the standards of the Financial Action Task Force (FATF) regarding the identification of the beneficial owners of companies and fostering cooperation and coordination between government agencies, law enforcement and the business community.

¹⁸⁰¹ United Nations Convention Against Corruption Signatures and Ratification Status as of 29 November 2013, United Nations Office on Drugs and Crime (Vienna) 29 November 2013. Access Date: 7 March 2014.

<https://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹⁸⁰² Corruption And Economic Crime Branch Anti-Corruption Update, United Nations Office on Drugs and Crime (Vienna) February 2014. Access Date: 5 March 2014.

http://www.unodc.org/documents/corruption/Newsletter/CEB_ACU_ISSUE7_2014.pdf.

¹⁸⁰³ Citizens have 'lost trust' in anti-corruption body, Arab News (Jeddah) 5 February 2014. Access Date: 5 March 2014. <http://www.arabnews.com/news/509376>.

¹⁸⁰⁴ International community continues making progress on tax transparency, Organisation for Economic Cooperation and Development (Paris) 24 April 2014. Access Date: 5 October 2014. <http://www.oecd.org/countries/saudiarabia/international-community-continues-making-progress-on-tax-transparency.htm>.

¹⁸⁰⁵ Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: Saudi Arabia 2014: Phase 1: Legal and Regulatory Framework, Organisation for Economic Cooperation and Development (Paris) 24 April 2015. Access Date: 5 October 2014. <http://www.eoi-tax.org/jurisdictions/SA#latest>.

South Africa has been a member of the FATF since 2003.¹⁸⁰⁶ It is also a member of the Eastern and Southern Africa Anti-Money Laundering Group. The government of South Africa set up a Financial Intelligence Centre in 2002. Its mission is “to establish and maintain an effective policy and compliance framework and operational capacity to oversee compliance and to provide high quality, timeous financial intelligence for use in the fight against crime, money laundering and terror financing.”¹⁸⁰⁷

The Financial Intelligence Centre makes public all the outcomes, communiqués, reports, documents and directives associated with the FATF, and expresses South Africa’s commitment to FATF recommendations and regulations.¹⁸⁰⁸ Financial legislation, compliance guidance and schedules, and all information relating to financial reporting is publicly available. However, there is no public information available regarding the actions South Africa is taking to ensure its compliance with the commitments to meet FATF standards regarding the identification of beneficial owners of companies.

The Financial Intelligence Centre provides information on the relevant law enforcement agencies and supervisory bodies it interacts with in fostering cooperation and communication to ensure FATF standards are met. The Financial Intelligence Centre works with several supervisory bodies such as: South African Reserve Bank, Law Society of South Africa, JSE Securities Exchange, etc.¹⁸⁰⁹ The law enforcement agencies it interacts with include the South African Police Service, National Prosecuting Authority, and the Special Investigations Unit. As a result, the Financial Intelligence Centre works alongside government agencies and law enforcement in order to foster cooperation and communication regarding financial transactions.

On 7 November 2013, the Tax Justice Network’s Financial Secrecy Index released a report on South Africa.¹⁸¹⁰ One of the key indicators the country was assessed on was the transparency of beneficial owners. This indicator was divided into three main sections: banking secrecy, trust and foundations register, and recorded company ownership. The report states “South Africa does not adequately curtail bank secrecy ... South Africa partly discloses or prevents trusts and private foundations [and] South Africa does not maintain company ownership details in official records.”¹⁸¹¹ South Africa demonstrated partial compliance in banking secrecy and trust and foundations register, and non-compliance in recorded company ownership.

South Africa has a Financial Intelligence Centre that works towards implementing FATF recommendations regarding financial security, money laundering and terrorist financing. The Financial Intelligence Centre lists the law enforcement agencies and supervisory authorities that it works alongside in order to foster coordination and cooperation in its fight against crime and corruption regarding to financial security. However, the Tax Justice Network’s Financial Secrecy Index found that South Africa has only partially complied in some areas of transparency for beneficial ownership.

¹⁸⁰⁶ South Africa, Countries, Financial Action Task Force (Paris) 2014. Access Date: 20 February 2014. <http://www.fatf-gafi.org/countries/s-t/southafrica/>.

¹⁸⁰⁷ About Us, Government of South Africa Financial Intelligence Centre, (Pretoria) 2014. Access Date: 22 February 2014. <https://www.fic.gov.za/SiteContent/ContentPage.aspx?id=1>.

¹⁸⁰⁸ About Us, Government of South Africa Financial Intelligence Centre, (Pretoria) 2014. Access Date: 22 February 2014. <https://www.fic.gov.za/SiteContent/ContentPage.aspx?id=1>.

¹⁸⁰⁹ About Us, Government of South Africa Financial Intelligence Centre, (Pretoria) 2014. Access Date: 22 February 2014. <https://www.fic.gov.za/SiteContent/ContentPage.aspx?id=1>.

¹⁸¹⁰ About Us, Government of South Africa Financial Intelligence Centre (Pretoria) 2014. Access Date: 22 February 2014. <https://www.fic.gov.za/SiteContent/ContentPage.aspx?id=1>.

¹⁸¹¹ Report on South Africa - Financial Secrecy Index, Tax Justice Network (United Kingdom) 7 November 2013. Access Date: 24 February 2014. <http://www.financialsecrecyindex.com/PDF/SouthAfrica.pdf>.

Therefore, South Africa receives a compliance score of 0.

Analyst: Irene Ferro Colmenares

Turkey: 0

Turkey has partially complied with its commitment to combat crime and corruption. Turkey has taken some action to meet the standards of the FATF regarding the identification of the beneficial owners of companies, but has not taken steps toward establishing cooperation and coordination between government agencies, law enforcement, and the business community.¹⁸¹²

On 12-14 February 2014, during the meeting of the FATF Plenary, an FATF report concerning the voluntary tax compliance (VTC) found that Turkey is “in compliance with the FATF’s four basic principles, and no suspicious transactions were detected.”¹⁸¹³

In October 2013, the FATF stated that Turkey has taken several measures to combat terrorist financing. These measures include the Council of Ministers’ Decree, which called for the implementation of United Nations Security Council resolutions (UNSCRs) 1267, 1988 and 1989. The FATF suggested that “Turkey should take further steps to implement an adequate legal framework for identifying and freezing terrorist assets under UNSCRs 1267 and 1373. Turkey should also continue to ensure that terrorist financing has been adequately criminalized.”¹⁸¹⁴

While the FATF welcomed the positive measures taken by Turkey, the country remains on the organization’s Gray List. The Gray List is defined as “jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies.”¹⁸¹⁵

On 27 June 2014, the FATF issued another public statement aimed at improving global anti-money laundering/combating terrorist financing (AML/CFT) compliance. The FATF stated that “Turkey has largely addressed its action plan, including by adequately criminalising terrorist financing and establishing procedures to identify, freeze and confiscate terrorist assets.”¹⁸¹⁶ Further, “the FATF will conduct an on-site visit to confirm that the process of implementing the required reforms and actions is underway to address deficiencies previously identified by the FATF.”

Turkey has taken measures to implement some FATF regulations, especially with relation to terrorist financing. However, it has not fully advanced legislation on the standards outlined by the FATF regarding beneficial ownership, and it has not taken active or concrete steps to enhance cooperation between government agencies, law enforcement, and the business community.

Turkey has therefore partially complied with the commitment and receives a score of 0.

Analysts: Israa Hamad and Elise Belzil

¹⁸¹² Turkey protesters clash over 'fake' wiretap, Al Jazeera News (Ankara) 26 February 2014. Access Date: 6 March 2014. <http://www.aljazeera.com/news/europe/2014/02/turkey-protesters-clash-over-fake-wiretap-2014226531712540.html>.

¹⁸¹³ Outcomes from the meeting of the FATF Plenary, Paris 12-14 February 2014, Financial Action Task Force (Paris) 17 February 2014. Access Date: 6 March 2014. <http://www.fatf-gafi.org/documents/news/plenary-outcomes-feb-2014.html>.

¹⁸¹⁴ FATF Public Statement, 18 October 2013, Financial Action Task Force (Paris) 18 October 2013. Access Date: 6 March 2014. <http://www.fatf-gafi.org/countries/s-t/turkey/documents/fatf-public-statement-oct-2013.html>.

¹⁸¹⁵ Turkey, only NATO country on FATF's gray list, Today’s Zaman (Istanbul) 16 February 2014. Access Date: 6 March 2014. <http://www.todayzaman.com/news-339617-turkey-only-nato-country-on-fatfs-gray-list.html>.

¹⁸¹⁶ Improving Global AML/CFT Compliance, FATF (Paris) 27 June 2014. Access date: 5 October 2014. <http://www.fatf-gafi.org/countries/s-t/turkey/documents/fatf-compliance-june-2014.html#Turkey>.

United Kingdom: +1

The United Kingdom has fully complied with its commitment to take action to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement and the business community.

On 31 October 2013, Prime Minister David Cameron announced that the central register of private company beneficial ownership, announced in June 2013, will be open to the public.¹⁸¹⁷ He also announced that an ownership list of “shell” corporations that keep profits offshore to avoid tax will also be published.¹⁸¹⁸ The register will include individuals with a cumulative interest in more than 25 per cent of a company’s shares or voting rights, including “where the interest is held through dispersed shareholdings or through an agreement to act in concert.”¹⁸¹⁹ All companies incorporated in the UK will appear on the register, with the only exception being “companies listed on a regulated market, which are already subject to strict disclosure rules.” A government statement mentioned some exemptions to these rules, including “where it is necessary to protect individuals whose safety may be put at risk.”

In October 2013, the National Crime Authority (NCA) and the Serious and Organised Crime Strategy were launched in the UK.¹⁸²⁰ These initiatives create a more “coordinated and proactive approach to tackling illicit finance domestically and through international cooperation” by all levels of government within the United Kingdom.¹⁸²¹ The NCA was launched in order to lead and coordinate corruption investigation in four main areas: organised crime, economic crime, borders and international work, and child exploitation and online protection.¹⁸²² The NCA will “will develop and bring together intelligence on all types of organised crime, prioritise crime groups according to the threats they present and, in conjunction with the police, then lead, coordinate and support our operational response.”

The NCA’s Economic Crime Command (ECC) “will work on financial crime with the City of London Police (which will remain the lead police force for fraud). The City of London Police will assume responsibility for creating a stronger end to end system between the Action Fraud reporting system and the National Fraud Intelligence Bureau. The ECC will also work with the Financial Conduct Authority (FCA), which now protects and regulates the United Kingdom financial services industry and alongside Her Majesty’s Revenue and Customs, which will remain the lead agency for tackling fiscal fraud.”¹⁸²³ The NCA will work alongside a variety of crime prevention organisations including “the Anti-Money

¹⁸¹⁷ Identifying the beneficial owners of companies: Prime Minister confirms the new register will be public, Osborne Clarke (London) 4 November 2013. Access Date: 17 March 2014. <http://www.osborneclarke.com/connected-insights/blog/identifying-beneficial-owners-private-companies-prime-minister-confirms-new-register-will-be-public/>.

¹⁸¹⁸ Secret owners of ‘shell’ companies to be made public, BBC News (London) 31 October 2013. Access Date: 17 March 2014. <http://www.bbc.com/news/uk-24752633>.

¹⁸¹⁹ Identifying the beneficial owners of companies: Prime Minister confirms the new register will be public, Osborne Clarke (London) 4 November 2013. Access Date: 17 March 2014. <http://www.osborneclarke.com/connected-insights/blog/identifying-beneficial-owners-private-companies-prime-minister-confirms-new-register-will-be-public/>.

¹⁸²⁰ Anti-money laundering and counter terrorist finance supervision report 2012-13, HM Treasury (London) 28 November 2013. Access Date: 17 March 2014. <https://www.gov.uk/government/publications/anti-money-laundering-and-counter-terrorist-finance-supervision-reports/anti-money-laundering-and-counter-terrorist-finance-supervision-report-2012-13>.

¹⁸²¹ Anti-money laundering and counter terrorist finance supervision report 2012-13, HM Treasury (London) 28 November 2013. Access Date: 17 March 2014. <https://www.gov.uk/government/publications/anti-money-laundering-and-counter-terrorist-finance-supervision-reports/anti-money-laundering-and-counter-terrorist-finance-supervision-report-2012-13>.

¹⁸²² Serious and Organised Crime Strategy, HM Government (London) October 2013. Access Date: 17 March 2014. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/248645/Serious_and_Organised_Crime_Strategy.pdf.

¹⁸²³ Serious and Organised Crime Strategy, HM Government (London) October 2013. Access Date: 17 March 2014. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/248645/Serious_and_Organised_Crime_Strategy.pdf.

Laundering Supervisors Forum (which brings together the supervisors of the regulated sector 61) and the Money Laundering Advisory Committee, chaired by the Home Office and HM Treasury.”

The NCA will also, where possible, share information identifying organised groups engaging in corrupt practices with the public sector, thereby allowing the private sector to take action against corruption.¹⁸²⁴ The NCA will also work with the private sector in advising how to protect systems, processes and people against attacks of corruption. The NCA will work alongside regional police to ensure community engagement and communication plans are followed. The NCA will also work with the Home Office to establish a Voluntary, Community and Social Enterprise, which will provide a communication structure for all organisations involved to utilize in identifying corruption involving cases of beneficial ownership.

On 15 November 2013, in the Prime Minister’s Letter on Tax Evasion and Corporate Secrecy, David Cameron urged Europe, through the fourth Money Laundering Directive (MLD) to establish “public central registries of company beneficial ownership as the cutting-edge benchmark for countries and major financial centres to emulate across the world. Central registries will not only enable law enforcement and tax authorities to access, discreetly and at short notice, critical information for cross-border investigations; public scrutiny of this information through public registries will also increase the likelihood of inaccuracies and omissions being identified and rectified.”¹⁸²⁵ On 21 April 2014 the Department for Business, Innovation and Skills released a government response entitled “Transparency & Trust: Enhancing the Transparency of UK Company Ownership and Increasing Trust in UK Business.”¹⁸²⁶ In the response, Secretary of State for Business, Innovation and Skills and President of the Board of Trade Vince Cable announced that the government will pursue its proposal to implement a Companies House maintaining a register on beneficial ownership, including the residential addresses of beneficial company owners. Businesses will also be required to confirm the information contained in the registry once in every 12 month period.

In May 2014 the International Monetary Fund’s Topical Trust Fund (TTF) launched its second phase.¹⁸²⁷ The United Kingdom, alongside Japan, Luxembourg, the Netherlands, Qatar, Saudi Arabia, Switzerland and France, pledged USD18.9 million to the TTF. The TTF, launched originally in 2009, finances capacity development in AML/CFT. The TTF “complements existing accounts that finance the IMF’s AML/CFT capacity development activities in member countries.”¹⁸²⁸

¹⁸²⁴ Serious and Organised Crime Strategy, HM Government (London) October 2013. Access Date: 17 March 2014. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/248645/Serious_and_Organised_Crime_Strategy.pdf.

¹⁸²⁵ Prime Minister’s letter on tax evasion and corporate secrecy, Prime Minister’s Office (London) 15 November 2013. Access Date: 17 March 2014. <https://www.gov.uk/government/publications/pm-letter-on-beneficial-ownership/prime-ministers-letter-on-tax-evasion-and-corporate-secrecy>.

¹⁸²⁶ Transparency & Trust: Enhancing the Transparency of UK Company Ownership and Increasing Trust in UK Business, Department for Business Innovation & Skills (London) 21 April 2014. Access Date: 3 October 2014. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/304297/bis-14-672-transparency-and-trust-consultation-response.pdf.

¹⁸²⁷ Donors Pledge US\$18.9 Million to Strengthen Technical Assistance on Anti-Money Laundering and Combating the Financing of Terrorism, International Monetary Fund (Washington) 18 December 2013. Access Date: 3 October 2014. <http://www.imf.org/external/np/sec/pr/2013/pr13527.htm>.

¹⁸²⁸ The IMF and the Fight Against Money Laundering and the Financing of Terrorism, International Monetary Fund (Washington) 5 September 2014. Access Date: 3 October 2014. <http://www.imf.org/external/np/exr/facts/aml.htm>.

On 4 June 2014 the Queen introduced the Small Business, Enterprise and Employment Bill in Parliament.¹⁸²⁹ The Bill is “seeking to impose an obligation on all UK companies to create and maintain a register of beneficial ownership and the intention is that the information contained in these registers will be publicly available.” The draft legislation introduces the concept of ‘persons with significant control,’ defined as any person who holds 25 per cent or more of the issued share capital of a company; any person who exercises 25 per cent or more of the voting rights in a company; any person who is entitled to control over a majority of the board of directors of a company; and/or any person who is defined as having ‘significant’ influence over the operation of a company. On 16 July 2014 the Bill had its second reading debate and currently has been committed to a Public Bill Committee.¹⁸³⁰

The United Kingdom has fully complied with its commitment to combat crime and corruption by creating a publicly accessible register for identifying the beneficial owners of companies as well as launching the National Crime Authority to combat crimes of fraud while establishing cooperation and coordination between government agencies, law enforcement and the business community.

The United Kingdom receives a compliance score of +1.

Analyst: Caitlin Gillespie

United States: 0

The United States has partially complied with its commitment to take action to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement and the business community.

On 19 September 2013, Senator Carl Levin re-introduced an updated version of the Stop Tax Haven Abuse Act (the Levin Bill), which he had previously introduced in 2005, 2007, 2009, and 2011.¹⁸³¹ The Levin bill is similar to the Cutting Unjustified Tax Loopholes Act, introduced in February 2013. The provisions in the updated Levin bill center on foreign financial reporting issues. One of the two categories proposed in the bill addresses deterring the use of tax havens for tax evasions by:

- “Authorizing special measures against foreign jurisdictions, financial institutions, and others that significantly impede US tax enforcement
- Strengthening FATCA [Foreign Account Tax Compliance Act]
- Reporting US beneficial owners of foreign-owned financial accounts
- Addressing swap payments made from the United States to persons offshore.”¹⁸³²

On 23 October 2013 there were two pieces of legislation introduced in the House of Representatives to target anti-money laundering standards, individuals responsible for money laundering and shell

¹⁸²⁹ A series of publications relating to the Small Business, Enterprise and Employment Bill, Department for Business Innovation & Skills (London) 25 July 2014. Access Date: 23 October 2014.

<https://www.gov.uk/government/collections/small-business-enterprise-and-employment-bill>.

¹⁸³⁰ Small Business, Enterprise and Employment Bill 2014-15, UK Parliament (London) 2014. Access Date: 3 October 2014. <http://services.parliament.uk/bills/2014-15/smallbusinessenterpriseandemployment.html>.

¹⁸³¹ Senator Levin reintroduces anti-tax haven proposals with few changes, US Outbound Newsletter – PricewaterhouseCoopers (New York) 24 September 2013. Access Date: 17 March 2014.

http://www.pwc.com/en_US/us/tax-services-multinationals/newsletters/us-outbound-tax/assets/pwc-senator-levin-reintroduces-proposals.pdf.

¹⁸³² Senator Levin reintroduces anti-tax haven proposals with few changes, US Outbound Newsletter – PricewaterhouseCoopers (New York) 24 September 2013. Access Date: 17 March 2014.

http://www.pwc.com/en_US/us/tax-services-multinationals/newsletters/us-outbound-tax/assets/pwc-senator-levin-reintroduces-proposals.pdf.

corporations.¹⁸³³ The first of the two bills, introduced by Representative Maxine Waters, entitled “the Holding Individuals Accountable and Detering Money Laundering Act would hold top executives at United States financial institutions responsible for oversight of anti-money laundering (AML) compliance at their bank while increasing the penalties faced by bankers for violating AML laws—bringing them in line with the penalties faced by drug dealers on the streets.” The act also includes a provision that “would make all felonies underlying crimes for money laundering, a provision that would bring the United States in line with the highest standards of the Financial Action Task Force.”

The second bill, entitled the Incorporation Transparency and Law Enforcement Assistance Act, introduced by Representative Carolyn Maloney “proposes to fix this problem by requiring that firms incorporated in the U.S. disclose their true, human, “beneficial owners” in a central registry that is accessible by law enforcement.”¹⁸³⁴ The Act will help the US government detect the beneficial owners of companies as well as deter the use of shell companies for tax evasion purposes.¹⁸³⁵

On 4 March 2014 President Barack Obama released the 2015 fiscal year budget.¹⁸³⁶ The budget proposal would “allow the Secretary of the Treasury or his delegate to share beneficial ownership information with law enforcement without a court order to combat money laundering, terrorist financing, and other financial crimes.” The proposal would facilitate criminal investigations and successful prosecution, as well as assisting in the identification of proceeds and assets involved in criminal activities. The proposal would require “all companies formed in the United States to obtain an Employers Identification Number (EIN), which would provide a universal identifier for these companies.” The proposal would grant the Secretary of the Treasury the authority to enforce AML/CFT regulations on the beneficial owners of companies formed in the United States.

In June 2014 the Internal Revenue Service (IRS) released a new version of Form W-8BEN-E “Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities).”¹⁸³⁷ The form is “intended to be completed by a non-U.S. entity who is certifying it is the non-U.S. beneficial owner of a payment of income for current withholding tax purposes (under Chapters 3 and 61) as well as to provide its FATCA status as either payee or account holder of a foreign financial institution (under Chapter 4).”

On 30 July 2014, the Financial Crimes Enforcement Network (FinCEN) issued a Notice of Proposed Rulemaking. The proposed regulations formalize Customer Due Diligence (CDD) requirements, targeting the identification of persons who “own or control certain legal entity customers.”¹⁸³⁸ The proposed regulations would revise FinCEN’s AML guidelines for “covered financial institutions” (banks, securities broker-dealers, mutual funds, futures commission merchants, etc.) to ensure

¹⁸³³ GFI Welcomes House Bills to Return Rule of Law to US Financial System, Expose Anonymous Shell Firms, Global Financial Integrity (Washington) 23 October 2013. <http://www.gfintegrity.org/content/view/660/70/>.

¹⁸³⁴ GFI Welcomes House Bills to Return Rule of Law to US Financial System, Expose Anonymous Shell Firms, Global Financial Integrity (Washington) 23 October 2013. <http://www.gfintegrity.org/content/view/660/70/>.

¹⁸³⁵ Leading House Democrats Introduce Bills to Deter Money Laundering and Hold Executives Responsible, Committee on Financial Services - Democrats (Washington) 24 October 2014. Access Date: 17 March 2014. <http://democrats.financialservices.house.gov/press/PRArticle.aspx?NewsID=1597>.

¹⁸³⁶ Analytical Perspectives: Budget of the U.S. Government, Office of Management and Budget (Washington) 4 March 2014. Access Date: 3 October 2014. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/spec.pdf>.

¹⁸³⁷ FATCA- Final version of instructions for Form W-8BEN-E, KPMG (Delaware) 25 June 2014. Access Date: 3 October 2014. <http://www.kpmg.com/us/en/issuesandinsights/articlespublications/taxnewsflash/pages/2014-1/fatca-final-version-of-instructions-for-form-w-8ben-e.aspx>.

¹⁸³⁸ FinCEN Releases Long-Awaited Proposal on Customer Due Diligence (CDD) and Beneficial Ownership, Wilmerhale (Boston) 31 July 2014. Access Date: 3 October 2014. <http://www.wilmerhale.com/pages/publicationsandnewsdetail.aspx?NewsPubId=17179873808>.

continuity between AML requirements and the proposed CDD regulations. The proposed regulations would “add, as an AML program requirement, a new fifth pillar that would require covered financial institutions to understand the nature and purpose of their customer relationships and conduct ongoing monitoring.”

The United States has swiftly moved on its commitment to combat crime and corruption through the identification of beneficial ownership on three occasions with the introduction of three acts into both Congress and the House of Representatives. The United States government has begun work on its commitment to establish cooperation and coordination between government agencies, law enforcement and the business community through FinCEN and IRS initiatives. Therefore, the United States receives a compliance score of +1.

Analyst: Caitlin Gillespie

European Union: +1

The European Union has fully complied with its commitment to take action to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement and the business community.

On 3 February 2014, the European Commission issued a report on anti-corruption efforts to the Council and the European Parliament.¹⁸³⁹ In this report, the European Commission provided a “clear picture of the situation in each Member State: measures in place, outstanding issues, policies that are working and areas that could be improved.”¹⁸⁴⁰

On 20 February 2014, the members of the European Parliament voted to end anonymity of owners of companies and trusts.¹⁸⁴¹ The ultimate owners of companies and trusts would now have to be listed in public registers in European Union countries, under the updated draft anti-money laundering rules approved by the Economic Affairs and the Justice and Home Affairs committees on Thursday. Casinos are included in the scope of the draft rules, but decisions to exclude other gambling services posing a low risk are left to members.

On 24 February 2014, the “Council of the European Union published a compromise proposal on the proposed Fourth Money Laundering Directive or MLD4.”¹⁸⁴² This followed “a press release from the EU Parliament announcing that its Economic and Monetary Affairs Committee and Civil Liberties, Justice and Home Affairs Committee have voted to adopt a draft report on the proposed Fourth Money Laundering Directive, which would replace the Third Money Laundering Directive (2005/60/EC).”

¹⁸³⁹ Report from the Commission to the Council and the European Parliament: EU Anti-Corruption Report, European Commission (Brussels) 3 February 2014. Access Date: 5 March 2014. http://ec.europa.eu/dgs/home-affairs/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf.

¹⁸⁴⁰ Home Affairs: Anti-Corruption report, European Commission (Brussels) 3 February 2014. Access Date: 5 March 2014. http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/index_en.htm.

¹⁸⁴¹ Money laundering: MEPs vote to end anonymity of owners of companies and trusts, European Parliament News (Brussels) 20 February 2014. Access Date: 5 March 2014. <http://www.europarl.europa.eu/news/en/news-room/content/20140210IPR35562/html/Money-laundering-MEPs-vote-to-end-anonymity-of-owners-of-companies-and-trusts>.

¹⁸⁴² Anti-money laundering and counter terrorist financing, Lexology (London) 28 February 2014. Access Date: 7 March 2014. <http://www.lexology.com/library/detail.aspx?g=0af8a7ed-4351-4599-837b-0b33f703bb83>.

On 11 March 2014, the EU renewed its mandate to fight corruption until 2020.¹⁸⁴³ Carl Dolan, Director of the TI-EU Office, stated that the Commission recognizes that the fight against corruption “requires concerted and coordinated action by the Commission and EU member states on better enforcement of anti-corruption laws, safeguarding EU spending against fraud and corruption, anti-money laundering legislation, trade negotiations and other issues. We look forward to specific proposals being brought forward by the next Commission.”

In February 2014, the EU Commissioner for Home Affairs Cecilia Malmström released the EU Anti-Corruption Report. The report will be issued every two years as part of an ongoing monitoring and assessment mechanism of the anti-corruption efforts in the EU Member States.¹⁸⁴⁴

In March 2014, the European Parliament adopted its resolution to revise the AMLD (Anti-Money Laundering Directive), adding in the creation of registers of true owners, trusts and other legal structures of the companies. The European Parliament called upon EU member countries to ensure that companies and other legal entities (including trusts, foundations and holdings) hold adequate and accurate information on their owner-beneficiaries and make this information public in an open and secure data format so that beneficial ownership data can be scrutinized effectively.¹⁸⁴⁵

In March, 2014, the Economic Affairs and Justice and Home Affairs Committees of the European Parliament passed a law demanding casino owners and trusts in EU countries to register in public registries, which will be made publicly available through an accessible online system.¹⁸⁴⁶

As demonstrated by these measures above, the European Union has fully complied with its commitment its commitment to take action to establish transparency mechanisms in identifying beneficial owners and establish cooperation and coordination between government agencies, law enforcement and the business community and therefore receives a compliance score of +1.

Analyst: Angel Chu

¹⁸⁴³ EU renews mandate to fight corruption until 2020, Transparency International (Brussels) 11 March 2014. Access Date: 8 October 2014. http://www.transparencyinternational.eu/wp-content/uploads/2014/03/2014-03-11-TI-EU-public-statement_EU-renews-strong-mandate-to-fight-corruption-for-post.pdf .

¹⁸⁴⁴ First EU Anti-Corruption Report: What it Means for Business, Wilmer Hale (Boston) 1 April 2014. Access Date: 8 October 2014. http://www.wilmerhale.com/uploadedFiles/Shared_Content/Editorial/Publications/WH_Publications/Client_Alert_PDFs/EU-anti-corruption-alert-4-1-14.pdf.

¹⁸⁴⁵ The EU Needs Better Anti-Money Laundering Rules, Financial Transparency Coalition (Washington DC) 1 July 2014. Access Date: 8 October 2014. <http://www.financialtransparency.org/2014/07/01/the-eu-needs-better-anti-money-laundering-rules/>.

¹⁸⁴⁶ Parliament Toughens up Anti-Money Laundering Rules, European Parliament News (Brussels) 11 March 2014. Access Date: 9 October 2014. http://www.publicgaming.com/index.php?option=com_content&view=article&id=15095:eu-passes-new-anti-money-laundering-gambling-laws&Itemid=56 .

11. Development: Tax Administration

“[We are committed to continue to assist developing countries, including through the IO’s, in] building capacity in the area of tax administration (in addition to automatic exchange of information).”

St. Petersburg Summit Leaders Declaration

Assessment

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

Background

The G20 firmly launched its development agenda during 2009 Pittsburgh Summit with the establishment of the G20 Framework for Strong, Sustainable and Balanced Growth.¹⁸⁴⁷ G20 Leaders realized that narrowing the development gap and reducing poverty were vital to the G20’s core objectives of achieving strong, sustainable and balanced growth. During this Summit G20 Leaders declared that development issues were to be addressed jointly with global economic challenges, as they are interdependent with economic growth, job creation, investment climate and poverty reduction. At the 2010 Toronto Summit, G20 Leaders established the G20 Development Working Group (DWG) and then at the November 2010 Summit in Seoul G20 Leaders adopted the Seoul Development Consensus for Shared Growth in order to “add value to and complement existing development commitments.” During the Seoul summit they also adopted the Multi-Year Action Plan on Development (MYAP). The MYAP established nine pillars where G20 action was identified as necessary to resolve the most significant challenges facing developing countries with respect to inclusive, sustainable and resilient growth: 1) infrastructure, 2) human resource development, 3) trade, 4) private investment and job creation, 5) food security, 6) growth with resilience, 7) financial inclusion, 8) domestic resources mobilization and 9) knowledge sharing. The eighth pillar, domestic resources

¹⁸⁴⁷ About the Group, G20 DWG IEF. Date of Access: 19 February 2014. <http://www.g20dwg.org/>.

mobilization, stressed the importance of strengthening “tax regimes and fiscal policies in developing countries to provide a sustainable revenue base for inclusive growth and social equity, as well as to enhance the transparency and accountability of public finances.”¹⁸⁴⁸ The Action Plan also calls for IO’s such as the OECD, UN, IMF and World Bank to support the development of more effective tax systems in developing countries.¹⁸⁴⁹

In 2009, at the London Summit the G20 first declared the end of an era of bank secrecy, and stepped to the forefront of establishing a more effective, efficient and fair international tax system.¹⁸⁵⁰ Moreover, in 2009, the G20 called upon the Global Forum on Transparency and Exchange of Information for Tax Purposes to ensure a rapid implementation of its standards of transparency and exchange of information. During the 2011 Cannes Summit, G20 Leaders took under consideration the development of a new global tax standard, the automatic exchange of information for tax purposes. In 2012 at the Los Cabos Summit, G20 Leaders welcomed the report by the OECD on automatic exchange and “encouraged all countries to join this practice” and in July 2013 made it the new global standard. The G20 also declared that “there is a clear need for the practical and full implementation of this new tax standard on a global scale.” In doing so, G20 Leaders again called upon organizations such as the Global Forum, OECD, and the World Bank, among others, to assist developing countries in identifying their need for technical assistance and capacity building with respect to taxation standards.

According to a report published by the OECD, IMF, UN, and World Bank for the G20 DWG, taxation provides governments with the necessary funds needed to invest in development, relieve poverty, and deliver public services.¹⁸⁵¹ It also allows developing countries to reduce their dependency on foreign aid. Moreover, according to the report, tax system design is closely linked to domestic and international investment decisions, including in terms of transparency and fairness. Thus, a strong tax administration is essential to strengthening domestic resource mobilization. Despite this, half of the sub Saharan African countries still mobilize less than 17% of their GDP in tax revenues, which is well below the 20% minimum level considered by the UN as necessary to achieve the Millennium Development Goals (MDGs). Therefore, the G20 needs to take greater action in assisting developing countries in building capacity with respect to their tax administrations.

Commitment Features

The commitment requires G20 member countries to assist developing countries in building capacity in the area of tax administration. In a report to the G20 DWG focused on supporting the development of more effective tax systems, there were two main way in which G20 countries can better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts: leading by example in addressing common issues and furthering common interests, and as shareholders

¹⁸⁴⁸ Annex II: Multi-Year Action Plan on Development, The Seoul Summit Document (Seoul) 12 November 2010. Date of Access: 19 February 2014. <http://www.g20dwg.org/documents/pdf/view/323/>.

¹⁸⁴⁹ Annex II: Multi-Year Action Plan on Development, The Seoul Summit Document (Seoul) 12 November 2010. Date of Access: 19 February 2014. <http://www.g20dwg.org/documents/pdf/view/323/>.

¹⁸⁵⁰ Tax Annex to the Saint Petersburg G20 Leaders Declaration, G20 Leaders Declaration (Saint Petersburg) 5 September 2013. Date of Access: 19 February 2014. <http://www.g20.utoronto.ca/2013/2013-0905-tax.html>.

¹⁸⁵¹ Supporting the Development of More Effective Tax System, A Report to the G20 Development Working Group by the IMF, OECD, UN, and World Bank 2011. Date of Access: 19 February 2014. <http://www.imf.org/external/np/g20/pdf/110311.pdf>.

or member of the international organizations most closely concerned with taxation and development.¹⁸⁵²

In order to fulfill these two mandates the report developed several recommendations for G20 Leaders on capacity building:¹⁸⁵³

Common issues, common interests — leading by example and developing partnerships

1. Estimate and publish tax expenditures, and the cost of special provisions, in regular tax expenditure and budgets. G20 countries could lead and encourage a more rigorous assessment of the costs and benefits of such provisions.
2. Develop analytical frameworks, suitable to the varying needs and circumstances of different countries, to assess the costs and benefits of preferential tax treatments, including in particular tax incentives aimed at FDI, and provide guidelines for countries which use such incentives.
3. Disclose and consider reducing the scope of tax exemptions required by G20 countries from country recipients of aid-funded projects.
4. Undertake “spillover” analyses of proposed changes to tax law in G20 countries, for example in trade and international taxation — which could have effects on the fiscal circumstances of developing countries.

Acting as shareholders or members in international organizations

1. Encourage international organizations to more thoroughly assess and act upon linkages of tax and expenditure policies in their technical assistance to developing countries.
2. Encourage the IMF and World Bank, working with other international and regional organizations as appropriate, to further develop and make publicly available consistent and detailed revenue data sets for the developing countries.
3. Encourage the international organizations, including the Forum on Tax Administrations, to develop a tool kit of measures to counter tax evasion and avoidance, based on best practices and guidelines adapted to the needs of developing countries.
4. Promote the Multilateral Convention on Administrative Assistance in Tax Matters.

This commitment calls for G20 member countries to provide assistance, “including through IO’s.” Thus, the implementation of this commitment can be pursued through national actions on a bilateral basis and actions through and in partnership with international institutions (OECD, IMF, UN, World Bank, among others). In order to receive full compliance G20 members must take action to assist developing countries in capacity building through national actions that address common issues and common concerns AND as stakeholders or member of international organizations.

¹⁸⁵² Supporting the Development of More Effective Tax System, A Report to the G20 Development Working Group by the IMF, OECD, UN, and World Bank 2011. Date of Access: 19 February 2014.
<http://www.imf.org/external/np/g20/pdf/110311.pdf>.

¹⁸⁵³ Supporting the Development of More Effective Tax System, A Report to the G20 Development Working Group by the IMF, OECD, UN, and World Bank 2011. Date of Access: 19 February 2014.
<http://www.imf.org/external/np/g20/pdf/110311.pdf>.

Scoring Guidelines

-1	Member does not assist developing countries in capacity building through national actions that address common issues and common interests or as stakeholders or members of international organizations.
0	Member assists developing countries in capacity building through national actions that address common issues and common interests OR as stakeholders or members of international organizations, but not both.
+1	Member assists developing countries in capacity building through national actions that address common issues and common concerns AND as stakeholders or members of international organizations.

Lead Analyst: Jonathan Tavone

Argentina: 0

Argentina has partially complied with the commitment on assisting developing countries in building capacity in the area of tax administration.

The Organisation for Economic Co-operation and Development (OECD)'s Global Forum on Transparency and Exchange of Information for Tax Purposes currently finds Argentina to be largely compliant with phases 1 and 2 of the standards implementation.¹⁸⁵⁴

From 17 to 20 September 2013, the representatives of the Governmental Management of Public Revenues of the city of Buenos Aires were in Mexico City, Mexico, in order to exchange best tax administration practices with their Mexican counterparts. This meeting allowed for the identification of “potential improvements and a consolidation in the relation and interaction with the residents/taxpayers” on both parts.¹⁸⁵⁵

On 6 May 2014, it was announced that Argentina and Switzerland would cooperate with regards to automatic exchange of tax information. This happened in the context of signing onto the OECD's Declaration of Automatic Exchange of Information for Tax Purposes to establish a new international set of standards. Argentina was among the 34 countries to sign the agreement, as well as one of the “Early Adopters Group.”¹⁸⁵⁶

On 14 May 2014, the Argentinian Federal Administration of Public Revenue announced the signature of a Memorandum of Understanding with the Netherlands for the automatic exchange of tax information. This first step, the Argentinian government emphasized, is paving the way for a more thorough collaboration between the two countries with regards to information sharing in all tax matters.¹⁸⁵⁷

On 11 October 2014, Axel Kicillof, the Argentinian Minister of Economy and Public Finance issued a statement to the International Monetary and Financial Committee stressing the need for co-operation to

¹⁸⁵⁴ “Phases 1 and 2 Review,” Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD. Access Date: 17 October 2014. http://www.oecd-ilibrary.org/taxation/global-forum-on-transparency-and-exchange-of-information-for-tax-purposes-peer-reviews-argentina-2013_9789264205505-en

¹⁸⁵⁵ “Exchange of experiences between the SAT of Mexico and the AGIP of Argentina,” CIAT News, 21 September 2014. Date of Access: 14 June 2014. <http://www.ciat.org/index.php/en/component/content/article/2964.html>

¹⁸⁵⁶ “Argentina a la vanguardia de la implementación del nuevo estándar global de intercambio de automático de información financier,” *Diálogo Fiscal*, 6 May 2014. Access Date: 14 June 2014. <http://www.dialogofiscal.gob.ar/panoramaFiscal/vanguardiaIntercambioInfoFinanciera.aspx>

¹⁸⁵⁷ “La Argentina implementa el intercambio automático de datos fiscales con los Países Bajos,” *Diálogo Fiscal*, 14 May 2014. Access Date: 14 June 2014. <http://www.dialogofiscal.gob.ar/internacionales/audioPaísesBajos.aspx>

deal with global imbalances, the stability of the international financial system and international taxation. The statement declares that Ministry of Economy and Public Finance is focused on enhancing income distribution to increase domestic demand and reorient private investments in the wake of the recent economic crisis.¹⁸⁵⁸

Argentina has advanced tax collection and transparency standards domestically and shares its expertise with regional counterparts. Furthermore, it has also engaged at the international level with the OECD and IMF. Finally, it has entered into bilateral partnerships for the automatic transfer of tax information. However, it has only partially complied since most initiatives focus on the development of taxation domestically instead of in developing countries.

Thus, Argentina is awarded a score of 0.

Analysts: Sarah Mathieu-Comtois and Jonathan Tavone

Australia: +1

Australia has succeeded in complying with its commitment to strengthen tax administration at the federal and international level, as well as aiding developing countries with taxation strategies.

Australia's annual Tax Expenditures Statement (TES) provides a description of the tax expenditures provided to taxpayers by the Australian Government. Though the report is only formally published annually towards the end of January, the Budget at a Glance document serves to provide an overview of key budget aggregates and the Australian Government's priorities. An attachment published on the government's website contains an overview of the cost of tax expenditures provided to taxpayers through the tax system either as tax exemptions, tax deductions, tax offsets, reduced tax rates or deferral tax liabilities. The projected total for the 2014-2015 fiscal year is \$128.5 billion, contributing to 7.9% of the country's GDP.¹⁸⁵⁹

On 17-18 April 2014, officials of jurisdictions and international organizations worldwide came together in Tokyo to discuss the progress of the OECD Global Forum on VAT (Value Added Taxes). The Global Forum discussed the VAT guidelines as a global standard to address issues of double taxation and unintended non-taxation resulting from inconsistencies in the application of VAT to international trade.¹⁸⁶⁰ The Forum urged the OECD to complete its work on the remaining chapters of the VAT Guidelines and asks the OECD to present a final outline of the Guidelines for endorsement at the Global Forum in November 2015. Australia played an active role during this event.

On 4 September 2014, the Honourable Joe Hockey, Treasurer of the Commonwealth of Australia included in his Ministerial Statement on G20-OECD Tax and Transparency speech that "foreign investment is essential and as mentioned before, Australia is open for business."¹⁸⁶¹ He explains that by opening Australia's doors to foreign investment requires ensuring that multinational corporations pay fair tax on the incomes earned on Australian soil. Therefore, as part of the Australian Government's reform of trust taxation, the Australian Taxation Office (ATO) will be receiving \$67.9 million over a

¹⁸⁵⁸ "Statement by the Honorable Axel Kicillof Minister of Economy and Public Finance", International Monetary and Financial Committee: Thirtieth Meeting, IMF, 11 October 2014. Access Date: 18 October 2014.

<http://www.imf.org/External/AM/2014/imfc/statement/eng/arg.pdf>

¹⁸⁵⁹ Mid – year Economic and Fiscal Outlook (Australia), Commonwealth of Australia, 2013. Date of Access: 21 October 2014. http://www.budget.gov.au/2013-14/content/myefo/html/06_attachment_c.htm

¹⁸⁶⁰ Statement of Outcomes on the OECD International VAT/GST1 Guidelines, 17 April 2014 (Paris). Date of Access: 24 October 2014. <http://www.oecd.org/ctp/consumption/statement-of-outcomes-on-vat-gst-guidelines.pdf>

¹⁸⁶¹ Ministerial Statement on G20-OECD Tax and Transparency (Australia), The Treasury of the Australian Government. 4 September 2014. Date of Access: 21 October 2014. <http://jhb.ministers.treasury.gov.au/speech/014-2014/>

period of four years,¹⁸⁶² for the purpose of targeting compliance activity aimed at high wealth individual taxpayers who have been involved in criminal and offensive tax avoidance. This reform will reduce the possibility for individual taxpayers to conceal income, mischaracterize transactions and underpay tax, and sets global standards in tax collection.

Since the last G20 summit in St. Petersburg, Australia also seems to have a number of initiatives to address strategies of tax reform and improved tax administration for developing countries.

On 20-21 September 2014 at the Meeting of G20 Finance Ministers and Central Bank Governors in Cairns, it was explained that "[Australia's] global response to cross-border tax avoidance and evasion has seen much progress, as [we] strive to complete our two-year G20/OECD Base Erosion and Profit Shifting (BEPS) Action Plan and commit to finalizing all action items in 2015."¹⁸⁶³ The G20 is working alongside the Organization for Economic Co-operation and Development (OECD) towards eliminating these BEPS, as tax base erosion and profit shifting contravenes the just principle that tax should be paid where the related economic activity occurs. By eliminating BEPS, developing countries have more revenue that can be used to promote growth and development. The desire for the G20 to help improve the lives of the poorest and most vulnerable through combatting tax avoidance can be more clearly seen in the Hobart Development Meetings that occurred 5-9 May 2014.¹⁸⁶⁴ The mechanism the OECD proposes increases international tax transparency as well as global information sharing to ensure that all taxpayers, be they individuals or private corporations, rightly pay the taxes they owe.

Overall, developing countries have engaged in a number of processes through a range of mechanisms to help contribute to the G20 tax agenda. There have been various meetings on Global Forums, such as the VAT meeting that took place in April 2014. There have been additional meetings of the International Task Force on Tax and Development, hosted by the OECD in March 2014, which was attended by more than 110 jurisdictions worldwide. In addition, the G20 Additional Tax Symposium was held on May 2014, whose aim was to discuss developments in international taxation that focused on the key items of the G20 tax agenda.¹⁸⁶⁵ Most importantly, there is ongoing dialogue and consultations with key international organizations, such as the OECD, World Bank Group, IMF and Committee of Experts on International Cooperation in Tax, the outcomes of which would assist developing countries with their tax regimes.¹⁸⁶⁶

Since the last G20 summit in St. Petersburg, Australia appears to have implemented a number of initiatives to address strategies of tax reform and improved tax administration, both within and outside Australia. Moreover, Australia has taken measures throughout the compliance period to assist developing countries with the administration of their tax systems, both through national actions that address common issues and common concern, as well as through international organizations such as the G20.

¹⁸⁶² Monthly PAYG instalments to be extended (Australia), KPMG 2014. Date of Access: 21 October 2014.
<http://www.pwc.com.au/tax/federal-budget/2013/tax-administration.htm>

¹⁸⁶³ Meeting of G20 Finance Ministers and Central Bank Governors Cairns, 20-21 September 2014 (Cairns). Date of Access: 24 October 2014. <http://www.g20.utoronto.ca/2014/2014-0921-finance.html>

¹⁸⁶⁴ Developing countries critical for G20 global growth agenda, (Canberra) Date of Access: 24 October 2014.
https://www.g20.org/news/developing_countries_critical_g20_global_growth_agenda

¹⁸⁶⁵ G20 International Tax Symposium, 9 May 2014 (Canberra). Date of Access: 24 October 2014.
<http://www.treasury.gov.au/Policy-Topics/Economy/G20/Events/International-Tax-Symposium>

¹⁸⁶⁶ Department of Foreign Affairs and Trade: G20 Development (Canberra). Date of Access: 24 October 2014.
<http://www.dfat.gov.au/trade/g20/development.html>

Thus, Australia is awarded a score of +1.

Analyst: Casimir Legrand

Brazil: 0

Brazil has partially complied with the commitment to assist developing countries in capacity building in the area of tax administration. They have assisted developing countries through national actions that address common issues and interests, but not as stakeholders or in ways related to taxation and public accountability.

The World Bank recognized Brazil this year for its successful program, “Bolsa Familia,” which seeks to reduce social inequality and poverty. It has brought 36 million people out of extreme poverty and brought vaccination rates for young children under the age of seven to 99.1 per cent.¹⁸⁶⁷ It is part of Brazil’s larger project, “Brazil Without Poverty,” which hopes to include another 600,000 families in the program this year.¹⁸⁶⁸ The program has improved social equality by 13 per cent and reduced poverty by 57.8 per cent in the last eight years.

Moreover, Brazil contributed BRL440 million to the Amazon Fund this past year, which supported 36 projects throughout the indigenous regions of the continent.¹⁸⁶⁹ These projects are built with the objectives of creating sustainable development that is also environmentally friendly.

In February 2013, Brazil prioritized its commitments to implementing infrastructure resources through water supply and roads in the areas that have received settlements through the “My Life My House” program, a program that benefits agrarian reform settlers.¹⁸⁷⁰ In April 2013, projects in this program became able to be contracted together with schools in health clinics so as to improve both of these services.

Furthermore, in May 2013, Brazil agreed to contribute to development projects throughout the Caribbean by training engineers in Haiti and assisting in building infrastructure.¹⁸⁷¹ This is expected to create a phase of cooperation among the countries.

Brazil is largely compliant with tax transparency according to the Global Forum on Transparency.¹⁸⁷² Overall, Brazil has launched many initiatives to create inclusive and sustainable development. However, these initiatives failed to address fiscal transparency.

Thus, Brazil receives a score of 0.

Analyst: Daanish Hussain

¹⁸⁶⁷ World Bank: Bolsa Família points solutions for the world, Portal Brasil (Brazil), 2 February 2014, Access Date: 27 February 2014. <http://www2.brasil.gov.br/news/history/2014/02/world-bank-bolsa-familia-points-solutions-for-the-world>

¹⁸⁶⁸ Brazil without Poverty Program to Include another 600,000 Families in the Coming Year (Brasilia), 18 September 2013. Access Date: 27 February 2014. <http://www2.brasil.gov.br/news/history/2013/09/18/brazil-without-poverty-program-to-include-another-600-000-families-in-the-coming-year>

¹⁸⁶⁹ Amazon Fund has supported 36 projects, totaling R\$ 440 million (Brasilia), 28 March 2013. Access Date: 27 February 2014. <http://www2.brasil.gov.br/news/history/2013/03/28/amazon-fund-has-supported-36-projects-totaling-r-440-million>

¹⁸⁷⁰ “My House, My Life” housing program to benefit agrarian reform settlers in Brazil” (Brasilia), 18 February 2013. Access Date: 5 April 2014. <http://www2.brasil.gov.br/news/history/2013/02/18/my-house-my-life-housing-program-to-benefit-agrarian-reform-settlers-in-brazil>

¹⁸⁷¹ Brazil to Help Haiti Train New Engineers (Brasilia), 22 May 2013. Access Date: 27 February 2014. <http://www2.brasil.gov.br/news/history/2013/05/22/brazil-to-help-haiti-train-new-engineers>

¹⁸⁷² Tax Transparency 2013: Report on Progress (Paris), OECD 2013. Access Date: 22 February 2014. http://www.oecd.org/tax/transparency/draft%20annual%20report%202013%20%20for%20GF_2.pdf

Canada: +1

Canada has fully complied with the commitment on assisting developing countries in building capacity in the area of tax administration.

Canada has pledged to contribute \$18.5 million by 2021 to Benin to help increase internal revenues and strengthen public financial management including tax capacity building.¹⁸⁷³

In early 2014, Canada published its report on *Tax Expenditures and Evaluations*. The document provides estimates and projections for broadly defined tax expenditures as well as evaluations and analytical papers addressing specific tax measures. Since 2000, this document has been published on an annual basis.¹⁸⁷⁴

On 5 February 2014 Canada and the United States reached agreement on the Foreign Account Tax Compliance Act (FATCA).¹⁸⁷⁵ FATCA has “acted as a catalyst for the move towards automatic exchange of information in a multilateral context.”¹⁸⁷⁶ Its objective is to identify people practicing tax evasion by placing assets in non-US accounts. Under this agreement Canadian financial institutions will not report information directly to the US Internal Revenue Service.¹⁸⁷⁷ Instead information on accounts held by US residents and US citizens will be reported to the Canadian Revenue Agency. The agreement also provides reciprocal benefits in terms of the U.S. sending information to Canada on Canadian taxpayers with U.S. accounts. This agreement is consistent with Canada’s support in promoting tax fairness and automatic exchange of information.

Canada has signed agreements on tax information exchange with Liechtenstein, Panama, Bahrain and Uruguay on 27 January 2014, 3 April 2014 and 27 June 2014 respectively. All of these agreements have been entered into force.¹⁸⁷⁸ Canada has signed a Tax Information Exchange Agreement with Brunei but this agreement has not been entered into force.¹⁸⁷⁹

On 21 November 2013 the Government of Canada ratified the Convention on Mutual Administrative Assistance in Tax Matters, which entered into force on the first of March 2014.¹⁸⁸⁰ Its purpose is to improve cooperation between countries that have ratified the convention by countering international tax avoidance and evasion. In ratifying this convention, Canada will exchange tax information as

¹⁸⁷³ Trade, Tax and Transparency: The 2013 UK G8 Presidency Report, Prime Minister’s Office (United Kingdom) 19 December 2013. Date of Access: 22 February 2014.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/271676/G8_report_WEB_FINAL.PDF

¹⁸⁷⁴ Tax Expenditures and Evaluations 2013, Department of Finance Canada 27 February 2014. Date of Access: 14 November 2014. <http://www.fin.gc.ca/taxexp-depfisc/2013/taxexp1301-eng.asp#toc2>.

¹⁸⁷⁵ Canada and U.S. Reach Agreement on Foreign Account Tax Compliance Act, Department of Finance (Canada) 5 February 2014. Date of Access: 22 February 2014. <http://www.fin.gc.ca/n14/14-018-eng.asp>

¹⁸⁷⁶ Standard for Automatic Exchange of Financial Account Information, OECD 13 February 2014. Date of Access: 22 February 2014. <http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-of-financial-account-information.htm>

¹⁸⁷⁷ Canada and U.S. Reach Agreement on Foreign Account Tax Compliance Act, Department of Finance (Canada) 5 February 2014. Date of Access: 22 February 2014. <http://www.fin.gc.ca/n14/14-018-eng.asp>

¹⁸⁷⁸ Tax Information Exchange Agreements, Department of Finance (Canada) 9 July 2014. Date of Access: 4 October 2014. <http://www.fin.gc.ca/treaties-conventions/tieaaerf-eng.asp>

¹⁸⁷⁹ Tax Information Exchange Agreement Signed Between Canada and Brunei, Department of Finance (Canada) 22 May 2013. Date of Access: 4 October 2014. <http://www.fin.gc.ca/treaties-conventions/notices/brunei-eng.asp>

¹⁸⁸⁰ Ratification of the Convention on Mutual Administrative Assistance in Tax Matters, Department of Finance (Canada) 21 November 2013. Date of Access: 22 February 2014. <http://www.fin.gc.ca/treaties-conventions/notices/maatm-aammf-eng.asp>

outlined by the Organisation for Economic Co-operation and Development (OECD) with other parties to the convention.

On 23 February 2014, G20 Finance Ministers endorsed the Common Reporting Standard for automatic exchange of tax information.¹⁸⁸¹ The OECD developed this project, the mandate of which calls on governments to obtain detailed account information from their financial institutions and exchange that information automatically with other countries on an annual basis.

Although Canada has acted as a member of international organizations, most notably the OECD, it has not addressed common issues and common interests as effectively. No information was found on Canada's actions to assess preferential tax agreements and the possibility of reducing tax exemptions from recipients of tax funded projects. Additionally, at the G8 Lough Erne Summit in June 2013 Canada was believed to have resisted some measures that would lead to greater tax transparency because Canada believes that "competitive tax systems are important drivers of investment." However, Prime Minister Stephen Harper also announced that Canada would draw up an action plan on corporate transparency, a regime that would include rules to combat money laundering vis-à-vis land ownership and tax collection in developing countries.¹⁸⁸²

Overall, Canada has complied with this commitment; it has not only acted as a member of international organizations by ratifying agreements that will improve tax administration and promote the automatic exchange of information, but has also implemented programs in tax administration capacity building with other countries on a bilateral basis.

Thus, it has been awarded a score of +1.

Analyst: Carol Drumm

China: 0

China has partially complied with its commitment to better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts.

No instances of direct action in assisting developing countries with capacity building have been registered in China during the compliance period. However, China has taken action as a stakeholder and member of international organizations to promote international taxation and development.

On 18 March 2014, China's State Administration of Taxation (SAT) held a nationwide videoconference to review the agency's work in international tax administration and to introduce its plans for the future. Specifically, the SAT stressed that China must continue to expand its international cooperation.¹⁸⁸³

On 21-22 January 2014, Wang Jun, the administrator of the SAT, led a delegation to FTA Steering Committee Meeting on tax administration at the Organisation for Economic Co-operation and Development. Jun offered three suggestions on international cooperation in tax matters and development: First, countries should improve tax legislation, tax enforcement, tax administration system

¹⁸⁸¹ OECD releases full version of global standard for automatic exchange of information, OECD, 21 July 2014. Date of Access: 4 October 2014. <http://www.oecd.org/newsroom/oecd-releases-full-version-of-global-standard-for-automatic-exchange-of-information.htm>

¹⁸⁸² Canada seen as holdout on G8 pledge tax reform, The Globe and Mail (Ireland), 18 June 2013. Date of Access: 22 February 2014. <http://www.theglobeandmail.com/report-on-business/international-business/european-business/g8-seen-striking-pact-aimed-at-cracking-secret-havens/article12630105/>

¹⁸⁸³ Mary Swire. Chinese Tax Authority Announces New Goals, Tax-News.com. 21 March 2014. Access Date: 1 April 2014. http://www.tax-news.com/news/Chinese_Tax_Authority_Announces_New_Goals___64112.html

and efficiency to proactively tackle challenges. Second, scientifically determined issues on international tax cooperation, for example the issues of cross-border trade and e-commerce. Third, improve the position and impact of international tax cooperation.¹⁸⁸⁴

In 2013, China's efforts against tax evasion and avoidance contributed an additional RMB34.6 billion to its tax income, 27.9 times the tax income generated in 2008. China exchanged tax information with 46 countries last year, recovering RMB5.6 billion in taxes, said the agency.¹⁸⁸⁵

In 2003, China's SAT worked on implementing general anti-avoidance rules and is known to be ambitious in this area. It will continue to closely monitor and challenge location-specific advantages, treaty shopping and restructuring without reasonable commercial purpose.¹⁸⁸⁶

On 15 October 2013, China participated in and spoke at the 43rd Annual Meeting of the Study Group on Asian Tax Administration and Research (SGATAR). Wang Jun offered three recommendations. First, establish efficiently running SGATAR organs. Second, create a broader and more impactful international tax cooperation system. Third, create international and regional tax exchange mechanisms that are closely associated with leadership meetings.¹⁸⁸⁷

Moreover, on 15 October 2013, a joint statement was adopted at the 43rd Annual Meeting of the Study Group on Asian Tax Administration and Research in regards to consensus on the strengthening of tax information exchange as a way of coping with cross-border tax evasion, reducing the loss of tax revenues, and implementing management of tax arrears. It was the first joint statement in the history of SGATAR.¹⁸⁸⁸

On 27 August 2013, China signed the Multilateral Convention on Mutual Administrative in Tax Matters. This marked the increasingly important role played by the world's second largest economy in international tax collection collaboration and the closing of legal loopholes that allowed tax avoidance by multiple big businesses, the paper said.¹⁸⁸⁹ Towards this goal, on 3 July 2014, the SAT also issued a draft administrative guidance for public comments concerning anti-avoidance cases. The draft clarifies

¹⁸⁸⁴ Deepen International Cooperation to Serve Tax Reform, State Administration of Taxation of the people's Republic of China. 13 March 2014. Access Date: 1 April 2014. <http://www.chinatax.gov.cn/n2925/n2957/c675435/content.html>

¹⁸⁸⁵ Toh Han Shih. China's efforts to curb tax evasion net extra HK\$59b, South China Morning Post.com. 20 March 2014. Access Date: 1 April 2014. <http://www.scmp.com/business/china-business/article/1452672/chinas-efforts-curb-tax-evasion-net-extra-hk59b>

¹⁸⁸⁶ Ernst and Young. The outlook for global tax policy in 2014. 10 March 2014. Access Date: 1 April 2014. [http://www.ey.com/Publication/vwLUAssets/EY-the-outlook-for-global-tax-policy-in-2014/\\$FILE/EY-the-outlook-for-global-tax-policy-in-2014.pdf](http://www.ey.com/Publication/vwLUAssets/EY-the-outlook-for-global-tax-policy-in-2014/$FILE/EY-the-outlook-for-global-tax-policy-in-2014.pdf)

¹⁸⁸⁷ Promoting International Cooperation on Tax Affairs, and Serving the Opening-up and Development of World Economy, State Administration of Taxation of The people's Republic of China. 5 December 2013. Access Date: 1 April 2014. <http://www.chinatax.gov.cn/n2925/n2957/c607851/content.html>

¹⁸⁸⁸ Promoting International Cooperation on Tax Affairs, and Serving the Opening-up and Development of World Economy, State Administration of Taxation of The people's Republic of China. 5 December 2013. Access Date: 1 April 2014. <http://www.chinatax.gov.cn/n2925/n2957/c607851/content.html>

¹⁸⁸⁹ China joins G20 in global fight against tax evasion, Want China Times.com. 11 September 2013. Access Date: 1 April 2014. <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20130911000138&cid=1102>

the procedures for dealing with such cases, and is an important step towards transparency in tax administration.¹⁸⁹⁰

In July 2013, the SAT emphasized in its nationwide administrators meeting that its focus will be to protect China's interest in the global tax environment and to resolve international tax matters involving China.¹⁸⁹¹

On 17 September 2014, the SAT cooperated with the Organisation for Economic Cooperation and Development with new Actions Plans concerning base erosion and profit sharing (BEPS). The objective is to regulate the business dealings of multinational corporations in China. In taking fast action, the SAT reaffirmed its commitment to combat tax evasion through international cooperation.¹⁸⁹²

China has taken steps towards bettering its own tax administration system, and establishing best practices for other states. While it has also taken many measures to promote international tax administration within international fora, it has failed to assist developing countries with capacity building directly.

Thus, China receives a score of 0.

Analyst: Justice Durland

France: +1

France has fully complied with the commitment on assisting developing countries in regard to capacity building in the area of tax administration.

France is one of 40 countries that committed to early adoption of the new single standard for the automatic exchange of information between tax authorities set by the Organisation for Economic Cooperation and Development (OECD) in September 2014.¹⁸⁹³

On 21 November 2013 France was one of 16 countries to receive a fully compliant rating from the Transparency and Exchange of Information for Tax Purposes.¹⁸⁹⁴ Compliance ratings were decided based on countries' work to implement the OECD Global Forum's Standards of Transparency and Exchange of Information for Tax Purposes. There are currently 122 states that are party to the OECD's Global Forum.

¹⁸⁹⁰ China issues draft administrative guidance on general anti-avoidance rules (GAAR) for public comments. 18 July 2014. Access Date: 18 October 2014.

[http://www.ey.com/Publication/vwLUAssets/China_issues_draft_administrative_guidance_on_general_anti-avoidance_rules_\(GAAR\)_for_public_comments/\\$FILE/2014G_CM4583_China%20issues%20draft%20administrative%20guidance%20on%20general%20anti-avoidance%20rules%20for%20public%20comments.pdf](http://www.ey.com/Publication/vwLUAssets/China_issues_draft_administrative_guidance_on_general_anti-avoidance_rules_(GAAR)_for_public_comments/$FILE/2014G_CM4583_China%20issues%20draft%20administrative%20guidance%20on%20general%20anti-avoidance%20rules%20for%20public%20comments.pdf)

¹⁸⁹¹ Mark Tran. Rich countries failing to address money laundering and tax evasion, says OECD, The Guardian.com. 18 December 2013. Access Date: 1 April 2014. <http://www.theguardian.com/global-development/2013/dec/18/rich-countries-money-laundering-tax-evasion-oecd>

¹⁸⁹² SAT responds fast to the first batch of BEPS deliverables. 18 September 2014. Access Date: 18 October 2014. http://www.pwccn.com/home/eng/chinatax_news_sep2014_21.html

¹⁸⁹³ OECD delivers new single global standard on automatic exchange of information, OECD 13 February 2014. Access Date: 4 October 2014. <http://www.oecd.org/tax/transparency/AEOI-early-adopters-statement.pdf>

¹⁸⁹⁴ Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD 21 November 2013. Date of Access: 23 February 2014. <http://www.oecd.org/tax/transparency/ENG%20Jakarta%20Statement%20of%20Outcomes.pdf>

France and Norway were the only two countries to support a one-year feasibility study to explore a new OECD project called Tax Inspectors Without Borders (TIWB).¹⁸⁹⁵ TIWB is a program run through the OECD to enable the transfer of tax audit knowledge and skills to tax administrators in developing countries. TIWB just finished a six-month implementation phase and will launch in early 2014. This project has received strong support from G20 Leaders in their 2013 St Petersburg Declaration.

Since the 1990s, France has provided support for International Monetary Fund projects on tax administration in 19 francophone countries in Sub-Saharan Africa.¹⁸⁹⁶ France is still active in these 19 francophone countries, providing them with three types of support: sending French tax advisors to assist with tax administration, training local authorities, and project support.

Overall, France has made long-term commitments to assist developing countries in capacity building and has demonstrated continued support for international organizations that are working to improve tax administration and automatic exchange of information.

Thus, France has been awarded a score of +1.

Analyst: Carol Drumm

Germany: +1

Germany has fully complied with the commitment on assisting developing countries in building capacity in the area of tax administration.

The German government has contributed to the development of a course led by the Organisation for Economic Co-operation and Development (OECD), titled “Conducting Financial Investigations,” as part of the Foundation Programme series.¹⁸⁹⁷ It is meant to provide participants with “thorough understanding of the key skills required in financial investigations, including the ability to trace flows of money through complex financial arrangements and use sophisticated techniques to identify links between suspects and illicit financial activities.”¹⁸⁹⁸ It also places emphasis on the fight against corruption and is meant to increase resource mobilization capacities and inter-agency cooperation throughout the world.

Moreover, the German Federal Ministry for Economic Cooperation and Development (BMZ) continues to finance a project called “Supporting the Establishment of the ATAF.” The project, launched in 2011, “aims to establish ATAF as an African competence center for the creation of tax reform options that all member states use and draw from on a regular basis.”¹⁸⁹⁹ The German government plans on having the ATAF established and functioning by 2016 and pledged financial support. The ATAF held a Consultative Conference on New Rules of the Global Tax Agenda in

¹⁸⁹⁵ Tax Inspectors Without Borders, OECD. Date of Access: 23 February 2014. <http://www.oecd.org/ctp/tax-global/tiwb-background.pdf>

¹⁸⁹⁶ Tax Administration Reform in the Francophone Countries of Sub-Saharan Africa, International Monetary Fund July 2013. Date of Access: 23 February 2014. <http://www.imf.org/external/pubs/ft/wp/2013/wp13173.pdf>

¹⁸⁹⁷ Conducting Financial Investigations, Course Programme, OECD. Access Date: 13 June 2014. <http://www.oecd.org/ctp/crime/foundation-capacity-building-brochure.pdf>

¹⁸⁹⁸ Conducting Financial Investigations, Course Programme, OECD. Access Date: 13 June 2014. <http://www.oecd.org/ctp/crime/foundation-capacity-building-brochure.pdf>

¹⁸⁹⁹ “State-Building through Taxation,” German Federal Enterprise for International Cooperation (GIZ). Access Date: 13 June 2014. <https://www.giz.de/en/worldwide/15810.html>

Johannesburg, South Africa, on 18-19 March 2014. This was supported by the German government and highlights the success of Germany's tax administration capacity building in sub-Saharan Africa.¹⁹⁰⁰

The German Agency for International Cooperation (GIZ) is currently involved in multiple development projects addressing domestic resource management and capacity building in the realm of tax administration. The agency's website also puts important emphasis on assistance in "revenue collection and the use of funds" in a "transparent, legitimate and development oriented" manner as one of its central objectives.¹⁹⁰¹ For example, "Germany's help for the Ghana Revenue Authority are cited as works that secured sustained increases in administrative effectiveness and a high degree of local ownership."¹⁹⁰² GIZ involvement in Ghana has been sustained for many years and replicated in other parts of the developing world.

Germany has made long-term commitments and reaffirmed ongoing commitments to assist developing countries in capacity building and has demonstrated continued support for international organizations and collaborative projects that are working to improve tax administration.

Thus, Germany has been awarded a score of +1.

Analyst: Emma Best

India: +1

India has partially complied with its commitment to assist developing countries in capacity building through membership in international organizations and has contributed to collective efforts to increase the transparency of tax information.

On 21-22 November 2013, India participated in the Global Forum Meeting in Jakarta, Indonesia. There, the Global Forum rated 50 jurisdictions including India on their transparency and exchange of information for tax purposes. India was evaluated for both its legal and regulatory framework, and the implementation of the standard in practice. It was given an overall rating of "Compliant."¹⁹⁰³

On 22 February 2014 during the G20 Finance Ministers and Central Bank Governors in Australia, ministers agreed to start automatic sharing of tax information by the end of 2015.¹⁹⁰⁴ The Indian Finance Minister P. Chidambaram pressed for increased transparency as an effective system for getting financial information from other nations. Chidambaram urged the international community to widen its scope of the commitment by including various types of tax avoidance besides tax evasions as part of the overall global tax agenda. Once again, India advocated for increased automatic exchange of financial information to help member nations and developing nations effectively deal with tax evasion.

¹⁹⁰⁰ "Historic Meeting to Make Africa's Voice Heard in International Tax Agenda," German Information Center Africa. Access Date: 13 June 2014. http://www.gicafrika.diplo.de/Vertretung/suedafrika-dz/en/__pr/2014/03/03-GIZ-Tax-agenda-conf.html.

¹⁹⁰¹ Public Finances, German Agency for International Cooperation (GIZ). Access Date: 13 June 2014. <http://www.giz.de/expertise/html/3173.html>.

¹⁹⁰² "Tackling cross-cutting structural issues: Informality and fiscal legitimacy," African Economic Outlook. Access Date: 13 June 2014. <http://www.africaneconomicoutlook.org/en/theme/public-resource-mobilisation-and-aid/policy-options/tackling-cross-cutting-structural-issues/>.

¹⁹⁰³ Global Forum on Transparency and Exchange of Information for Tax Purposes: 2013 Report on Progress, OECD Publishing 2013. Date of Access: 15 October 2014. <http://www.oecd.org/tax/transparency/GFannualreport2013.pdf>

¹⁹⁰⁴ Document from the G20 Information Centre Website: Communique Meeting of the G20 Finance Ministers and Central Bank Governors Sydney, Australia, G20 Information Centre (Toronto) 23 February 2014. Date of Access 25 February 2014. .

India demonstrates interest in reworking domestic tax incentives and increasing advocacy for an effective and fair institutional architecture for taxation. The Centre for Budget Governance and Accountability (CBGA), a think-tank focusing on public policies and government finance in India, is participating in an informal Asia-wide network to work on illicit financial flow issues.¹⁹⁰⁵

Moreover, in the Second Report of TARC published in September 2014 by India's Tax Administration Reform Commission, India emphasizes its commitment to capacity building in the area of Customs administration, (such as duty collection for the global exchange of goods and services), as well as the open exchange of information for tax purposes. Notably, the report affirms India's commitment to providing technical assistance to developing countries and LDCs in the area of tax administration and tax collection through Customs and duties. This aims to be achieved by way of a separate fund for such capacity building activities. Another term of reference covered in the TARC report is on exchange of data and information, whereby the Government of India aims to allow the free flow of information analysing how to improve tax compliance and to ensure better enforcement, inter-agency communication and best practices.¹⁹⁰⁶

Throughout the compliance period, India has been an active member within international organizations on the subject of tax administration within the context of development, as well as advocating for strengthening the international structures that increase tax transparency around the world. At the national level, India has committed itself to various capacity building initiatives *vis-à-vis* developing countries that address common issues and common interests.

Thus, India has been awarded a score of +1.

Analyst: Nancy Xue

Indonesia: 0

Indonesia has partially complied with its commitment to undertake reforms to improve tax administration.

On 21-22 November 2013, Indonesia hosted the Global Forum on Transparency and Exchange of Information for Tax Purposes. Over 200 delegates, 10 international organizations and regional groups participated, additionally welcoming six new members. During the meeting, ratings were adopted for the first 50 jurisdictions in regards to the compliance level for the standard for exchange of information. In addition, the Automatic Exchange of Information (AEOI) was also created, which would monitor and review the implementation of AEOI.¹⁹⁰⁷

On 4 August 2014, the Phase 2 Peer Review Report on the Implementation of the Standard in Practice of the Global Forum on Transparency and Exchange of Information for Tax Purposes has been published, in which Indonesia has received the rating of "Partially Compliant."¹⁹⁰⁸

¹⁹⁰⁵ Tax and Development: A scoping study of funding opportunities, A report commissioned by the Transparency and Accountability Initiative. Open Society Foundation 2014. http://www.transparency-initiative.org/wp-content/uploads/2014/09/TAI_TaxandDevelopment_FULL_OCT14.pdf

¹⁹⁰⁶ Tax Administration Reform in India: Spirit, Purpose and Empowerment (New Delhi) September 2014. Date of Access: 23 October 2014. http://www.finmin.nic.in/the_ministry/dept_revenue/TARC2ndReport.pdf

¹⁹⁰⁷ 6th Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Jakarta), 21-22 November 2013. Date of Access: 16 October 2014. <http://www.oecd.org/tax/transparency/ENG%20Jakarta%20Statement%20of%20Outcomes.pdf>, pp. 2.

¹⁹⁰⁸ Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD iLibrary, 14 August 2014. Date of Access: 6 October 2014.

As of 17 October 2014, Indonesia, as a non-member of the Council of Europe and a partner of OECD, still has not ratified the Convention on Mutual Administrative Assistance in Tax Matters.¹⁹⁰⁹ Indonesia has taken steps toward improving tax development, however due domestic and internal issues such as lack of sufficient resources and understaffing in proportion to the size of the country's population¹⁹¹⁰ it was not able to sufficiently divert its attention to tax development.

Thus, Indonesia is awarded a score of 0.

Analyst: Elizaveta Klimenko

Italy: 0

Italy has partially complied with its commitment to assist developing countries in capacity building in the area of tax administration. It has undertaken extensive national legislation and actions that address common issues and interests, but has done little as a stakeholder or member of an international organization that directly assists or impacts developing countries.

On 19 September 2013, in order to attract foreign direct investment in Italy, the Italian Government unveiled its package of measures dubbed “Destination Italy.” Italy has previously been perceived as unattractive for its high taxation rates, slow bureaucratic response and heavy red tape. This new package of measures addresses these concerns through a variety of new laws and administrative structures, including: standardized procedures to speed up approval processes; tailored tax agreements for large scale investments; simplified work-rules available and clearly stated in English; reduced penalties for minor tax non-compliance issues; lower and more predictable energy costs; and a simpler legal system for businesses.¹⁹¹¹ Also as of 19 September 2013 Italy, along with 63 other countries, became a signatory to the Multilateral Convention on Administrative Assistance in Tax Matters of the Organisation for Economic Co-operation and Development (OECD).¹⁹¹²

In January 2014, the International Monetary Fund (IMF), with input from the Ministry of Economics and Finance (MEF) — published a working paper titled “Reforming Tax Expenditures in Italy: What, Why and How?.” This paper was in response to an advisement from the IMF for member countries to evaluate their current tax expenditures as a way of supporting “fiscal consolidation efforts.”¹⁹¹³ These efforts are meant to improve fiscal efficiency, reduce administration costs and increase the impact tax expenditures have on the economy.

http://www.oecd-ilibrary.org/fr/taxation/global-forum-on-transparency-and-exchange-of-information-for-tax-purposes-peer-reviews-indonesia-2014_9789264217737-en;jsessionid=1ldwlqp4qf4vw.x-oecd-live-02?site=fr See also: Exchange of Tax Information, Phase 2 Review of Global Forum on Transparency and Exchange of Information for Tax Purposes, 4 August 2014. Date of Access: 6 October 2014. <http://eoi-tax.org/jurisdictions/ID#latest>

¹⁹⁰⁹ Convention on Mutual Administrative Assistance in Tax Matters CETS No.: 127, Council of Europe, 17 October 2014. Date of Access: 16 October 2014.

<http://www.conventions.coe.int/treaty/Commun/ChercheSig.asp?NT=127&CM=&DF=&CL=ENG>

¹⁹¹⁰ A Comparative Analysis of Tax Administration in Asia and the Pacific, Asian Development Bank (Philippines) April 2014. Date of Access: 16 October 2014. <http://www.adb.org/sites/default/files/pub/2014/tax-administration-asia-pacific.pdf>

¹⁹¹¹ ‘Destination Italy’ Pro-Foreign Business Plan Unveiled, ANSAMED (Rome) 19 September 2013. Access Date: 15 June 2014. http://www.ansamed.info/ansamed/en/news/nations/italy/2013/09/19/-Destination-Italy-pro-foreign-investment-plan-unveiled_9327534.html

¹⁹¹² Worldwide: The Current Signatories to the OECD's Convention, MONDAQ, Connecting Knowledge and People (New York) 16 September 2013. Access Date: 15 June 2014.

<http://www.mondaq.com/x/243464/tax+treaties/The+Current+Signatories+To+The+OECDs+Convention>

¹⁹¹³ IMF Working Paper WP/14/7 Reforming Tax Expenditures in Italy: What, Why and How? International Monetary Fund (Brussels) January 2014. Access Date: June 15 2014. <http://www.imf.org/external/pubs/ft/wp/2014/wp1407.pdf>

On 13 February 2014 Italy, along with France and the United Kingdom, became one of 41 nations to adopt the First Standard Automatic — a new global standard on the automatic exchange of information. This new standard makes it harder for citizens, trusts, foundations and other entities to hide offshore investments and hence, dodge the associated taxes. This increased tax transparency will make it fairer between developing and developed countries as their respective governments will be able to better collect taxes from these properties, bolstering the annual taxes it collects from the higher income tax bracket.¹⁹¹⁴ On 17 March 2014 Italy implemented Directive No. 2011/16/EU (Mutual Assistance Directive) through Legislative Decree No. 29 which implemented this automatic exchange of information in Italy and broadens it to include: income from employment; directors fees; certain life insurance products; pensions; and ownership of and income from, immovable property.¹⁹¹⁵

In early April, shortly after being elected to office, Prime Minister Matteo Renzi unveiled the comprehensive Italian Reform Agenda. The first stage will reform the electoral system by cutting the number of politicians in office by 3,000, reducing the expensive overlap of government services and improving political administration efficiency by cutting superfluous positions and levels of bureaucracy.¹⁹¹⁶ Another important aspect of this agenda relates to the taxation system, as it will implement laws “delegating the Government to develop a more equitable, transparent and growth-oriented taxation system.”¹⁹¹⁷ These laws will improve tax efficiency and help direct tax expenditures where they are needed most: job creation and youth employment strategies.

According to the OECD, Italy raised its foreign aid contributions in 2013 as well as set higher official development assistance (ODA) targets for 2014-2017. It has committed itself to increase ODA from 0.14 per cent of gross domestic product to 0.28-0.31 per cent by 2017. The review went on to recommend “institutional changes to improve the running, delivery and evaluation of development programmes”¹⁹¹⁸ as the management of ODA programmes is not as efficient or effective as it could be.

On June 2, 2014, the European Commission published its deficit and debt-reduction recommendations for Italy and France. In response, Italy’s Ministry of Economy and Finance issued a press release stating that the recommendations given by the European Commission fully support the ground-breaking Italian Reform Agenda inaugurated under the Prime Minister Matteo Renzi in April. It went on to say the ministry does not foresee any additional changes needed in order to achieve the recommendations and the government will continue to move forward with its reform agenda.¹⁹¹⁹

¹⁹¹⁴ Tackling Tax Evasion: First Standard Automatic, *The Economist* (New York) 14 February 2014. Access Date: 15 June 2014. <http://www.economist.com/blogs/schumpeter/2014/02/tackling-tax-evasion>

¹⁹¹⁵ Italy: New Exchange of Information Rules Implemented in Italy, *International Tax Review* (Rome) 30 April 2014. Access Date: 15 June 2014. <http://www.internationaltaxreview.com/Article/3336089/Italy-Country-Briefing/Italy-New-exchange-of-information-rules-implemented-in-Italy.html>

¹⁹¹⁶ Italy’s Renzi Cuts Local Government in First Step of Ambitious Agenda, *Reuters* (New York) 3 April 2014. Access Date: 15 June, 2014. <http://www.reuters.com/article/2014/04/03/us-italy-politics-idUSBREA321T620140403>

¹⁹¹⁷ EU Recommendations, Commission’s Approval of Italian Government’s Reforms the Ministry of The Economy and Finance is Confident that the Budget Objectives will be Reached Without Further Corrective Measures, *Italy Ministry of Economy and Finance* (Rome) 2 June 2014. Access Date: 15 June 2014. http://www.mef.gov.it/en/ufficio-stampa/comunicati/2014/comunicato_0135.html

¹⁹¹⁸ Italy Increases Aid Contributions but Should Address Working Practices, *OECD Says, Organization for Economic Cooperation and Development* (France) 4 May 2014. Access Date: 15 June 2014. <http://www.oecd.org/newsroom/italy-increases-aid-contributions-but-should-address-working-practices-oecd-says.htm>

¹⁹¹⁹ EU Recommendations, Commission’s Approval of Italian Government’s Reforms the Ministry of The Economy and Finance is Confident that the Budget Objectives will be Reached Without Further Corrective Measures, *Italy Ministry of Economy and Finance* (Rome) 2 June 2014. Access Date: 15 June 2014 http://www.mef.gov.it/en/ufficio-stampa/comunicati/2014/comunicato_0135.html

Italy has undertaken extensive national actions that address common issues and interests, but is comparatively less involved as a stakeholder or member of an organization that directly assists or impacts developing countries.

Thus, Italy is awarded a score of 0.

Analyst: Elisabeth Asselin

Japan: +1

Japan has fully complied with its commitment to assist developing countries in capacity building in the area of tax administration.

On 17 December 2013, Government of Japan and Government of United Kingdom of Great Britain and Northern Ireland signed the Protocol Amending Tax Convention to avoid double taxation and to prevent fiscal evasion.¹⁹²⁰

On 18 December 2013, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the jointly prepared Tenth Report on G20 Investment Measures, where they reported on investment policy and investment-related measures taken between 16 May 2013 and 15 November 2013 by the G20 members. The report noted no investment policy measure or investment measure relating to Japan was taken during the reporting period.¹⁹²¹

On 21 April 2014, “Emerging Taxation Issues for Asian Countries,” the fifth IMF-Japan high level tax conference for Asian Countries was held in Tokyo Japan, during which fiscal policy measures have been discussed. Mr. Shinohara has pointed out that Japan’s fiscal consolidation measures have been very successful after increasing the rate of Consumption Tax (VAT). Thus, Mr. Shinohara stressed the importance of reforming international taxation and addressing the issues of revenue mobilization. Topics of discussion included energy taxation, regional harmonization of tax system, and analytical tools to strengthen tax administration, international taxation, and taxation of high income and wealth individuals.¹⁹²²

On 6-7 May 2014, Japan, along with many other countries, participated in the Meeting of the Council at Ministerial Level of OECD, during which the prevention of cross-border tax fraud and evasion were discussed and steps were taken to improve the automatic exchange of financial account information. The OECD Committee on Fiscal Affairs, working closely with G20 members, worked on ensuring the application of the “new single global standard.”¹⁹²³

On 18 June 2014, the Tax Information Exchange Agreement was signed between Japan and the Government of the British Virgin Islands, which provides a detailed mechanism for the exchange of tax

¹⁹²⁰ Press Release, Protocol Amending Tax Convention with the United Kingdom was Signed [Provisional Translation], Ministry of Finance (Tokyo) 18 December 2013. Access Date: 20 February 2014.
http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20131218uk.htm

¹⁹²¹ UNCTAD-OECD Tenth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 18 December 2013. Access Date: 15 March 2014.
http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d10_en.pdf

¹⁹²² The 5th IMF-Japan High level Tax Conference for Asian Countries “Emerging Taxation Issues for Asian Countries”, International Monetary Fund (Tokyo) 21 April 2014. Date of Access: 3 October 2014.
<http://www.imf.org/external/np/speeches/2014/042114.htm>

¹⁹²³ Declaration on Automatic Exchange of Information in Tax Matters, Ministry of Economy, Trade and Industry (Tokyo) 6 May 2014. Date of Access: 4 October 2014. <http://www.mofa.go.jp/files/000038870.PDF>

information between the two parties, as well as the expansion of the international information exchange network on the prevention of cross-border tax abuse and fiscal evasion.¹⁹²⁴ On 11 September 2014, the Government of the British Virgin Islands informed of its completion of required internal procedures for the entry into force of the agreement.¹⁹²⁵

From 17 to 22 July, 2014, Mr. Toshimitsu Motegi, Japan's Minister of Economy, Trade and Industry (METI) visited Sydney, Australia, and Manila in the Philippines. In Sydney, Mr. Motegi attended the G20 Trade Ministers meeting, during which he introduced Japan's reduction of effective corporate tax rates, along with other topics. Mr. Motegi also stated his concern with the growing number of countries implementing protectionist measures, encouraging them to observe the "standstill and rollback commitments." In Sydney, In Manila, Mr. Motegi urged the improvement of business environment in Philippines by suggesting the facilitation of refund for the value-added tax, as well as the simplification of the application program for the bilateral double taxation treaty.¹⁹²⁶

On 31 July 2014, Japan's State Minister Akaba visited India and had a meeting with Minister of State for Commerce and Industry. At the meeting Japan and India concluded to enhance their cooperative relationship for international taxation. The talks have further strengthened their cooperative relationship and will allow both countries to continue working on developing India's tax systems.¹⁹²⁷

On 22 September 2014, Japan's State Minister of Economy, Trade and Industry, Mr. Daishiro Yamagiwa, visited Thailand to discuss the democratization process of the country. At the meeting, Mr. Daishiro Yamagiwa urged Thailand to improve the operation of administrative procedures, such as the advancement of negotiations on customs duties under the Japan-Thailand EPA. Japan additionally made other advisory contributions for Thailand in regards to its economic growth, such as the authorization of foreign investment and discussions on Thailand's safeguarding measures on products made of iron and steel.¹⁹²⁸

Japan has taken actions to strengthen transparency between tax systems, and has taken measures both multilaterally and bilaterally to assist developing countries with their tax regimes.

Thus, Japan has been awarded a score of +1.

Analysts: Freda Zhang and Elizaveta Klimen

Korea: +1

Korea has fully complied with its commitment to assist developing countries in capacity building as stakeholders or members of international organizations and through national actions that address common issue and common interests.

¹⁹²⁴ Signing of the Tax Information Exchange Agreement between the Government of Japan and the Government of the British Virgin Isles, Ministry of Economy, Trade and Industry (Tokyo) 19 June 2014. Date of Access: 3 October 2014. http://www.mofa.go.jp/press/release/press4e_000317.html

¹⁹²⁵ Entry into Force of the Tax Information Exchange Agreement between the Government of Japan and the Government of the British Virgin Islands, Ministry of Economy, Trade and Industry (Tokyo) 12 September 2014. Date of Access: 3 October 2014. http://www.mofa.go.jp/press/release/press4e_000418.html

¹⁹²⁶ METI Minister Motegi Visited Australia and the Philippines, Ministry of Economy, Trade and Industry (Tokyo) 23 July 2014. Date of Access: 3 October 2014. http://www.meti.go.jp/english/press/2014/0722_04.html

¹⁹²⁷ State Minister Akaba Visited Sri Lanka and India, Ministry of Economy, Trade and Industry (Tokyo) 31 July 2014. Date of Access: 3 October 2014. http://www.meti.go.jp/english/press/2014/0806_03.html

¹⁹²⁸ State Minister Daishiro Yamagiwa Visited Thailand and Laos, Ministry of Economy, Trade and Industry (Tokyo) 22 September 2014. Date of Access: 3 October 2014. http://www.meti.go.jp/english/press/2014/0925_02.html

On 17 October 2013, the Study Group on Asian Tax Administration and Research (SGATAR), decided to establish a task force chaired by Korea to address the common challenges faced by tax administrators in the 16 economies that make up SGATAR. Some of the issues included offshore tax evasion, reducing the tax gap, and efficient and effective tax data management. The creation of the task force is a step forward in developing an analytical framework, that can assess the needs and circumstances of the common issues and common interests different countries.¹⁹²⁹

On 5 December 2013, Korean Deputy Prime Minister and Minister of Strategy and Finance, Oh Seok Hyun, announced that Korea will contribute USD15 million to International Monetary Fund's (IMF) capacity development programs over the next five years.¹⁹³⁰

Korea's contribution to the IMF will be used to support technical assistance and training for IMF member countries in order to contribute to its anti-money laundering (AML) efforts.¹⁹³¹ IMF Managing Director Christine Lagarde called the development, "the beginning of a new stage in the strategic partnership between Korea and the IMF on capacity development."¹⁹³²

On 20 February 2014, Korea hosted the first Regional Consultation on Base Erosion and Profit Sharing (BEPS) for the Asia-Pacific Region. This forum was held to incorporate the views of both G20 partner nations and developing countries into the framework of the OECD/G20 BEPS project. The meeting discussed how developing countries could benefit from the implementation of the BEPS Action Plan, how the international community can contribute to capacity building initiatives and considered how to maintain an open dialogue about tax related issues.¹⁹³³

The conclusions reached at the meeting were presented at the Global Forum on Transfer Pricing and Task Force on Tax and Development on 26-28 March 2014.¹⁹³⁴

Furthermore, on 25 March 2014, Korea's Cabinet approved the 2014 expenditure plan, which declared it would not approve any new tax exemption exceeding KRW10 billion if it failed to pass a feasibility test. Additionally, the finance ministry announced that any future tax reductions or exemptions not encompassed in the new form would expire in three years. The new guidelines were submitted to relevant ministries and agencies. Comments from these institutions were submitted at the end of April and will be reflected in the yearly review of Korea's tax code.¹⁹³⁵

Korea has fully complied with its commitment by both encouraging stricter analyses of various tax institutions at a national level, and by acting as an important member of international committees establishing best tax-related practices.

¹⁹²⁹ SGATAR Communiqué, Organisation for Economic Cooperation and Development (Paris) 17 October 2013. Access Date: 27 February 2014. <http://www.oecd.org/site/ctpfta/43rd-SGATAR-Meeting-Final-Communique.pdf>

¹⁹³⁰ Korea Contributes US\$15 Million to IMF Capacity Development Activities, International Monetary Fund (Washington) 5 December 2013. Access Date: 27 February 2014. <http://www.imf.org/external/np/sec/pr/2013/pr13487.htm>

¹⁹³¹ IMF to Start Operations Under its First Topical Trust Fund Supporting Technical Assistance in Anti-Money Laundering and Combating the Financing of Terrorism, International Monetary Fund (Washington) 1 April 2009. Access Date: 27 February 2014. <http://www.imf.org/external/np/sec/pr/2009/pr09108.htm>

¹⁹³² Korea Contributes US\$15 Million to IMF Capacity Development Activities, International Monetary Fund (Washington) 5 December 2013. Access Date: 27 February 2014. <http://www.imf.org/external/np/sec/pr/2013/pr13487.htm>

¹⁹³³ Regional Consultation on Base Erosion and Profit Sharing (Seoul) 21 February 2014. Access Date: 1 October 2014. <http://www.oecd.org/ctp/Co-chairs-summary-Seoul-2014.pdf>

¹⁹³⁴ Regional Consultation on Base Erosion and Profit Sharing (Seoul) 21 February 2014. Access Date: 1 October 2014. <http://www.oecd.org/ctp/Co-chairs-summary-Seoul-2014.pdf>

¹⁹³⁵ S. Korea to toughen standards for tax expenditure (Seoul) 25 March 2014. Access Date: 5 October 2014. <http://www.koreaherald.com/view.php?ud=20140325000946>

Thus, Korea is awarded a score of +1.

Analyst: Jiyoung Han

Mexico: 0

Mexico has partially complied with the assistance of capacity building in developing countries to implement fiscal transparency and tax administration.

On 7-8 February 2013, Mexico attended a consultation meeting with United Nations Development Assistance Framework (UNDAF) to establish priority area commitments between 2014 and 2016. This included equality, inclusion, green economies, social cohesion and justice. Mexico emphasized the need for involving transversal issues into objectives while the UNDAF encouraged Mexico to strengthen their capabilities to improve project management and inter-agency communication.¹⁹³⁶

In September 2013, Mexico signed a technical cooperation agreement with Brazil to approve 13 projects in health, education, agricultural development and water.¹⁹³⁷ One of the commitments made was to define a project on breastfeeding to improve infant mortality rates.

Mexico emphasized its interest in promoting sustainable economic development through infrastructure in Latin America at the Inter-American Development Bank investment meeting with the United States in October 2013.¹⁹³⁸ Moreover, in November 2013, Mexico and the European Union signed the Financing Agreement of Cooperation Program on Social Cohesion to improve equal opportunities to justice, public safety, and human rights.¹⁹³⁹ This will strengthen the ongoing education programs as well as improve the country's national development initiative of social cohesion.

In November 2013 Mexico and Germany signed an agreement of approximately EUR185 million for the Program of Cooperation for Development. This agreement will look at regional development, improving industrial sectors through human resources development and training, and environmentally friendly practices.¹⁹⁴⁰ On February 7 2014, Mexico enacted new transparency reform, allowing citizens to access public information, including the allocation of public funds that come from taxpayer's money.¹⁹⁴¹ Furthermore, the Global Forum on Transparency and Exchange of Information for Tax

¹⁹³⁶ Mexico and the United Nations System Establish Priorities of Cooperation (Mexico City), 12 February 2013. Access Date: 27 February 2014. <http://amexcid.gob.mx/index.php/en/press/press-releases/1718-establecen-mexico-y-el-sistema-de-naciones-unidas-prioridades-de-cooperacion>

¹⁹³⁷ Aprueban Mexico y Brasil Programa de Cooperacion 2013-2015 (Mexico City), 5 September 2013. Access Date: 27 February 2014. <http://amexcid.gob.mx/index.php/en/press/press-releases/1869-aprueban-mexico-y-brasil-programa-de-cooperacion-tecnica-2013-2015>

¹⁹³⁸ Mexico y el BID Reiteran Interes en el Desarrollo Socioeconomico Sostenible en America Latina y el Caribe (Mexico City), 8 October 2013. Access Date: 27 February 2014. <http://amexcid.gob.mx/index.php/en/press/press-releases/1903-mexico-y-el-bid-reiteran-interes-en-el-desarrollo-socioeconomico-sostenible-en-america-latina-y-el-caribe>

¹⁹³⁹ Mexico y la UE Suscriben Convenio de Financiacion del Programa de Cooperacion Laboratorio de Cohesion Social II (Mexico City), 19 November 2013. Access Date: 27 February 2014. <http://amexcid.gob.mx/index.php/en/press/press-releases/1934-mexico-y-la-ue-suscriben-convenio-de-financiacion-del-programa-de-cooperacion-laboratorio-de-cohesion-social-ii>

¹⁹⁴⁰ Mexico y Alemania Acuerdan Nuevo Programa de Cooperacion por al menos 185 Millones de euros (Mexico City), 26 November 2013. Access Date: 27 February 2014. <http://amexcid.gob.mx/index.php/en/press/press-releases/1939-mexico-y-alemania-acuerdan-nuevo-programa-de-cooperacion-por-al-menos-185-millones-de-euros>

¹⁹⁴¹ Mexico enacts access to public information reform, 7 February 2014. Date Accessed: 4 October 2014. <http://www.tm.org.mx/reforma-transparencia/>

purposes has awarded Mexico the highest rank of ‘Compliant’ in its phase 2 of review, as of Aug 4th 2014.¹⁹⁴²

Although Mexico has made some agreements towards inclusive development, it has not made any direct commitments towards any tax administration initiatives in developing countries, nor has it positioned itself as a stakeholder in any existing initiatives.

Thus, Mexico is awarded a score of 0.

Analyst: Daanish Hussain

Russia: 0

Russia has partially complied with the commitment on assisting developing countries in tax administration.

Russia is a member of and donor to the Public Expenditure Management Peer-Assisted Learning (PEMPAL) network, which is “a multilateral effort to develop capacity and share reform experiences among countries in Central Asia and Central and Eastern Europe.” PEMPAL supports “the enhancement of domestic capacity in public expenditure and financial management, to play a catalytic role in scaling up aid, and to strengthen institutions and policies.”¹⁹⁴³ Through a trust fund managed by the World Bank, Russia allocated USD30 million to support PEMPAL in 2010-2014, including USD8 million and USD4 million in 2013 and 2014 respectively.¹⁹⁴⁴

Russia has taken actions to assist developing countries in building capacity for tax administration through the international partnership, but no evidence of national action has been registered during the compliance period. Thus, it has been awarded a score of 0.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to assist developing countries in strengthening their tax systems and supporting their revenue mobilization efforts.

Saudi Arabia has made no direct actions during the compliance period in assisting developing countries with capacity building. Nevertheless, Saudi Arabia has taken action as a stakeholder and member of international organizations (IMF and the OECD) to promote international taxation and development.

On 26 -28 August 2014, Saudi Arabia attended the Tax-Customs Interaction workshop hosted by the IMF’s Middle East Regional Technical Assistance Center. The workshop focused on opportunities and challenges associated to enforcing heightened interaction and cooperation amongst tax customs administrations.¹⁹⁴⁵

¹⁹⁴² Global Forum on Transparency and Exchange of Information for Tax Purposes completes phase 2 assessment of Mexico and awards ‘compliant’ status, 4 Aug 2014. Date Accessed: 4 October, 2014. <http://eoi-tax.org/jurisdictions/MX#latest>

¹⁹⁴³ About PEMPAL, PEMPAL. <http://www.pempal.org/about/about-pempal/>.

¹⁹⁴⁴ Government Directive No 222-r of 26 February 2010, Russian Government 2 March 2010. <http://archive.government.ru/gov/results/9565/>.

¹⁹⁴⁵ IMF’s Middle East Regional Technical Assistance Center Concludes Workshop on Tax-Customs Interaction, International Monetary Fund (Washington) 29 August 2014. Access Date: 5 October 2014. <http://www.imf.org/external/np/sec/pr/2014/pr14404.htm>

On 6 May 2014, Saudi Arabia endorsed the Declaration on Automatic Exchange of Information in Tax Matters during the OECD's annual Ministerial Council Meeting in Paris. The Declaration mandates countries to acquire all information from their financial institutions and automatically exchange information with other jurisdictions on a yearly basis so that tax administrations may combat cross-border tax evasion and non-compliance.¹⁹⁴⁶

Saudi Arabia has partially complied with its commitment to better assist developing countries in strengthening their tax systems and supporting their revenue mobilization efforts. While Saudi Arabia failed to contribute to the capacity building of developing countries, Saudi Arabia took actions as a stakeholder and member of international organizations to promote international taxation and development.

Thus, Saudi Arabia has been awarded a score of 0.

Analyst: Joy Lizette Aguilar

South Africa: 0

South Africa has partially complied with capacity building of tax administration programs in developing countries.

South Africa is one of the 18 countries to comply with global standards on tax transparency, according to the Organisation for Economic Co-operation and Development's Global Forum on Transparency and Exchange of Information.¹⁹⁴⁷ They willingly exchange information, and are contributing towards creating an international tax system that avoids evasion and is efficient and fair.^{1948,1949}

South Africa's National Development Plan (NDP) was released in February 2013 and includes mother-to-child transmission programs to prevent HIV, education initiatives and poverty reduction.¹⁹⁵⁰ It also seeks to broaden ownership of assets to historically disadvantaged groups such as women and rural communities while ensuring access to clean water and electricity.¹⁹⁵¹ From April 2013 women have made up for 8 per cent of total employment, which is higher than 2 per cent of employment in 2010. The NDP also seeks to lower the cost of living, develop a green economy, increase infrastructure investment and reduce income inequality.¹⁹⁵²

¹⁹⁴⁶ Declaration on Automatic Exchange of Information in Tax Matters, Organization for Economic Co-operation and Development (Paris) 6 May 2014. Access Date: 5 October 2014. <http://www.oecd.org/mcm/MCM-2014-Declaration-Tax.pdf>

¹⁹⁴⁷ South Africa one of 18 countries that comply with global standards for exchange of tax information (Pretoria), 27 November 2013. Access Date: 5 April 2014. <http://www.gov.za/speeches/view.php?sid=42134>

¹⁹⁴⁸ South Africa partners with UK for pilot scheme on auto exchange of tax info, 12 October, 2013. Access Date: 4 October 2013: http://www.treasury.gov.za/comm_media/press/2013/2013101202 - Statement on Auto Exchange Tax info.pdf

¹⁹⁴⁹ South Africa signs agreement with the US to share tax information, 9 June 2014. Access Date: 4 October 2014. <http://www.sars.gov.za/Media/MediaReleases/Pages/9-June-2014---United-States-and-South-Africa-Sign-an-Intergovernmental-Agreement-to-Share-Tax-Information.aspx>

¹⁹⁵⁰ Implementation of the National Development Plan - Post-SoNA media briefing by Ministers Trevor Manuel and Collins Chabane (Pretoria), 19 February 2013. Access Date: 5 April 2014. <http://www.gov.za/speeches/view.php?sid=34312>

¹⁹⁵¹ Budget vote speech 2013/14 by the Deputy Minister of Economic Development, Prof Hlengiwe Mkhize, MP (Pretoria), 7 May 2013. Access Date: 5 April 2014. <http://www.gov.za/speeches/view.php?sid=39527>

¹⁹⁵² National Development Plan lecture delivered by National Planning Commission Deputy Chairperson Cyril Ramaphosa at the Wits University (Pretoria), 10 September 2013. Access Date: 5 April 2014. <http://www.gov.za/speeches/view.php?sid=39622>

In March 2013, South Africa committed to a partnership with South Sudan to explore trade and investment. They are planning to supply foreign direct investment (FDI) to help develop infrastructure and housing.¹⁹⁵³

On April 7 2014, South Africa's Minister of Finance launched the South Africa Tax Ombud to provide a remedy for taxpayers who have legitimate complaints that relate to administrative matters, poor service or the failure by SARS (South Africa Revenue Service) to observe taxpayer rights¹⁹⁵⁴

South Africa has taken some national actions to address common issues and interests, as well as bilateral initiatives to assist developing countries. However, it has not explicitly taken action on the issue of tax administration in any of its partnerships, nor through international organizations.

Thus, South Africa is awarded a score of 0.

Analyst: Daanish Hussain

Turkey: 0

Turkey has partially complied with its commitment to better assist developing countries in strengthening their tax systems and support their revenue mobilization efforts.

Turkey has taken no direct actions during the compliance period in assisting developing countries with capacity building. Nevertheless, Turkey has taken action as a stakeholder and member of the OECD to promote international taxation and development.

As of August 2014, Turkey has partially complied with the multilateral framework of the Global Forum on Transparency and Exchange of Information for Tax Purposes (hosted by the OECD) on tax transparency and exchange of information.¹⁹⁵⁵

On 6 May 2014, Turkey endorsed the Declaration on Automatic Exchange of Information in Tax Matters during the OECD's annual Ministerial Council Meeting in Paris. The Declaration mandates countries to acquire all information from their financial institutions and automatically exchange information with other jurisdictions on a yearly basis so that tax administrations may combat cross-border tax evasion and non-compliance.¹⁹⁵⁶

On 24-28 February 2014, the Turkish Ministry of Finance along with the Turkish International Co-operation Agency held a 5-day seminar at the OECD-Ankara Multilateral Tax Centre. Attended by over 30 participants from 18 jurisdictions within Eastern Europe and Central Asia, the seminar focused on

¹⁹⁵³ Speech by Nkosiphendule Kolisile MEC for the Gauteng Department of Economic Development at the Gauteng Business Lounge with South Sudan Delegation (Pretoria), 20 March 2013. Access Date: 5 April 2014. <http://www.gov.za/speeches/view.php?sid=35411>

¹⁹⁵⁴ South Africa Launches Tax Ombud, 7 April 2014. Access Date: 4 October 2014. <http://www.gov.za/speeches/view.php?sid=44920>

¹⁹⁵⁵ Phase 1 and Phase 2 Reviews, Organization of Co-operation and Economic Development (Paris) August 2014. Date of Access: 5 October 2014. <http://www.oecd.org/tax/transparency/GFratings.pdf>

¹⁹⁵⁶ Declaration on Automatic Exchange of Information in Tax Matters, Organisation for Economic Co-operation and Development (Paris) 6 May 2014. Access Date: 5 October 2014. <http://www.oecd.org/mcm/MCM-2014-Declaration-Tax.pdf>

topics of international standards for transparency, exchange of information for tax purposes, and systems of monitoring via peer review mechanisms.¹⁹⁵⁷

Turkey has partially complied with its commitment to better assist developing countries in strengthening their tax systems and supporting their revenue mobilization efforts. While Turkey failed to contribute to the capacity building of developing countries through national actions, Turkey took actions as a stakeholder and member of the OECD to promote international taxation and development.

Thus, Turkey has been awarded a score of 0.

Analysts: Joy Lizette Aguilar and Justice Durland

United Kingdom: +1

The United Kingdom has fully complied with the commitment on assisting developing countries in building capacity in the area of tax administration.

The 2013 UK G8 Presidency Report on Trade, Tax and Transparency states that the UK had launched a capacity building unit to assist developing countries in increasing tax revenues.¹⁹⁵⁸ Additionally, it will provide GBP 6 million for the Organisation for Economic Co-operation and Development (OECD), Global Forum, and World Bank Group projects that are aimed to help authorities eliminate tax evasion and avoidance.

On 20 November 2013 the United Kingdom issued a statement stating that it will provide developing countries with advice to increase tax revenues.¹⁹⁵⁹ It will support the funding of four international projects to improve revenue collection and avoid tax evasion. International Development Secretary Justine Greening stated, “this commitment shows that the United Kingdom is leading the way in providing support to developing country tax authorities.”

The UK is one of 40 countries to have committed to early adoption of the OECD’s new single standard for the automatic exchange of information between tax authorities.¹⁹⁶⁰ The OECD formally presented this standard during a meeting of G20 finance ministers on the 22nd of February 2014 and the UK agreed to early adoption in September 2014.¹⁹⁶¹

On 21 November 2013, members of the Global Forum on Transparency and Exchange of Information for Tax Purposes met in Jakarta in order to implement greater international cooperation against tax

¹⁹⁵⁷ Regional Training Seminar on Exchange of Information: The International Standards and Peer Reviews, Organization of Cooperation and Economic Development (Paris) 28 February 2014. Date of Access: 5 October 2014. <http://www.oecd.org/tax/transparency/regionaltrainingseminaronexchangeofinformationtheinternationalstandardsandpeerreviews24-28february2014.htm>

¹⁹⁵⁸ Trade, Tax and Transparency: The 2013 UK G8 Presidency Report, Prime Minister’s Office (United Kingdom) 19 December 2013. Date of Access: 22 February 2014. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/271676/G8_report_WEB_FINAL.PDF

¹⁹⁵⁹ UK plans major boos to tax collection in developing countries, Department for International Development and HM Treasury (United Kingdom) 20 November 2013. Date of Access: 22 February 2014. <https://www.gov.uk/government/news/uk-plans-major-boos-to-tax-collection-in-developing-countries>

¹⁹⁶⁰ OECD delivers new single global standard on automatic exchange of information, OECD 13 February 2014. Date of Access: 22 February 2014. <http://www.oecd.org/tax/exchange-of-tax-information/oecd-delivers-new-single-global-standard-on-automatic-exchange-of-information.htm>

¹⁹⁶¹ Joint Statement by the Early Adopters Group, OECD September 2014. Access Date: 4 October 2014. <http://www.oecd.org/tax/transparency/AEOI-early-adopters-statement.pdf>

evasion.¹⁹⁶² At the forum there was the publication of new compliance ratings on countries' work to implement the Global Forum's information exchange standard. The UK was one of 26 countries to be named largely compliant.

Between 22 October 2013 and 13 December 2013, the United Kingdom signed automatic tax information sharing agreements with Jersey, Guernsey, the Cayman Islands, Gibraltar, Bermuda, Montserrat, the Turks and Caicos, the British Virgin Islands, and Anguilla.¹⁹⁶³

On 7 May 2013 the United Kingdom made long term commitments to assist Tanzania and Ethiopia in setting up more effective systems of tax collections.¹⁹⁶⁴ The government of the UK also has a new capacity building program, the Developing Countries Capacity Building Unit, which sets up projects to work with both countries in order to strengthen their tax administration.

The United Kingdom has started a unit that will help developing countries in capacity building and working with international organizations to provide better tax administration in developing countries.

Thus, the United Kingdom has been awarded a score of +1.

Analyst: Carol Drumm

United States: +1

The United States has fully complied with its commitment to assist developing countries in building capacity in the area of tax administration.

The United States has identified tax administration and reform as a critical issue facing its government. President Barack Obama and his congressional counterparts have each developed ongoing plans to improve tax administration, reduce inequality, avoid tax evasion and simplify the American tax code to improve taxation in the United States.

Obama, for example, has suggested a variety of tax loophole closers.¹⁹⁶⁵ Similarly, the Senate Finance Committee has engaged in a lengthy consultative process to develop a comprehensive reform to America's tax code, which is set to hold hearings summer 2014 to spur movement on tax reform.¹⁹⁶⁶

Tax reform and improved tax administration — particularly tax evasion, broadening the tax base, and improving its fairness — are acknowledged as urgent issues however implementation of change has been almost lacking domestically.¹⁹⁶⁷

¹⁹⁶²Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD 21 November 2013. Date of Access: 22 February 2014. <http://www.oecd.org/tax/transparency/ENG%20Jakarta%20Statement%20of%20Outcomes.pdf>

¹⁹⁶³Tax transparency: what the government is doing internationally to reduce tax avoidance and evasion, HM Treasury (United Kingdom) Date of Access: 22 February 2014. http://embed.verite.co/timeline/?source=0AqU9_JLgk8C8dE9YWXRsbHoyS3liMEdfr3puM09Nanc&font=Bevan-PotanoSans&maptype=toner&lang=en&height=650

¹⁹⁶⁴UK government to assist Tanzania and Ethiopia in tax collection, HM Treasury (United Kingdom) 7 May 2013. Date of Access: 22 February 2014. <https://www.gov.uk/government/news/uk-government-to-assist-tanzania-and-ethiopia-in-tax-collection>

¹⁹⁶⁵Reforming the Tax Code, The White House. Access Date: 14 June 2014. <http://www.whitehouse.gov/economy/reform/tax-reform>

¹⁹⁶⁶Tax Reform Option Papers, The United States Senate Committee on Finance. Access Date 14 June 2014. <http://www.finance.senate.gov/issue/?id=6c61b1e9-7203-4af0-b356-357388612063>

¹⁹⁶⁷Move on tax reform before US companies move, The Hill 7 May 2014. Access Date: 14 June 2014. <http://thehill.com/opinion/op-ed/205529-move-on-tax-reform-before-us-companies-move>

Bilaterally, the United States has made significant steps in further implementing the sharing of information related to taxation. In March the United States and Hong Kong signed a tax agreement for the exchange of information to prevent tax evasion.¹⁹⁶⁸ The U.S. has also implemented the Foreign Account Tax Compliance Act, which improves the sharing of American citizen's financial information to recoup federal tax revenues. In this compliance cycle, agreements have been achieved with Malta, Canada, the Netherlands, Bermuda, the Cayman Islands, Costa Rica, and France, amongst others.¹⁹⁶⁹¹⁹⁷⁰

USAID has drafted the Guidelines for Improved Tax Administration in Latin American and the Caribbean to provide “actionable guidance to help tax administrators and donors understand leading practices, pinpoint areas with potential for improvement, and take steps toward more effective and efficient tax administration.”¹⁹⁷¹ These guidelines have the overall aim of assisting struggling Latin American and Caribbean countries in modernizing tax administration.

The United States has built on its bilateral and regional efforts in tax administration development. It has done so by committing itself to the adoption of the single global standard on automatic exchange of information between tax authorities world-wide set by the Organisation for Economic Co-operation and Development.¹⁹⁷² This multilateral commitment involves over 40 countries and builds on the United States' ongoing FATCA efforts.

Thus, the United States is awarded a score of +1.

Analyst: Elisabeth Asselin

European Union: +1

The European Union has fully complied with its commitment to assist developing countries with building capacity in the area of tax administration.

In April 2014, the European Parliament issued a report outlining the importance of strong tax administration policies in developing countries and the conditions that EU countries should meet in order to effectively assist with related initiatives. In its conclusions, the “Tax Revenue Mobilisation in Developing Countries” report outlines two key preconditions for European assistance: coordination with preexisting initiatives in the international community and increased participation with low income countries — not just the BRICS.¹⁹⁷³

¹⁹⁶⁸ Hong Kong and the United States of America signed a Tax Information Exchange Agreement on 25 March 2014. Access Date: 18 October 2014. <http://www.kpmg.com/CN/en/IssuesAndInsights/ArticlesPublications/Newsletters/Tax-alert/Documents/Tax-alert-1403-07-Tax-Information-Exchange-Agreement.pdf>

¹⁹⁶⁹ United States Signs Six More Bilateral Agreements to Improve Tax Compliance, Combat International Tax Evasion, And Implement FATCA, US Department of the Treasury 19 December 2013. Date Accessed 14 June 2014. <http://www.treasury.gov/press-center/press-releases/Pages/jl2251.aspx>

¹⁹⁷⁰ US Signs Historic Agreements With Cayman Islands, Costa Rica to Fight Offshore Tax Evasion, US Department of the Treasury 29 November 2013. Date Accessed 14 June 2014. <http://www.treasury.gov/press-center/press-releases/Pages/jl2226.aspx>

¹⁹⁷¹ Detailed Guidelines for Improved Tax Administration in Latin American and the Caribbean, USAID 2 October 2013. Date Accessed 14 June 2014. http://www.usaid.gov/sites/default/files/LAC_TaxBook_Entire%20Book%20-%20ENGLISH.pdf

¹⁹⁷² OECD Delivers New Single Global Standard on Automatic Exchange of Information, OECD 13 February 2014. Date Accessed 14 June 2014. <http://www.oecd.org/newsroom/oecd-delivers-new-single-global-standard-on-automatic-exchange-of-information.htm>

¹⁹⁷³ Tax Revenue Mobilisation in Developing Countries: Issues and Challenges, European Parliament. Access Date: 5 October 2014. [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/433849/EXPO-DEVE_ET\(2014\)433849_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/433849/EXPO-DEVE_ET(2014)433849_EN.pdf)

The report further recommended that EU continue to support current international initiatives to reform developing countries' tax systems, provide financial assistance to the tax administrations of low income countries, and give assistance to regional tax organizations in the developing world.

At the occasion of the 2014 Substantive Session of the United Nation's Economic and Social Council, the EU declared, "domestic revenue mobilization was a key source of financing in developing countries." It also emphasized the important "synergies [in place] between taxation and development" as well as the importance of fostering more synchronized action between national or regional governments and international organizations in order to achieve concerted international standards.¹⁹⁷⁴

The introductory comments to the fourth EU-Africa Summit, held on 2-3 April 2014, delivered in part by José Manuel Barroso, President of the European Commission, also underlined the importance of building "fair and effective tax systems" in order to nurture hospitable investment environment and economic growth.¹⁹⁷⁵

The European Commission signed an agreement to support better public finance management in Central America through the funding the International Monetary Fund's (IMF) Central America Center to the amount of EUR6.3 million in April 2014. Those funds will go towards three core projects, one of which targets "public finances (tax and customs administration and public financial management)."¹⁹⁷⁶ This long-term commitment — meant to happen over a five-year period — guarantees the countries of the region technical assistance in the realm of tax administration, notably.

In the same vein, the IMF's Caribbean Technical Assistance Center's steering committee of donors, which the EU is party to, applauded important improvements in the region's public financial management reform agendas, notably the "strengthening of tax administration structures," on 12 May 2014. The committee thus reaffirmed its support and set new, reform-deepening goals for the countries of the region.¹⁹⁷⁷

On 13 March 2014, the EU agreed to renew financial support for three international financial reporting and auditing standards organizations: the International Financial Reporting Standards Foundation, the European Financial Reporting Advisory Group and the Public Interest Oversight Board. It was announced the EU will maintain its yearly EUR8 million contribution to those working towards better tax administration and fiscal fraud detection globally.¹⁹⁷⁸

The European Commission also agreed to support Georgia in its drive to improve public fiscal management. On 5 March 2014, it was announced that the commission would in fact provide Georgia

¹⁹⁷⁴ Transcription: Economic and Social Council Considers International Cooperation in Tax Matters during Special Meeting, United Nations Economic and Social Council. Access Date: 13 June 2014. <http://www.un.org/News/Press/docs/2014/ecosoc6624.doc.htm>.

¹⁹⁷⁵ Introduction: Fourth EU-Africa Summit 2-3 April 2014, Brussels Declaration, NEPAD, 2 April 2014. Access Date: 13 June 2014. <http://www.nepad.org/nepad/news/3300/fourth-eu-africa-summit-2-3-april-2014-brussels-declaration>

¹⁹⁷⁶ EU funds PFM capacity building efforts in Central America, Public Finance International, 12 June 2014. Access Date: 13 June 2014. <http://www.publicfinanceinternational.org/news/2014/06/eu-funds-pfm-capacity-building-efforts-in-central-america/>.

¹⁹⁷⁷ IMF Technical Assistance Boosting Caribbean PFM, Public Finance International. 12 May 2014. Access Date: 13 June 2014. <http://www.publicfinanceinternational.org/news/2014/05/imf-technical-assistance-boosting-caribbean-pfm/>.

¹⁹⁷⁸ European Parliament Approves Continued Financing of IFRS Bodies, Public Finance International, 13 March 2014. Access Date: 13 June 2014. <http://www.publicfinanceinternational.org/news/2014/03/european-parliament-approves-continued-financing-of-ifrs-bodies/>.

with EUR21 million in financial support to the promotion of “transparency, while increasing efficiency and effectiveness of planning and governmental spending.”¹⁹⁷⁹

On 27 January 2014, the European Commission announced that “the commission announced that almost EUR140 million in aid funding would be released” to Ghana after almost four years of financial support interruption, following the 2008 coup. Those funds target public financial management reforms at large. More specifically, one of the projects will aim at “strengthen[ing] the state’s accountability system, improve[ing] internal revenue and boost[ing] the institutional capabilities of the Ministry of the Economy and Finance.”¹⁹⁸⁰

The European Union has made long-term commitments, reaffirmed ongoing commitments to assist developing countries in capacity building and has demonstrated continued support for international organizations and collaborative projects that are working to improve tax administration.

Thus, the EU is awarded a score of +1.

Analyst: Emma Best and Sarah Mathieu-Comtois

¹⁹⁷⁹ Georgia and EU Agree Third PFM Deal, Public Finance International, 5 March 2014. Access Date: 13 June 2014. <http://www.publicfinanceinternational.org/news/2014/03/georgia-and-eu-agree-third-pfm-deal/>.

¹⁹⁸⁰ Guinea Set for PFM Reform after EU Resumes Funding, Public Finance International, 28 January 2014. Access Date: 13 June 2014. <http://www.publicfinanceinternational.org/news/2014/01/guinea-set-for-pfm-reform-after-eu-resumes-aid-funding/>

12. Employment: Job Creation

“[We commit to] stimulate the creation of formal jobs [through pro-growth structural reforms in product and labour markets, including by promoting labour market adaptability and efficiency, ensuring adequate labour protection, as well as appropriate tax regimes and other government initiatives that may be required according to national circumstances].”

St. Petersburg G20 Leaders’ Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+1.0	

Background

Commitments on reducing unemployment and creating decent jobs have been part of the G20 agenda since the 2009 London Summit. The key role of job creation in economic recovery was stipulated in the Framework for Strong, Sustainable and Balanced Growth agreed at the 2009 Pittsburgh Summit. The G20 leaders reinforced this emphasis at the summits in Toronto and Seoul.¹⁹⁸¹ At the Cannes Summit, leaders set up the G20 Task Force on Employment to provide input to the G20 labour and employment ministerial meeting.¹⁹⁸² They tasked international organizations such as the International Monetary Fund, International Labour Organization and the World Bank to monitor how economic reforms impact job creation. At the St. Petersburg Summit the leaders emphasized the creation of quality jobs as a way to “reducing inequality, ensuring effective social protection and labour market

¹⁹⁸¹ G20 Labour and Employment Ministers’ Conclusions, G20 Information Centre (Toronto) 27 September 2011. Access Date: 5 February 2012. <http://www.g20.utoronto.ca/2011/2011-labour-110927-en.html>.

¹⁹⁸² Cannes Summit Final Declaration: Building Our Common Future, G20 Information Centre (Toronto) 4 November 2011. Access Date: 3 February 2012. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>.

adaptability.”¹⁹⁸³ In this context the creation of formal jobs is a measure to reduce informal employment and, thus, providing more people with decent working conditions and wages.

Commitment Features

The commitment requires the G20 members to take measures to create formal jobs, including, but not limited to, structural reforms in product and labour markets, promoting labour market adaptability and efficiency, ensuring adequate labour protection, adopting favourable tax regimes.

For the purposes of analysis, possible measures can fall into two categories: measures on the demand side (including structural reforms in product and labour markets and other measures, to promote formal labour market efficiency) and measures to increase labour supply (including by enhancing labour protection mechanisms, social security systems and improving safety conditions for workers).

The G20 Labour and Employment Ministers’ Declaration from 18-19 July 2013 recommended the leaders to consider the following measures:¹⁹⁸⁴

Measures on the demand side:

1. Implementing fiscal and monetary policies that promote inclusive growth and confidence and support aggregate demand;
2. Developing a business environment that ensures fair competition, access to financing, especially for small and medium-sized enterprises, and fosters entrepreneurship, including those led by young entrepreneurs, innovation and investment;
3. Investing in infrastructure to increase growth, productivity and employment.

Measures on the supply side:

1. Promoting formal work activities by increasing the skills and productivity of workers in the informal sector and strengthening labour inspection and social protection to enhance the quality of employment;
2. Improving the matching of skills with job opportunities, through better labour market information and effective employment services, and supporting structural adjustments in employment by making workers’ mobility more secure;
3. Continuing to modernize and strengthen national social protection systems to enhance their effectiveness, efficiency, coverage, social adequacy and sustainability, including by developing access for all to national social protection floors;
4. Better aligning and monitoring the relationship between productivity growth, employment and wages, including those set through country specific social dialogue institutions, mechanisms, including collective bargaining;
5. Enhancing the level and coverage of minimum wages, with respect to national wage setting systems to address working poverty and inequality while contributing to domestic demand;
6. Ensuring decent health and safety working conditions for all workers;
7. Promoting inclusive labour markets by allowing multiple forms of work for those who desire such forms while ensuring full respect for workers’ rights and access to social protection.¹⁹⁸⁵

¹⁹⁸³ St. Petersburg G20 Leaders’ Declaration, Russia’s G20 Presidency 6 September 2013. Access Date: 19 January 2014. <http://en.g20russia.ru/load/782795034>.

¹⁹⁸⁴ While the list provides useful examples of the measures that can be taken by the G20 members to promote formal jobs creation, it is not comprehensive, and the members can resort to different policy actions, especially considering various national circumstances.

Thus, to achieve full compliance G20 members must take steps aimed at both supply and demand sides.

Scoring Guidelines

-1	Member does not take steps to create formal jobs on both the supply and demand sides.
0	Member takes steps to create formal jobs either on supply OR on demand side.
+1	Member takes steps to create formal jobs on both the supply and demand sides.

Argentina: +1

Argentina has fully complied with the commitment to stimulate the creation of formal jobs.

On 24 March 2014, Argentina ratified the Domestic Workers Convention of 2011 (No. 189) of the International Labour Organization (ILO). Argentina became the 13th ILO member and the sixth Latin American member to ratify this convention to improve the working and living conditions of domestic workers. Guy Ryder, ILO Director General, stated: “The ratification of Convention No. 189 by Argentina confirms and strengthens the leading role of Latin American countries in endorsing the Convention, so ensuring that domestic workers enjoy not only fundamental rights at work but also the full range of other labour rights. I hope that this ratification will be of good example for other countries.”¹⁹⁸⁶

On 23 June 2014, Undersecretary for Labour Inspection of the Labour Ministry Guillermo Alonso Navone presented the Law No. 26.940 at the meeting attended by the Governor José Luis Gioia, legislators and provincial officials. The law contains a number of measures reducing labor costs for small businesses.¹⁹⁸⁷

On 30 June 2014, Minister of Labour Carlos Tomada opened the Centre “Centro de Orientación y Atención” in Tigre aiming to promote actions improving employment level and contributing to equal employment opportunities for workers. The Center will interview people and orient them in labour market as well as link employers and people seeking jobs.¹⁹⁸⁸

On 31 July 2014, several agreements were signed by the Minister of Labour Carlos Tomada and Governor of Jujuy Eduardo Fellner in order to foster employment and improve skills of workers in the province, especially those in to the tobacco, citrus and sugar sectors. The first agreement aims to improve the employability and promote subsequent employment of unemployed workers. In the framework of this act a number of trainings for new-comers within Job Placement Program (PIL) will be held. The second agreement establishes the creation of the Committee devoted to adopting employees knowledge about labour market demand and job opportunities. Agreement aims to facilitate economic development and social training programs. Other agreements signed by the Minister and the Governor will be executed within Intercosecha 2014 Program for unemployed workers engaged in tobacco, citrus and sugar industries in the province of Jujuy. The purpose of program actions is to

¹⁹⁸⁵ G20 Labour and Employment Ministers’ Declaration, Russian G20 Presidency 19 July 2013. Access Date: 21 January 2014. <http://en.g20russia.ru/load/781649316>.

¹⁹⁸⁶ Argentina ratifica el convenio sobre las trabajadoras y trabajadores domésticos. 25 March 2014. http://www.trabajo.gov.ar/downloads/otros/140325_convenio_eng.pdf.

¹⁹⁸⁷ San Juan: difusión de leyes contra el fraude laboral, Ministry of Labour of Argentina 23 June 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1945.

¹⁹⁸⁸ Centro de orientación y atención para mejorar la empleabilidad en Tigre. 30 June 2014 http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1932

support people with temporary unemployment, seasonal workers, and other unemployed due to economic factors.¹⁹⁸⁹

On 7 August 2014, President of Argentina Cristina Fernandez de Kirchner announced the launch of PROEMPLEAR, a program that combines different instruments to support sustainable employment in firms with financial problems and provide training and employment of workers at low cost. The Minister of Labour Carlos Tomada said that this initiative is a part of government policy that guarantees equal access to labour market and ensures more efficient decision making in issues of decent work. The program will strengthen its focus on small and medium enterprises throughout the country.¹⁹⁹⁰

The PROEMPLEAR has basically two instruments. The REPRO Recovery Programme is aimed directly to subsidize companies under crisis that need a subsidy to sustain the level of occupancy. Investment in the program is \$2,000 per employee per month for 12 months. The Progress Plan includes training programs.¹⁹⁹¹

Several agreements of Labour Ministry were devoted to fostering union work in framework of training programs for union members. On August, 13 the Labor Minister Carlos Tomada, General Secretary of Argentina Trade Federation of Employees (FAECYS), Armando Cavalieri, and regional president of the International Network Union in America (UNI), Ruben Cortina, signed an agreement aimed to foster union work and provide union members with effective tools. Within the agreement five workshops are planned for 150 workers.¹⁹⁹² On August, 18 Carlos Tomada and General Secretary of ADULP (Association of University Professors of La Plata), Octavio Ismael Miloni, signed a union training for more than 600 employees. Program Support for Union Employees (SFSP) is designed to support strengthening of unions through the trainings of its members, middle and top managers. The program provides technical and financial assistance for the development of trade union training activities.¹⁹⁹³

A number of activities were focused on strengthening purchasing power of employees and pensioners.

On 1 September 2014 President Cristina Fernandez de Kirchner also announced minimum wage increase which will be held in two tranches. It increases up to 4400 pesos from September, 1 and up to 4716 pesos from 1 January 2015.¹⁹⁹⁴

Argentina has taken steps to create formal jobs both on demand and supply side. Thus, it has been awarded a score of +1.

Analyst: Yana Nursubina

Australia: +1

Australia has fully complied with the commitment on job creation.

¹⁹⁸⁹ Tomada y Fellner firman convenios para el sostenimiento y la mejora del empleo en Jujuy. 31 July 2014

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1980

¹⁹⁹⁰ PROEMPLEAR, una herramienta para la defensa del trabajo. 8 July 2014

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1989

¹⁹⁹¹ PROEMPLEAR: tools to sustain employment, training and incorporate workers. 22 August 2014

<http://www.uia.org.ar/departamento.do?id=9&sid=1&nid=2321>

¹⁹⁹² Trabajo, Comercio y la Union Network International acordaron capacitación sindical para 150 trabajadores. 13 August 2014 http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2017

¹⁹⁹³ Firma de Convenio de Formación Sindical para más de 600 trabajadores. 19 August 2014

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2021

¹⁹⁹⁴ Se reunió el Consejo del Salario y el haber mínimo será de 4716 pesos a partir de enero de 2015. 1 September 2014

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2031

On the supply side, on 28 July 2014, a draft of the purchasing arrangements for a new employment services model to operate from 1 July 2015 was released. It envisages AUD5.1 billion of Government investment over three years from 2015-16 to streamline employment services to meet the needs of employers and achieve longer-term job outcomes.¹⁹⁹⁵

On 5 June 2014, a 3% increase on minimum wages was announced effective from 1 July 2014.¹⁹⁹⁶

On 17 December 2013 the national online career information and exploration service called “myfuture” was relaunched. This is a joint initiative of the Australian government and state and territory governments to help people to make career decisions, plan career pathways and manage work transitions.¹⁹⁹⁷

On 14 November 2013, the Australian Building and Construction Commission, an independent industry regulator, was restored to ensure respect of the rule of law, encourage productivity and pursue high levels of employment in this essential to Australian economy industry.¹⁹⁹⁸

On 7 November 2013, Luke Hartsuyker, Assistant Minister for Employment, announced three measures to cut red tape for job service providers and help them improve outcomes for job seekers.¹⁹⁹⁹

Following a Liberal/National Coalition victory in a federal election, on 18 October 2013, the Parliamentary Budget Officer released amendments to the federal budget incorporating the coalition’s election commitments for job creation (commenced on 1 July 2014²⁰⁰⁰):²⁰⁰¹

- Job Commitment Bonus: AUD157.1 million over five years to assist long-term unemployed young people to obtain employment;
- Relocation Assistance to Take Up a Job Program: AUD16.6 million over five years to assist long-term unemployed people relocate to find employment;
- Seniors Employment Incentive Payment: AUD197.5 million over five years to establish a wage subsidy for mature age job seekers.²⁰⁰²

¹⁹⁹⁵ New Employment Services model to drive stronger job outcomes, Australian Government, Department of Employment 28 July 2014. Access Date: 28 September 2014. <http://ministers.employment.gov.au/abetz/new-employment-services-model-drive-stronger-job-outcomes>

¹⁹⁹⁶ Fair Work Commission Annual Wage Review increases national minimum wage, Australian Government, Department of Employment 5 June 2014. Access Date: 28 September 2014. <http://www.employment.gov.au/news/fair-work-commission-annual-wage-review-increases-national-minimum-wage>

¹⁹⁹⁷ Re-launched national online career information service myfuture, Australian Government, Department of Education 17 December 2013. Access Date: 2 February 2014. <http://education.gov.au/news/re-launched-national-online-career-information-service-myfuture>

¹⁹⁹⁸ A strong and effective watchdog for the building industry, Australian Government, Department of Employment 14 November 2013. Access Date: 2 February 2014. <http://ministers.employment.gov.au/abetz/strong-and-effective-watchdog-building-industry>

¹⁹⁹⁹ Red tape reduction will renew focus on assisting job seekers find work, Ministers’ Media Centre, Employment Portfolio 7 November 2013. Access Date: 2 February 2014. <http://ministers.employment.gov.au/hartsuyker/red-tape-reduction-will-renew-focus-assisting-job-seekers-find-work>

²⁰⁰⁰ New employment programmes available from 1 July, Australian Government, Department of Employment 1 July 2014. Access Date: 28 September 2014. <http://www.employment.gov.au/news/new-employment-programmes-available-1-july>

²⁰⁰¹ Post-election report of election commitments, Parliament of Australia 18 October 2013. Access Date: 22 February 2014. http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/2013_Election

²⁰⁰² Appendix A: Policy decisions taken since the 2013-14 Budget / Expense Measures / Employment, Australian Government Budget. Access Date: 22 February 2014. http://www.budget.gov.au/2013-14/content/myefo/html/12_appendix_a_expense-07.htm

On the demand side, on 17 December 2013 Senator Eric Abetz, Minister for Employment, launched the new Tasmanian Jobs Program to provide incentives to local employers to hire new staff and encourage businesses to expand and invest locally.²⁰⁰³

On 4 December 2013, Prime Minister Tony Abbott announced the government will undertake a comprehensive review of competition laws and policy, the first in more than 20 years, help identify ways to build the economy and promote investment, growth and job creation.²⁰⁰⁴

On 2 December 2013, Abetz announced changes to the workers' compensation scheme to allow private corporations reduce compliance costs. "The Government is committed to creating more jobs by cutting red tape for employers to boost productivity and creating a stronger economy and more jobs," he said.²⁰⁰⁵

During the compliance period Australia has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Ekaterina Maslonskaya

Brazil: +1

Brazil has fully complied with the commitment on job creation.

On 3 February 2014, Brazilian President Dilma Rousseff, addressing Congress, said that more than 1.1 million jobs had been created in 2013 in Brazil and the formal labour market had expanded by 2.82 per cent compared to 2012. In 2013 more than 17.4 million Brazilian workers benefited from the government's Programa de Alimentação do Trabalhador (PAT) program. Rousseff also said that in 2013 the government took measures to improve working conditions and workplace safety, particularly aimed at rural workers. She announced that in 2014 approximately 9.2 million workers will be covered by unemployment insurance benefits with an estimated cost of USD15.1 billion.²⁰⁰⁶

On 24 June 2014, the Ministry of Labor and Employment announced the creation of 58,836 formal jobs in May 2014, which represents 0.14% growth compared to the previous month. It was announced by the Ministry that more than 5 million formal jobs were created during the presidential term of Dilma Rousseff.²⁰⁰⁷

²⁰⁰³ Minister Abetz Launches Tasmanian Jobs Programme, Australian Government, Department of Employment 17 December 2013. Access Date: 2 February 2014. <http://www.employment.gov.au/news/minister-abetz-launches-tasmanian-jobs-programme>

²⁰⁰⁴ Review of competition policy, Minister for Small Business 4 December 2013. Access Date: 22 February 2014. <http://bfb.ministers.treasury.gov.au/media-release/014-2013/>

²⁰⁰⁵ Private corporations to access Comcare scheme, Ministers' Media Centre, Employment Portfolio 2 December 2013. Access Date: 2 February 2014. <http://ministers.employment.gov.au/abetz/private-corporations-access-comcare-scheme>

²⁰⁰⁶ Mensagem ao Congresso Nacional 2014, Presidencia da Republica 4 February 2014. Access Date: 30 June 2014. http://www2.planalto.gov.br/acompanhe-o-planalto/mensagem-ao-congresso/pdfs/mensagem-ao-congresso_2014-1.pdf/@@download/file/Mensagem%20ao%20Congresso_2014.pdf

²⁰⁰⁷ Geração de empregos formais no governo Dilma supera marca de 5 milhões, Portal Brazil 24 June 2014. Date of Access 15 October 2014. <http://www.brasil.gov.br/economia-e-emprego/2014/06/geracao-de-empregos-formais-no-governo-dilma-supera-marca-de-5-milhoes>

On 24 September 2014, the Brazilian Ministry of Labor and Employment (MTE) created a Working Group aiming to improve the integration process of immigrant laborers. The Working Group is to provide the MTE with recommendations in 30 days.²⁰⁰⁸

Brazil has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

Canada: +1

Canada has fully complied with the commitment to stimulate the creation of formal jobs.

On 11 February 11 2014, the Government of Canada presented the Canada's Economic Action Plan 2014. The Action Plan creates formal jobs on both demand and supply sides. Finance Minister Jim Flaherty promoted the Canadian experience of job creation to his fellow G20 finance ministers.²⁰⁰⁹ The action plan is aimed to ensure training reflects labour market needs, put in place labour market agreements for persons with disabilities, train the workforce of tomorrow, support entrepreneurs through intensive mentoring, target initiatives for older workers, enhance the job matching service and modernize the national job bank, foster job creation, innovation and trade:²⁰¹⁰

Canada has taken steps to create formal jobs on the supply side.

The 2014 budget included USD 35.76 million over four years for the Canada Accelerator and Incubator Program to create new companies and realize the potential of their ideas.

Canada has taken steps to create formal jobs on the demand side.

The Economic Action Plan renegotiates the labour market development agreements to reorient training for labour market demand with USD1.74 billion per year of federal contributions.

The Economic Action Plan supports the training and employment of Canada's youth by providing USD 89.41 million of the Canada Apprentice Loan and USD 35.75 million for 3,000 full-time internships.

The Economic Action Plan also invests USD 67 million to the Targeted Initiative for Older Workers and USD 10.55 million over two years and USD 2.95million per year to launch the Job Matching Service.

The Government of Canada intends to invest USD 13.41 million over three years in the Ready, Willing and Able initiative to support employers to recruit and hire people with developmental disabilities.²⁰¹¹ The government also promises of USD 10.19 million over four years to support vocational training for Canadians living with autism spectrum disorders.

On 15 January 2014, the Honourable Ed Fast, Minister of International Trade, launched a new International Education Strategy. The Strategy will create at least 86,500 new jobs for Canadians,

²⁰⁰⁸ Ministério do Trabalho cria grupo de estudo para inserção laboral, Portal Brazil 25 September 2014. Date of Access 14 October 2014. <http://www.brasil.gov.br/economia-e-emprego/2014/09/ministerio-do-trabalho-cria-grupo-de-estudo-a-insercao-laboral>.

²⁰⁰⁹ Canada Promotes Jobs and Growth at G-20 Meeting in Australia. Access Date: 20 September 2014. <http://www.fin.gc.ca/n14/14-028-eng.asp>

²⁰¹⁰ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 20 September 2014. <http://actionplan.gc.ca>

²⁰¹¹ Federal Budget 2014 to Invest in Ready, Willing and Able. Access Date: 20 September 2014. <http://readywillingable.ca/2014/02/federal-budget-2014-to-invest-in-ready-willing-and-able/>

bringing the total of jobs sustained by international education in Canada to 173,100 new jobs, providing approximately USD 8.94 billion to the Canadian economy annually.²⁰¹²

During the compliance period Canada has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

China: +1

China has fully complied with the commitment on job creation.

On the demand side, on 25 October 2013, Yin Chengji, spokesperson of the Ministry of Human Resources and Social Security, said that from January to September 2013 the Chinese government created 10.66 million new jobs in urban areas. That means that the government accomplished its full-year target of creating no fewer than 9 million new jobs ahead of schedule.²⁰¹³ As a result China's urban registered unemployment rate dipped to 4.04 per cent at the end of September, from 4.1 per cent at the end of June.²⁰¹⁴

On 27 October 2013, in the context of administrative reform the government streamlined its corporate registration system to ease market access and encourage social investment. This action is intended to foster a market environment of fairness and competition, mobilize social capital, encourage small and micro enterprises to grow and boost employment. Requirements for the minimum registered capital for limited liability companies, one-person limited liability companies, as well as joint-stock companies with limited liability, will be scrapped. Requirements on the site registered for business operation will also be relaxed.²⁰¹⁵ Currently, minimum registered capital for limited liability companies is RMB30,000, while that for one-person limited liability companies and joint-stock companies is RMB100,000 and RMB5 million.²⁰¹⁶

On 27 December 2013, Yin Weimin, Minister of Human Resources and Social Security, said that China hopes to add over 10 million jobs in 2014.²⁰¹⁷

On the supply side, on 6 December 2013, the Ministry of Education promised that Chinese graduates will be encouraged by the government to work for non-public companies to boost employment and

²⁰¹² Harper Government Launches Comprehensive International Education Strategy. Access Date: 20 September 2014. <http://www.international.gc.ca/media/comm/news-communiques/2014/01/15a.aspx?lang=eng>

²⁰¹³ China's urban job market remains stable, Ministry of Commerce People's Republic of China 25 October 2013. Access Date: 10 February 2014.

<http://english.mofcom.gov.cn/article/counselorsreport/europereport/201310/20131000366461.shtml>

²⁰¹⁴ Urban jobless rate dips to 4.04% in Sept, Economic and Commercial Section of the Consulate General of the People's Republic of China in Cebu 25 October 2013. Access Date: 10 February 2014.

<http://cebu2.mofcom.gov.cn/article/chinanews/201310/20131000365917.shtml>

²⁰¹⁵ China Relaxes Company Registration Requirements, Changsha Municipal People's Government 27 October 2013. Access Date: 11 February 2014. http://en.changsha.gov.cn/About/chinanews/201310/t20131028_508150.html

²⁰¹⁶ China eases company registration requirements to encourage investment, Ministry and Commercial Counsellor's Office of the Embassy of the People's Republic of China in the Kingdom Denmark 2 November 2013. Access Date: 11 February 2014. <http://dk2.mofcom.gov.cn/article/chinanews/201311/20131100375393.shtml>

²⁰¹⁷ China unemployment target unchanged, Xinhua News Agency 27 December 2013. Access Date: 10 February 2014. http://news.xinhuanet.com/english/video/2013-12/27/c_133000725.htm

promote the private economy. It will also improve the welfare of employees working for private companies.²⁰¹⁸

On 26 December 2013, Yin Weimin stated that more than 20 million people had received subsidized vocational training that year, and over 300 cities had set up unemployment monitoring stations to report to the Minister of the Human Resources and Social Security.²⁰¹⁹

On 20 January 2014, the Ministry of Human Resources and Social Security stated that the Chinese government will protect workers' rights against violations by employers such as unfair wage deductions and delays. The government recovered and paid to migrant workers nationwide RMB11 billion to ensure migrant workers received benefits before returning home for Spring Festival. As a result on 15 January 1.5 million migrant workers received benefits.²⁰²⁰

On 21 January 2014, Hu Xiaoyi, Vice Minister of Human Resources and Social Security, stated that by the end of 2013, 540 million people had social security cards, which are issued to boost informatization in 11 sectors to boost people's livelihood. Those sectors include education, employment, medical services, social security, pensions, food and drug safety, community services, domestic services and public security.²⁰²¹ The quantity of such cards will increase to 650 million by the end of 2014.²⁰²²

On 7 February 2014, the State Council of China stated that China will reform its pension scheme by unifying the two separate systems for urban and rural residents to allow people better access to social benefits. Pension funds will be pooled from individuals, employers and governments at various levels. The central government will provide more subsidies to people in less-developed central and western regions.²⁰²³

China has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with the commitment on creation of formal jobs.

²⁰¹⁸ Chinese graduates encouraged to work in private firms, Xinhua News Agency 6 December 2013. Access Date: 12 February 2014. http://news.xinhuanet.com/english/china/2013-12/06/c_132947681.htm

²⁰¹⁹ China expects 13 mln new jobs in 2013, Economic and Commercial Counsellor's Office of the Embassy of the People's Republic of China in the Republic of Singapore 26 December 2013. Access Date: 10 February 2014. <http://sg2.mofcom.gov.cn/article/chinanews/201312/20131200441530.shtml>

²⁰²⁰ China retrieves billions for underpaid migrant workers, Xinhua News Agency 20 January 2014. Access Date: 10 February 2014. http://news.xinhuanet.com/english/china/2014-01/20/c_133060364.htm

²⁰²¹ China Boosts Informatization for Better Livelihood, Hunan Provincial People's Government 15 January 2014. Access Date: 11 February 2014. http://enghunan.gov.cn/Text_News/201401/t20140115_1022403.htm

²⁰²² 540 mln Chinese have social security cards, Foreign Affairs Office of Hainan Province of the People's Republic of China 21 January 2014. Access Date: 12 February 2014. http://enfaohn.hainan.gov.cn/swsqwyywb/Newsroom/201401/t20140122_1143689.html

²⁰²³ China to unify rural, urban pension systems, Ministry of Agriculture of the People's Republic of China 7 February 2014. Access Date: 12 February 2014. http://english.agri.gov.cn/news/dqnf/201402/t20140208_21169.htm

On 5 March 2014, Law n° 2014-288 on vocational training, employment and social democracy was adopted. It creates formal jobs on the supply side by increasing the skills of workers, modernizing national social protection floors and setting social dialogue mechanisms.²⁰²⁴

It also supports aggregate demand by accelerating application of the contract for generation in small and medium-sized enterprises.²⁰²⁵

France has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on job creation.

On the supply side, on 8 November 2013, the German Federal Employment Agency published the figures for its 2014 budget. In particular, it pledged to invest EUR3.1 billion to enable people to acquire qualifications that are in demand on the employment market, EUR15.7 billion to finance expenses for unemployment and in case of company insolvencies, and EUR9.7 billion to provide active employment promotion.²⁰²⁶

On 16 January 2014, Manfred Schmidt, President of the Federal Office for Migration and Refugees, and Heinrich Alt, director responsible for basic social security at the Federal Employment Service, signed an administrative agreement on cooperation in the area of providing German-language courses for employment purposes from 2014 to 2020. In particular, the agreement provided for the relaunch of the ESF-BAMF program, which had first started in 2009 and then developed into a nationwide standard-setting language-learning support program for migrant workers.²⁰²⁷

On 10 March 2013, the German Federal Employment Agency launched new services for people who are deaf or hard of hearing based on sign language. These services improve employment opportunities for people who are deaf or hard of hearing.²⁰²⁸

On 27 March 2014, the German Federal Employment Agency co-sponsored and co-organized the 14th annual Girls' Day and the fourth Boys' Day, to improve career opportunities for youth through enabling them to explore how different companies work. Hundreds of thousands of young people participate annually in the Boys' and Girls' Days.²⁰²⁹

²⁰²⁴ Projet de loi relatif à la formation professionnelle, à l'emploi et à la démocratie sociale. Access Date: 10 February 2014.

<http://travail-emploi.gouv.fr/actualite-presse,42/breves,2137/projet-de-loi-relatif-a-la,2453/>

²⁰²⁵ Le contrat de génération. Access Date: 10 February 2014. <http://travail-emploi.gouv.fr/contrat-de-generation,2232/>

²⁰²⁶ More chances for the unemployed: the BA's budget for 2014, Federal Employment Agency 8 November 2013. Access Date: 19 April 2014.

<http://www.arbeitsagentur.de/web/content/EN/Press/Detail/index.htm?dfContentId=L6019022DSTBAI607139>.

²⁰²⁷ Support programme for learning German for employment purposes contributes to securing skilled labour, Federal Employment Agency 16 January 2014. Access Date: 19 April 2014.

<http://www.arbeitsagentur.de/web/content/EN/Press/Detail/index.htm?dfContentId=L6019022DSTBAI620458>.

²⁰²⁸ Removing barriers, Federal Employment Agency 10 March 2014. Access Date: 19 April 2014.

<http://www.arbeitsagentur.de/web/content/EN/Press/Detail/index.htm?dfContentId=L6019022DSTBAI637247>.

²⁰²⁹ Federal Employment Agency supporting Girls' Day and Boys' Day, Federal Employment Agency 27 March 2014. Access Date: 19 April 2014.

<http://www.arbeitsagentur.de/web/content/EN/Press/Detail/index.htm?dfContentId=L6019022DSTBAI643080>.

On 1 April 2014, the new agreement on social issues between Germany and Quebec entered into force. The agreement improves the system of social insurance and pensions for Canadian employees working in Germany and Germans working in Canada.²⁰³⁰

On the demand side, on 18-24 November 2013, the Federal Ministry of Economics and Energy hosted Startup Week Germany, for potential business founders and startups' owners, especially youth. It included workshops, fairs, conferences and seminars focused on displaying business opportunities and providing consultative support to the participants.²⁰³¹

On 18 July 2014, the German Federal Employment Agency announced its new program aimed at stimulating businesses to create more training places through organizational and administrative support. Particular focus of the program is creating training places for the disabled.²⁰³²

Germany has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

India: +1

India has fully complied with the commitment on job creation.

On 19 February 2014, the Street Vendors Bill was passed by the Upper House of the Indian Parliament. The bill aims to create a "conducive" atmosphere for street vendors, and designates spaces for them to carry out their business. All existing street vendors, identified in the survey, will be accommodated in the vending zones.²⁰³³

On 27 May 2014, the Rural Development Minister of India Gopinath Munde announced that his key priorities were integrating the development of villages, tackling sanitation problem and implementing the land acquisition policy effectively. The minister said that the process of job creation and development in rural areas would be linked to the ongoing actions under the 2005 Mahatma Gandhi National Rural Employment Guarantee Act.²⁰³⁴

On 14 February 2014, the Indian government approved the setting up of two semiconductor wafer fabrication manufacturing facilities in India. The proposed facilities will create direct employment of about 22,000 workers and indirect employment of about 100,000 workers. Once set up, the units will stimulate the flow of capital and technology, create employment opportunities, help higher value addition in the electronic products manufactured in India, reduce dependence on imports, and lead to innovation.²⁰³⁵

²⁰³⁰ Simpler and faster, Federal Ministry of Labour and Social Affairs 26 February 2014. Access Date: 19 April 2014. <http://www.bmas.de/EN/Service/Press/recent-publications/quebec-dtl-abkommen-en.html>.

²⁰³¹ Rösler: Gründern Mut machen! Gründerwoche Deutschland startet, Federal Ministry of Economics and Energy 15 November 2013. Access Date: 19 April 2014. <http://www.bmwi.de/DE/Presse/pressemitteilungen,did=602698.html>.

²⁰³² The Board of Governors of the Federal Employment Agency Starts Initiative "Right of Way for In-Company Training", Federal Employment Agency 18 July 2014. Access Date: 9 October 2014. <http://www.arbeitsagentur.de/web/content/EN/Press/Detail/index.htm?dfContentId=L6019022DSTBAI674048>.

²⁰³³ Street Vendors Bill passed in Rajya Sabha, The Hindu 19 February 2014. Date of Access: 17 July 2014. <http://www.thehindu.com/news/national/street-vendors-bill-passed-in-rajya-sabha/article5706501.ece>.

²⁰³⁴ MGNREGA will be linked to development of villages-Gopinath Munde, Government of India 27 May 2014. Date of Access: 17 July 2014. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=105195>.

²⁰³⁵ Approval to establish two Semiconductor Wafer Fabrication Manufacturing Facilities in India, Government of India 14 February 2014. Date of Access: 17 July 2014. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=103681>.

On 10 July 2014, Indian Minister of Finance Arun Jaitley said that India needed a boost for job creation, manufacturing sector in particular needs a push for job creation. With the government putting strong emphasis on job creation, measures proposed in the union budget can help create 5-8 million jobs in next 3-4 years across various sectors. Human resource experts welcomed the budget and believe the sectors that are likely to see an immediate job creation are infrastructure, transport, power, consumer goods, e-commerce, startups and tourism.²⁰³⁶

On 14 August 2014, Prime Minister Narendra Modi in his Independence Day speech said India must focus on growing the manufacturing sector and on developing skills to provide meaningful employment to millions of young Indians. In the 2014-15 budget, the National Democratic Alliance government that came to power in May had given special thrust on entrepreneurship and job creation. The budget has a plan to establish a Rs.10,000 crore fund to provide venture capital to small enterprises. It allotted another Rs.200 crore to establish a technology centre network to promote innovation and entrepreneurship. The budget also has a plan to start a village entrepreneurship programme to encourage rural youth to start local enterprises.²⁰³⁷

During the compliance period India has taken steps to create formal jobs on both supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Alisa Prokhorova

Indonesia: +1

Indonesia has fully complied with the commitment on job creation.

On the supply side, on 23 January 2014, Indonesian Manpower and Transmigration Minister Muhaimin Iskandar announced that in 2014 the minimum wage in the country would increase by 10%.²⁰³⁸

On 10 February 2014, Muhaimin declared that foreign people working in Indonesia “must make sure there is a transfer of knowledge to the local Indonesian workers in the companies that they work in.” He also mentioned that foreign workers’ presence should create job opportunities for local workers and that government would develop measures to ensure it.²⁰³⁹

On 14 February 2014, Muhaimin announced the reform of the Indonesian Organization of Social Security in Employment (BPJS) to improve its services including programs of work accident insurance, life insurance, pensions and retirement schemes.²⁰⁴⁰

On 27 August 2014, Indonesian Manpower and Transmigration Minister Muhaimin Iskandar, Minister of Home Affairs Gamawan Fauzi, Minister of Women Empowerment and Child Protection Linda

²⁰³⁶ Budget 2014: Government emphasis on job creation to create 5-8 million jobs in 3-4 years, The Economic Times 10 July 2014. Date of Access: 26 September 2014. http://articles.economicstimes.indiatimes.com/2014-07-10/news/51300658_1_job-creation-job-market-lakh-job

²⁰³⁷ Modi calls to focus on skill development, manufacturing for job creation, Live Mint&The Wall Street Journal. 15 August 2014. Date of Access: 26 September 2014. http://www.livemint.com/Industry/53ATum6RaNZOw4ULO0ZiNN/Modi-calls-to-focus-on-skill-development-manufacturing-for.html?utm_source=copy

²⁰³⁸ Labor Minister Decries Low Wages, The Jakarta Post 23 January 2014. Access Date: 26 February 2014. <http://www.thejakartaglobe.com/business/labor-minister-decries-low-wages/>.

²⁰³⁹ Foreign workers in Indonesia Decline, The Jakarta Post 10 February 2014. Access Date: 26 February 2014. <http://www.thejakartapost.com/news/2014/02/10/foreign-workers-indonesia-decline.html>.

²⁰⁴⁰ Muhaimin Minta BPJS Ketenagakerjaan Tingkatkan Kesejahteraan Pekerja dan Keluarganya, Ministry the Manpower and Transmigration of the Republic of Indonesia 14 February 2014. Access Date: 28 February 2014. <http://www.depakertrans.go.id/news.html,153,naker>.

Amalia Sari and State Minister for National Development Planning and Chairperson of the National Development Planning Agency Paskah Suzetta signed a Memorandum of Understanding on Optimizing the Implementation of Equal Employment Opportunity scheme to avoid discrimination. Muhaimin stressed that all parties consider equal treatment and non-discrimination to be one of the basic rights in the workplace. Equal treatment in the workplace is important for developing a fair industrial relations and harmony, and thus attracting new employees.²⁰⁴¹

On the demand side, on 1 October 2013, the new report on the Impact of Visa Facilitation in APEC Economies was presented at the APEC High-Level Policy Dialogue meeting in Bali, Indonesia. According to the presented report, visa facilitation could create up to 2.6 million new jobs in the APEC economies by 2016. Mari Elka Pangestu, Minister of Tourism and Creative Economy of Indonesia, highlighted the importance of tourism as a vehicle of job creation, economic growth and development in Asia-Pacific region. He also highlighted that Indonesia seeks to establish cooperation between “officials working in tourism, finance, customs, immigration, security, transportation and airport authorities” to create more jobs.²⁰⁴²

On 28 February 2014, Muhaimin called for Indonesian private companies to adopt corporate social responsibility (CSR) principles to stimulate the development of entrepreneurship, especially for people who are in the surrounding industrial area. He mentioned that CSR programs are expected to create new job opportunities and improve the welfare of the local community and support local economic growth. Muhaumin also expressed the government’s appreciation to all the companies planning to implement CSR projects and said it would develop support measures for such companies.²⁰⁴³

Indonesia has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

Italy: +1

Italy has fully complied with the commitment on job creation.

On the supply side, on 3 December 2013, Italian Prime Minister Enrico Letta signed a decree on reforming the Equivalent Financial Situation Index. The reform provides for enhanced estimation of families’ financial position, and more targeted and effective assistance to the poor, including through obliging the beneficiaries of welfare programs to seek employment, pursue education or vocational training if necessary.²⁰⁴⁴

²⁰⁴¹ 4 Kementerian Dukung Penghentian Diskriminasi di Tempat Kerja, Ministry the Manpower and Transmigration of the Republic of Indonesia 27 August 2014. Access Date: 28 September 2014. <http://www.depakertrans.go.id/news.html,221,naker>.

²⁰⁴² Visa facilitation can create 2.6 million new jobs in the APEC economies, World Travel and Tourism Council 1 October 2013. Access Date: 28 February 2014. <http://www.wttc.org/news-media/news-archive/2013/visa-facilitation-can-create-26-million-new-jobs-apec-economies/>.

²⁰⁴³ Muhaimin : Salurkan CSR Perusahaan Untuk Pengembangan Wirausaha, Ministry the Manpower and Transmigration of the Republic of Indonesia 28 February 2014. Access Date: 28 February 2014. <http://www.depakertrans.go.id/news.html,159,naker>.

²⁰⁴⁴ Riforma dell'ISEE, Ministero di lavoro e delle Politiche Sociali. Access Date: 5 May 2014. <http://www.lavoro.gov.it/AreaSociale/Inclusione/isee/Pages/default.aspx>.

On 27 March 2014, Minister of Employment and Social Policies Giuliano Poletti signed a decree defining the norms for recruitment in agricultural sector. The decree improves matching of skills with job opportunities and enhances stability of workplace relations.²⁰⁴⁵

On 1 May 2014, the National Plan “Garanzia Giovani” was launched in Italy. It promotes professional qualifications and expands employment opportunities for the young people from 15 to 29 years of age, through providing over EUR1.5 billion to ensure their employment, education, vocational training, or participation in civil service.²⁰⁴⁶

On 9 October 2014, the Italian Senate approved the law on the labor market reform, also known as the *Jobs Act*.²⁰⁴⁷ Once passed by the lower house of the Italian parliament, the Chamber of Deputies, the act will allow the government to begin a comprehensive reform of the Italian labor market, making it more flexible by abolishing excessive regulations that have allegedly impeded job creation and created disincentives for foreign investors in the country for several decades.²⁰⁴⁸ The OECD Secretary-General Angel Gurría congratulated Italian Prime Minister Matteo Renzi on passing the bill stating that it “will contribute to put Italy on a more dynamic growth path that will bring benefits across the population, boosting job creation and reducing unemployment.”²⁰⁴⁹

On the demand side, on 13 February 2014 the Italian Ministry of Employment and Social Policies issued a decree simplifying the procedures of adoption and effective implementation of job safety regulations for small and medium-sized enterprises, which will allow them to better adapt to the requirements in this sphere.²⁰⁵⁰

The Jobs Act, passed on 9 October 2014 among other things provides for the simplification and rationalization of working relations, including the issues of workplace safety and hygienic regulations.²⁰⁵¹

Italy has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakebarov

Japan: +1

Japan has fully complied with the commitment on job creation.

²⁰⁴⁵ Firmato il decreto sulle assunzioni congiunte nel settore agricolo, Ministero di lavoro e delle Politiche Sochiali 27 March 2014. Access Date: 5 May 2014. http://www.lavoro.gov.it/Notizie/Pages/20140414_job_sh_sett_agr.aspx.

²⁰⁴⁶ Notizie, Ministero di lavoro e delle Politiche Sochiali 1 May 2014. Access Date: 5 May 2014. <http://www.lavoro.gov.it/Pages/default.aspx?Content=1>.

²⁰⁴⁷ Il Senato approva il disegno di legge delega per la riforma del mercato del lavoro, Ministero di lavoro e delle Politiche Sochiali 9 October 2014. Date of Access: 10 October 2014. <http://www.lavoro.gov.it/Priorita/Pages/20141009-DDL-Lavoro-Senato.aspx>.

²⁰⁴⁸ Italy's Renzi faces confidence vote over labor reform, Reuters 8 October 2014. Date of Access: 10 October 2014. <http://www.reuters.com/article/2014/10/08/us-italy-politics-idUSKCN0HX16O20141008>.

²⁰⁴⁹ OECD's Gurría congratulates Italy on new Jobs Act bill, OECD 9 October 2014. Date of Access: 10 October 2014. <http://www.oecd.org/about/secretary-general/gurria-congratulates-italy-on-new-jobs-act-bill.htm>

²⁰⁵⁰ Procedure semplificate per l'adozione dei modelli di organizzazione e gestione nelle piccole e medie imprese, Ministero di lavoro e delle Politiche Sochiali 13 February 2014. Access Date: 5 May 2014. http://www.lavoro.gov.it/SicurezzaLavoro/PrimoPiano/Pages/20140225_proceduresemplificate.aspx.

²⁰⁵¹ Deleghe al Governo in materia di riforma degli ammortizzatori sociali, dei servizi per il lavoro e delle politiche attive, nonché in materia di riordino della disciplina dei rapporti di lavoro e dell'attività ispettiva e di tutela e conciliazione delle esigenze di cura, di vita e di lavoro, Ministero di lavoro e delle Politiche Sochiali 9 October 2014. Date of Access: 10 October 2014.

On the demand side, on 20 December 2013 the Bank of Japan decided to continue its policy of increasing base money at a pace of JPY60-70 trillion a year.²⁰⁵² This strategy along with the decision to raise the sales tax from 5 per cent up to 8 per cent in April 2014, which was announced on 1 October 2013, is boosting consumption and thus providing businesses with opportunities to increase their investments.²⁰⁵³ These measures have helped to revitalize the economy and reduce the unemployment rate to 3.7 per cent in December 2013, the lowest level since September 2007.²⁰⁵⁴

On the supply side, on 6 October 2013 the revisions of the tax system has been enforced that increased the average minimum wage from by JPY15 to JPY764 an hour. This is the highest increase since 2010.²⁰⁵⁵

On 24 June 2014, Japanese government have announced measures that may lead to job creation on both demand and supply sides. These measures are know as the “third arrow” of Prime Minister Abe. They include a cut of corporate tax by 5 percentage points that is planned for the next year (it will go down to 30% and will spur corporate investment and innovation),²⁰⁵⁶ a reduction of long working hours, reinforcement of flexible working practices and reform of the wage payment system based upon performance rather than seniority.²⁰⁵⁷

Japan has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Evgeny Gushchin

Korea: +1

Korea has fully complied with the commitment of job creation.

On the supply side, on 15 November 2013 the Ministry of Employment and Labour (MOEL) reported that as the number of employees started to increase sharply in the second half of last year, the employment rate in 2013 was at its highest since records began in 1989. It also said that in 2013 the government had made a breakthrough in its struggle to shift the focus of the labor market from men, manufacturing and large companies to women, services and SMEs and thus consolidated the foundation for achieving a 70% employment rate and expanding the middle class to 70% of the population.²⁰⁵⁸

²⁰⁵² Bank of Japan keeps monetary policy steady as expected, Gulf News 20 December 2013. Access Date: 21 February 2014. <http://gulfnews.com/business/economy/bank-of-japan-keeps-monetary-policy-steady-as-expected-1.1269169>.

²⁰⁵³ Isabel Reynolds and Chikako Mogi Abe Orders Japan’s First Sales Tax Increase Since ’97: Economy, Personal Finance, Bloomberg 1 October 2013. Access Date: 21 February 2014. <http://www.bloomberg.com/news/2013-10-01/abe-proceeds-with-japan-s-first-sales-tax-increase-since-1997.html>.

²⁰⁵⁴ Japan December jobless rate improves to 3.7%, Nikkei Asian Review 31 January 2014. Access Date: 21 February 2014. <http://asia.nikkei.com/Politics-Economy/Economy/Japan-Dec-jobless-rate-improves-to-37>.

²⁰⁵⁵ Minimum wage to rise to ¥764 per hour on average, The Japan Times 11 September 2013. Access Date: 21 February 2014. http://www.japantimes.co.jp/news/2013/09/11/business/minimum-wage-to-rise-to-764-per-hour-on-average/#.UwdAzOJ_uFc.

²⁰⁵⁶ Phillip Inman Shinzo Abe launches ‘third arrow’ of Japanese economic reform, The Guardian 24 June 2014. Access Date: 29 September 2014. <http://www.theguardian.com/world/2014/jun/24/shinzo-abe-japan-economic-reform-corporation-tax>

²⁰⁵⁷ How does Japan compare?, OECD Employment Outlook 2014 September 2014, p. 2. Access Date: 28 September 2014. <http://www.oecd.org/japan/EMO-JPN-EN.pdf>.

²⁰⁵⁸ MOEL pledges to implement 4 policy goals and 11 strategies in 2014 to achieve 70% employment rate February 20, 2014 http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1041.

On 20 February 2014, MOEL pledged to implement four policy goals and 11 strategies in 2014 to achieve a 70 per cent employment rate:

- The Work-Study Dual System will be introduced in 1,000 firms and 7,000 workers will be hired under the system.
- Ten employment-welfare centres will be set up this year with a target of 70 such centres across the country by 2017.
- A new retirement pension scheme for small and medium-sized enterprises will be introduced to guarantee them a fixed interest rate above the market rate.
- The practice of willfully or habitually delaying wages will be eliminated, for example by making employers liable for up to double the unpaid wages.
- The unemployment benefit program will be extended to artists and those in special types of employment.²⁰⁵⁹

On the demand side, on 18 November 2013, Employment and Labor Minister Phang Ha-nam and Gyeonggi province governor Kim Moon-soo signed a memorandum of understanding to create part-time jobs and support part-time hiring on October 21 at the Gyeonggi Provincial Government Building.

According to the memo, MOEL and the Gyeonggi government will establish a system of close cooperation and make concerted efforts to create and spread part-time work suited to workers' needs, such as balancing work with family life, and to support part-time hiring. The provincial government promised to make active efforts to create decent part-time jobs in the public and private sectors within its province. As a first step, it will create 5,000 part-time jobs — 2,000 public-sector ones and 3,000 private-sector ones. MOEL agreed to help the provincial government to implement its project smoothly to create part-time jobs and support part-time hiring.²⁰⁶⁰

According to the Finance Ministry, the Korean economy created 386,000 jobs in 2013, beating expectations of 320,000 job growth estimated by the government and 300,000 employment forecast by the central bank.

Job creation continued to accelerate last year as the government's massive extra budget plan was implemented in early 2013, boosting the economic recovery and its consequent improvement in the labor market.

The jobless rate kept falling to 3.1 per cent in 2013 after peaking at 3.7 per cent in 2010 when the world economy was struggling to recover from the great recession.

The hiring rate reached 64.4 per cent in 2013, up from 64.2 per cent from a year earlier.²⁰⁶¹

On 12 September 2014, the Korean government reported that job creation had rebounded for two months in a row, indicating recovery in the country's labor market. The August growth was a recovery to the April job-creation level. Manufacturing and service sectors led the solid job creation. Manufacturers created 219,000 jobs last month, with 159,000 workers employed in the health and social welfare service industry. The restaurant and food sector added 125,000 jobs, but job creation in the agricultural sector reduced by 125,000 last month. Next year, the government plans to spend 115.5

²⁰⁵⁹ MOEL pledges to implement 4 policy goals and 11 strategies in 2014 to achieve 70% employment rate. February 20, 2014 http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1041

²⁰⁶⁰ MOEL and Gyeonggi provincial government sign MOU to create part-time jobs November 18, 2013 http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1033.

²⁰⁶¹ Employment in S. Korea beats expectations in 2013 Xinhua 2014-1-15 <http://www.globaltimes.cn/content/837568.shtml#.UwhdFmG0BI4>.

trillion won — nearly one-third of its total planned budget expenditure — on health, jobs and welfare. This will be the most ever allocated to that category.²⁰⁶²

Spending to spur job creation will increase by 7.6 percent. Korea's unemployment rate of around 3.5 percent is one of the lowest among medium- to high-income economies, but the number of full-time, quality jobs available has been declining.²⁰⁶³

Korea has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Anastasia Zhuravleva

Mexico: +1

Mexico has fully complied with the commitment on job creation.

On the supply side, in September 2013 the Mexican Ministry of Labour and Social Welfare allocated more than USD1 million for the Emerging Employment Support Program in the state of Guerrero. A significant amount of this funding was targeted at workers affected by natural disasters.²⁰⁶⁴

On 6 September 2013, Alfonso Navarrete Prida, Minister of Labor and Social Welfare, welcomed the agreement signed by the Mexican Petroleum Institute and trade unions, which affects more than 4,000 workers. He also announced that wages would be increased by 3.99 per cent and benefits 1.98%.²⁰⁶⁵

On 13 September 2013, Mexico and Singapore signed an agreement on bilateral cooperation for exchange of best labour practices to increase economic productivity. The Mexican Ministry of Labor and Social Welfare and Singapore Minister of Labour also discussed the strategies to guarantee workers protection, to provide training courses.²⁰⁶⁶

On 20 September 2013, at the Annual Entrepreneurs Meeting the Mexican Minister of Labor and Social Welfare announced that it expected a transition of more than 200,000 workers from informal to formal sector in 2013 as indicated in the Program of Employment Formalization 2013. To promote formal jobs the ministry suggested renewing business licenses at federal, state and local levels to guarantee that entrepreneurs observe labour rights.²⁰⁶⁷

On 4 October 2013, Patricia Martínez Cranss, Deputy Minister of Labour, participated in establishing local commissions for productivity and the eradication of child labour and protection of young workers

²⁰⁶² South Korea's job creation rebounds for two months
http://www.cs.com.cn/english/ei/201409/t20140912_4510502.html

²⁰⁶³ South Korea's job creation rebounds for two months
http://www.cs.com.cn/english/ei/201409/t20140912_4510502.html

²⁰⁶⁴ Entrega el Secretario del Trabajo y Previsión Social, Alfonso Navarrete Prida, 15.5 millones de pesos a guerrero del programa emergente de apoyo al empleo 26 October 2013. Access Date: 23 February 2014.
http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_132.html

²⁰⁶⁵ El acuerdo entre el Instituto Mexicano del Petróleo y su sindicato beneficiará a más de 4 mil 400 trabajadores: Alfonso Navarrete Prida 6 September 2013. Access Date: 23 February 2014.
http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_103.html

²⁰⁶⁶ Acuerdo Alfonso Navarrete Prida con Singapur construir convenio en el ámbito de las prácticas laborales 13 September 2013. Access Date: 23 February 2014.
http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_107.html

²⁰⁶⁷ Prioridad para el gobierno y los empresarios que el empleo crezca de manera ágil y sostenida en México: Alfonso Navarrete Prida 20 September 2013. Access Date: 23 February 2014.
http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_111.html

in the state of Sonora. She also called for improving the business environment for investment, increasing education quality, etc.²⁰⁶⁸ On 20 January 2014, local commissions on productivity and the eradication of child labour were also established in Guerrero.²⁰⁶⁹

On November 2013, the Mexican Ministry of Labor and Social Welfare launched the Employment Portal for disabled and old people. On 7 November 2013, Patricia Martínez Cranss inaugurated the first expo of jobs for disabled and old people in Ecatepec. She emphasized that 34 expos in various states presented more 8,000 jobs by 656 companies. She also noted that the ministry provided psychologists' assistance across the country to increase employment quality for disabled and old people.²⁰⁷⁰

On 7 November 2013, Martínez announced that since the beginning of the year the ministry had formally employed more than 1,200,000 people due to coordinated efforts of the ministry and the state governments through implementing programs such as Bécate y Fomento, Bolsa de Trabajo, through Employment Portal and career expos.²⁰⁷¹

On 27 December 2013, the Institute of National Fund for Workers Consumption (INFONACOT) and MasterCard presented a new card with security chip in order to provide the workers an access to the credit. This card permits to funds to be transferred safely through more than 550,000 offices across the country. César Martínez Baranda, General Director of the INFONACOT and Antonio Junco, President and General Director of MasterCard Mexico and Central America, noted that this card was issued in accordance with the Resolution 23 by the Mexican National Banking and Securities Commission, which changed standards for the institutes providing credits especially relating to credit card security. Martínez said that the card would also improve the living conditions of workers and their families by creation of secure and accessible credit mechanisms.²⁰⁷²

On 11 March 2014, Governor of Hidalgo state José Francisco Olvera Ruiz and Minister of Labor and Social Welfare Alfonso Navarrete Prida launched the Hidalgo State Commission on Productivity aimed to increase productivity and competitiveness of production sector through support of training activities and working conditions improvement in the state. The Commission will include representatives of federal and state government, business, labor organisations, universities and secondary education institutions who will define priorities, objectives, goals and strategies in terms of productivity and employment aimed at the economic development of the state. They also announced a start of the Productivity Support Program (PAP) which will benefit more than 400 workers in three companies. The PAP will provide the courses and trainings on productivity and specific job skills.²⁰⁷³

²⁰⁶⁸ Con la suma de esfuerzos, se garantizan mejores condiciones de empleo en el país: Patricia Martínez Cranss 4 October 2013. Access Date: 23 February 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_119.html.

²⁰⁶⁹ Llama Alfonso Navarrete Prida a sumar esfuerzos para cerrar las enormes brechas de desigualdad 28 January 2014.

Access Date: 23 February 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/enero/bol_166.html.

²⁰⁷⁰ En noviembre arrancan el Portal de Empleo y la Bolsa de Trabajo, dirigidos a personas con discapacidad y adultos mayores: Secretaría del Trabajo y Previsión Social 7 November 2013. Access Date: 23 February 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_121.html.

²⁰⁷¹ Rebasa la Secretaría del Trabajo y Previsión Social en 11.7 por ciento la meta de colocar a más de 1.1 millones de personas en un empleo 7 November 2013. Access Date: 23 February 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/noviembre/bol_139.html.

²⁰⁷² Presentan FONACOT y MasterCard nueva tarjeta con chip de seguridad integrado 27 December 2013. Access Date: 23 February 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/noviembre/bol_conj_fonacot.html.

²⁰⁷³ INSTALA GOBIERNO DE HIDALGO COMISIÓN ESTATAL DE PRODUCTIVIDAD 11 March 2014. Access Date: 23 September 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/marzo/bol_196.html.

On 9 April 2014, Mexican Deputy Minister on Employment and Labor Productivity Patricia Martínez Cranss declared the Mexican Ministry of Labour and Social Welfare through the National Employment Service (SNE) allocated more than USD3 million to boost job creation in Chiapas in 2014. These resources are disbursed to provide 17 private projects with necessary equipment to stimulate them to create more jobs.²⁰⁷⁴

On the demand side, on 17 October 2013, through the Employment Program (Programa de Fomento al Empleo) the Mexican Ministry of Labor and Social Welfare allocated equipment for more than 4,000 small business projects. For this purpose National Employment Service provided more USD13 million.²⁰⁷⁵

The Financial Reform program was launched in November 2013. One of its objectives is to increase number of credits and to make them more accessible for economic development of Mexico including job creation.²⁰⁷⁶

On 16 December 2013, Program of Innovative Development 2013–2018 was approved and published in the Official Journal of the Federation.²⁰⁷⁷ It strengthens of Mexico's competitiveness and investment attractiveness, boosting productivity through innovative policy, and promoting micro, small and medium-sized enterprises development for job creation.

On 30 January 2014, the Mexican government announced MXN12 billion in the form of subsidies for house construction projects. These funds will stimulate additional investments not less than MXN30 billion and generate 100,000 workplaces.²⁰⁷⁸

Mexico has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Elizaveta Safonkina

Russia: +1

Russia has fully complied with the commitment stimulate the creation of formal jobs.

On 13 November 2013, the Russian government adopted an action plan to increase the number of high-skilled workers by 2020. It provides for the measures to assist students and workers achieve the skills that ensure a high professional level. The plan is intended to modernize education programs to ensure flexibility and individual approaches in education with the use of modern technologies. By 2018

²⁰⁷⁴ EL SERVICIO NACIONAL DE EMPLEO DESTINARÁ 50 MILLONES DE PESOS ESTE AÑO PARA IMPULSAR LA GENERACIÓN DE FUENTES DE TRABAJO EN CHIAPAS: PATRICIA MARTÍNEZ CRANSS 9 April 2014. Access date: 23 September 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/abril/bol_217.html/

²⁰⁷⁵ Apoya la secretaría del trabajo y previsión social con equipo y herramienta a 4,787 pequeños negocios 17 October 2013. Access Date: 23 February 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_128.html.

²⁰⁷⁶ Presentación de la Iniciativa de Reforma Financiera. Access Date: 23 February 2014.

http://hacienda.gob.mx/Biblioteca_noticias_home/reforma_financiera_08052013.pdf.

²⁰⁷⁷ Programa de Desarrollo Innovador 2013 – 2018. Access Date: 23 February 2014.

http://www.economia.gob.mx/files/marco_normativo/PRG5.pdf.

²⁰⁷⁸ Se generarán más de 100 mil empleos en el sector vivienda 30 January 2014. Access Date: 23 February 2014.

<http://www.presidencia.gob.mx/se-generaran-mas-de-100-mil-empleos-en-el-sector-vivienda/>.

250 multifunctional centres of applied qualifications and a basic centre of professional training will be created.²⁰⁷⁹

On 15 April 2014, the Russian government updated the State Program on the Promotion of Employment. It includes the Development of Labour Market Institutions subprogram to ensure high-quality qualifications, protection of employees' health and protection of citizens' labour rights. RUB18.9 billion will be allocated between 2013 and 2020.²⁰⁸⁰

The State Program includes the subprogram Development of Vocational Education and Training. It increases the contribution of education to social, economic and cultural modernization of Russia and increases its global competitiveness. It also ensures demand from the economy and society for each person. RUB3.8 trillion will be allocated to this subprogram between 2013 and 2020.²⁰⁸¹

On 5 May 2014, the Russian President signed a federal law to regulate the trilateral legal relationship arising from the provision of employees to a third party (outstaffing) and prevention from employers not concluding a contract with this type of employee.²⁰⁸²

Russia has taken measures to stimulate creation of formal jobs on both supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on job creation.

Saudi Arabia has significantly increased its budget spending since the 2011 uprisings in the Middle East to combat financial crisis and unemployment.²⁰⁸³ However, after the expansionary 2013, only a modest spending rise was set for 2014: 19 per cent and 4.3 per cent correspondingly.²⁰⁸⁴ This is the lowest increase since 2003.²⁰⁸⁵

On the supply side, there is a growing acknowledgement in the Saudi Arabian government that there is a need to address unemployment, especially among youth, and to encourage job creation in the private sector.²⁰⁸⁶ Private companies prefer not to employ national workers since there is a mismatch between

²⁰⁷⁹ On the adoption of the Action Plan to increase the number of high-skilled workers by 2020, Russian Government 16 November 2013. <http://government.ru/docs/8204>.

²⁰⁸⁰ Government Resolution No. 298 of 15 April 2014, Russian Ministry of Labour and Social Protection 29 April 2014. <http://www.rosmintrud.ru/docs/government/134>.

²⁰⁸¹ Government Resolution No. 298 of 15 April 2014, Russian Ministry of Labour and Social Protection 29 April 2014. <http://www.rosmintrud.ru/docs/government/134>.

²⁰⁸² The law regulating trilateral legal relationship arising from outstaffing, President of Russia 5 May 2014. <http://kremlin.ru/acts/20956>.

²⁰⁸³ UPDATE 2-Saudi Arabia starts to curb spending growth in 2014 budget, Reuters 23 December 2013. Access Date: 7 February 2014. <http://www.reuters.com/article/2013/12/23/saudi-budget-idUSL6N0K220720131223>.

²⁰⁸⁴ Saudi Arabia Sets Modest Spending Rise In 2014 Budget Plan, Gulf Business 23 December 2013. Access Date: 7 February 2014. http://gulfbusiness.com/2013/12/saudi-arabia-sets-modest-spending-rise-in-2014-budget-plan/#.Uwccwrf1_uVF.

²⁰⁸⁵ UPDATE 2-Saudi Arabia starts to curb spending growth in 2014 budget, Reuters 23 December 2013. Access Date: 7 February 2014. <http://www.reuters.com/article/2013/12/23/saudi-budget-idUSL6N0K220720131223>.

²⁰⁸⁶ Saudi Arabia needs private sector growth to stem youth unemployment, business leaders say, Times Colonist 3 December 2013. Access Date: 7 February 2014. <http://www.timescolonist.com/business/saudi-arabia-needs-private-sector-growth-to-stem-youth-unemployment-business-leaders-say-1.718872>.

the skills of Saudis and the needs of employers as well as between the salary expectations of Saudis and opportunities of employers.

However, this acknowledgement does not always result in concrete action, and achievements in fighting unemployment are still very modest. At the end of 2013 Saudi's unemployment rate was 11.5 per cent, among women — 32.1 per cent.²⁰⁸⁷ Experts estimate that in fact only 30-40 per cent of working age Saudis have a job. Many of those who are unemployed receive financial support from their relatives.²⁰⁸⁸

The Government has been expanding women's rights and their employment opportunities.²⁰⁸⁹ In January 2013, Saudi Arabia's King Abdullah appointed 30 women to the Shura Council, which advises the King on policy and legislation and introduced a 20 per cent quota for women in this council for the first time in the history.²⁰⁹⁰ However, the progress in the sphere of women employment is very slow.

In January 2014, Saudi Arabia decided to introduce compulsory unemployment insurance for all citizens. All public and private sectors' employees will pay 1 per cent of their salaries for the insurance. The employers will pay the same amount. Those who get unemployed are entitled to a compensation up to 12 months.²⁰⁹¹ This plan is expected to make employment by private companies, which is not perceived as employment for life in contrast to employment by state companies, more attractive for young Saudis.

On the demand side, Saudi Arabia has taken measures to decrease the number of illegal foreign workers to provide more jobs to Saudis.²⁰⁹² The illegal worker amnesty expired in November 2013, and the number of foreign workers decreased from approximately 9 to 8 million people.²⁰⁹³ Though this does not necessarily leads to the increase in the employment of Saudis since many of them are used to shorter hours and higher salary than foreign workers.

In January 2014, the Labor Ministry of Saudi Arabia was studying opportunities to expand the Nitaqat program, which was introduced in 2011 to reward employers who employ higher percentages of Saudis. Companies that do not achieve the required level are penalized. Foreign workers may be discouraged from bringing their families and allowed to live in Saudi Arabia for not more than eight years.²⁰⁹⁴

Saudi Arabia has taken steps to create formal jobs on both the supply and demand side. Thus, it has been awarded a score of +1.

Analyst: Tatiana Lanshina

²⁰⁸⁷ Quarterly unemployment rates 2013, Central Department of Statistics & Information. Access Date: 29 September 2014. <http://www.cdsi.gov.sa/english/>.

²⁰⁸⁸ Saudi Arabia introduces unemployment insurance, Reuters 6 January 2014. Access Date: 29 September 2014. <http://www.reuters.com/article/2014/01/06/saudi-unemployment-idUSL6N0KG1VX20140106>.

²⁰⁸⁹ Saudi Women's Slow Drive to Reform, Al-Monitor 18 October 2013. Access Date: 7 February 2014. <http://www.al-monitor.com/pulse/originals/2013/10/saudi-women-rights-slow-reform.html#>.

²⁰⁹⁰ Saudi Arabia's king appoints women to Shura Council, BBC 11 January 2013. Access Date: 7 February 2014. <http://www.bbc.co.uk/news/world-middle-east-20986428>.

²⁰⁹¹ Saudi Arabia introduces unemployment insurance, Reuters 6 January 2014. Access Date: 29 September 2014. <http://www.reuters.com/article/2014/01/06/saudi-unemployment-idUSL6N0KG1VX20140106>.

²⁰⁹² Saudi remittances to fall \$6.7bn after expat crackdown, Arabian Business 6 November 2013. Access Date: 9 February 2014. <http://www.arabianbusiness.com/saudi-remittances-fall-6-7bn-after-expat-crackdown-525402.html>.

²⁰⁹³ Saudi Arabia rounds up migrant workers as amnesty ends, BBC 4 November 2013. Access Date: 9 February 2014. <http://www.bbc.co.uk/news/world-asia-24810033>.

²⁰⁹⁴ Expats' stay in KSA might be restricted, Arab News 6 January 2014. Access Date: 7 February 2014. <http://www.arabnews.com/news/504356>.

South Africa: +1

South Africa has fully complied with the commitment stimulate the creation of formal jobs.

On 9 October 2013, the Public Employment Services of the South African Department of Labour placed 16,171 work seekers in direct employment opportunities using its electronic matching initiative the Employment Services System for South Africa (ESSA). In 2013 the department registered 600,259 of work seekers in the ESSA against a target number of 450,000.²⁰⁹⁵

On 24 October 2013, the South African National Assembly passed the Employment Equity Bill “ensure that workers are paid the same for the work of equal value” and end “unfair discrimination by employers in respect of terms and conditions of employment of employees doing the same work, similar work or work of equal value.”²⁰⁹⁶

On 12 November 2013, the South African National Assembly adopted the Employment Services Bill. According to South African Minister of Labour Mildred Oliphant, the Employment Services Bill contributes to the government’s objectives of “more jobs, decent work and sustainable livelihoods by repositioning public employment services to play a major role in employment promotion and employment preservation and will also assist employers, workers and work seekers to adapt to changing labour market conditions.” The Bill allows the Minister to issue regulations requiring “employers to register vacancies in specified categories of work and permits the introduction of schemes to promote the employment of work seekers, to assist employees facing retrenchments to remain in employment, and to promote the rehabilitation and re-entry into employment of employees injured on duty or who have contracted an occupational disease.”²⁰⁹⁷

On 28 February 2014, the Department of Labour published the Employment Equity Regulations 2014 for public comment to “further augment government’s commitment towards the promotion of equity and diversity” in the labour market. The regulations give effect to the Employment Equity (EE) Amendment Act No. 47 of 2013, which was assented by the President on 14 January 2014. The Employment Equity Regulations 2014 provides practical guidelines on how to implement EE law in the workplace. The key issues highlighted by the EE Regulations 2014 is “the revised definition of designated groups, criteria and methodology for assessing work of equal value, guidelines for assessment of compliance using the national and regional economically active population (EAP) and enforcement mechanisms.”²⁰⁹⁸

On 1 March 2014, minimum wages for the vulnerable workers in the farms sector were adjusted: from ZAR11.66 to ZAR12.41 per hour, from ZAR525 to ZAR558.6 per week, from ZAR274.82 to ZAR420.41 per month. Sectoral determination covers the protection of workers in vulnerable

²⁰⁹⁵ Department of Labour places more than 16 000 in job opportunities using its ESSA electronic platform, South African Department of Labour 9 October 2013. <http://www.labour.gov.za/DOL/media-desk/media-statements/2013/departement-of-labour-places-more-than-16-000-in-job-opportunities-using-its-essa-electronic-platform>.

²⁰⁹⁶ National Assembly adopts Employment Equity Bill, South African Department of Labour 24 October 2013.

<http://www.labour.gov.za/DOL/media-desk/media-statements/2013/national-assembly-adopts-employment-equity-bill>.

²⁰⁹⁷ National assembly passes Employment Services Bill bringing to four bills passed this year alone, South African Department of Labour 12 November 2013. <http://www.labour.gov.za/DOL/media-desk/media-statements/2013/national-assembly-passes-employment-services-bill-bringing-to-four-bills-passed-this-year-alone>

²⁰⁹⁸ Department of Labour unveils Employment Equity Regulations taking a step closer towards implementation of new EE Act 28 February 2014. <http://www.labour.gov.za/DOL/media-desk/media-statements/2014/departement-of-labour-unveils-employment-equity-regulations-taking-a-step-closer-towards-implementation-of-new-ee-act>.

sectors/areas of work. The determination sets minimum working hours, minimum wages, number of leave days and termination rules. The determination is reviewed annually by Minister of Labour.²⁰⁹⁹

On 1 August 2014, the Amended Employment Equity Act entered into force. According to South African Minister of Labour Mildred Oliphant new law introduces “five fundamental aspects”: 1) equal pay for work of equal value; 2) strengthening inspections and enforcement, 3) increasing of penalties for non-compliance, 4) empowerment of the Director General with the right to question the employment equity plans if they are flawed, 5) empowerment of the Commission for Conciliation Mediation and Arbitration (CCMA) with the powers not only to conciliate but to arbitrate and issue awards on cases relating to unfair discrimination.²¹⁰⁰

South Africa has taken measures to stimulate creation of formal jobs on both supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Lyudmila Tarasenko

Turkey: +1

Turkey has fully complied with the commitment on job creation.

On the supply side, in 2013 Turkey launched the Project on Facilitating Effective and Reliable Resources for Occupational Safety and Health in the Turkish Metal Sector. The project will be implemented until June 2014 and will raise awareness on risk assessments, occupational health risks and the new provisions of Occupational Health and Safety Law among the health professionals serving for the metal industry.²¹⁰¹

On 22 September 2013, Turkish Minister of Labor and Social Security Faruk Çelik announced the launch of a new female employment package. The new package allows women with three children to receive full payment for working half a day. Çelik stressed that the package will increase both the employment rate and birth rate of women in the country.²¹⁰²

On 25 September 2013, Turkish Ministry of Labour and Social Security, Ministry of Education and representatives of the European Union introduced the joint Professional and Technical Education Quality Improvement Project. This initiative strengthens the link between labour market needs and education and improves the national training system. It involves state officials and employers community representatives, and will be implemented as a pilot project in 21 Turkish provinces.²¹⁰³

On 23 January 2014, Faruk Çelik and Turkish Minister of Development Cevdet Yılmaz presented a report “Good Jobs in Turkey” prepared by the World Bank. According to the report “there has been

²⁰⁹⁹ Farmworkers wages adjusted upward, South African Department of Labour 3 February 2014.

<http://www.labour.gov.za/DOL/media-desk/media-statements/2014/farmworkers-wages-adjusted-upward>

²¹⁰⁰ Keynote address by the Minister of Labour, Mildred Oliphant, on the occasion of the BMF National Conference in Johannesburg 30 September 2014. <http://www.labour.gov.za/DOL/media-desk/speeches/2014-1/keynote-address-by-the-minister-of-labour-mildred-oliphant-on-the-occasion-of-the-bmf-national-conference-in-johannesburg>

²¹⁰¹ 2013 Progress Report prepared by Turkey, Turkish Ministry for EU Affairs December 2013. Access Date: 24 February 2014. http://www.abgs.gov.tr/files/AB_Iliskileri/AdaylikSureci/IlerlemeRaporlari/2013_tr_progress_report.pdf.

²¹⁰² Package to ‘increase’ workforce, birth rate, Hurriyet 22 September 2013. Access Date: 24 February 2014. <http://www.hurriyetdailynews.com/package-to-increase-workforce-birth-rate.aspx?pageID=238&nID=54939&NewsCatID=338>.

²¹⁰³ Türkiye’de Mesleki ve Teknik Eğitimin Kalitesinin Geliştirilmesi Projesi, Ministry of National Education of Turkey 25 September 2013. Access Date: 24 February 2014. <http://www.meb.gov.tr/turkiyede-mesleki-ve-teknik-egitimin-kalitesinin-gelistirilmesi-projesi/haber/6356>.

remarkable employment creation in Turkey along with rapid economic growth since 2009, and most of those jobs are good jobs associated with labor productivity.” Minister Çelik announced government’s plans to continue this process of employment creation through raising female participation in the Turkish workforce.²¹⁰⁴ Lead author of the report Rebekka Grun mentioned that “policies that facilitated labor reallocation and targeted reductions in labor costs have been instrumental in the fast creation of good jobs in Turkey.”²¹⁰⁵

On the demand side, on 17 December 2013 the Turkish Employment Service (ISKUR) announced that it will invest up to TRY150,000 per employer in order to establish protected workplaces for people with mental and psychological disabilities. ISKUR will refund 60 per cent of employers’ operating costs on labor for a first year, thus stimulating them to create workplaces for people with disabilities.²¹⁰⁶

Turkey has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

United Kingdom: +1

United Kingdom has fully complied with the commitment on job creation.

On the supply side, on 3 October 2013 the additional GBP20 million funding was announced by Skills Minister Matthew Hancock for the government’s new traineeships program to provide 16- to 23-year-olds with the skills, experience and confidence to compete in the labour market, helping them secure apprenticeships or other jobs.²¹⁰⁷

On 11 November 2013, Employment Relations Minister Jo Swinson unveiled the new guidance that will provide more support for interns uncertain about their pay rights. The guidance was produced by the Department for Business, Innovation & Skills (BIS) in collaboration with 4Talent, Channel 4’s in-house scheme.²¹⁰⁸

On 9 December 2013, the Access to Work scheme has set aside GBP2 million to help disabled people take up work placement and to receive the same opportunities as non-disabled people.²¹⁰⁹

²¹⁰⁴ World Bank: Turkey has successfully created ‘good jobs’ in post-crisis period, Today’s Zaman 23 January 2014. Access Date: 30 September 2014. <http://www.todayszaman.com/news-337414-world-bank-turkey-has-successfully-created-good-jobs-in-post-crisis-period.html>

²¹⁰⁵ Turkey’s Recent Ability to Create Jobs Stands Out in International Comparison, but the Challenge is to Sustain this Performance, The World Bank 23 January 2014. Access Date: 30 September 2014. <http://www.worldbank.org/en/news/press-release/2014/01/23/turkeys-recent-ability-to-create-jobs-stands-out-in-international-comparison-but-the-challenge-is-to-sustain-this-performance>

²¹⁰⁶ İŞKUR’dan Engelli İstihdamına Büyük Destek, Turkish Employment Service 17 December 2013. Access Date: 24 February 2014. <http://www.iskur.gov.tr/TabId/189/ArtMID/1139/ArticleID/306/%C4%B0%C5%9EKURdan-Engelli-%C4%B0stihdam%C4%B1na-B252y252k-Destek.aspx>

²¹⁰⁷ New funding for traineeship scheme announced, Department for Business, Innovation & Skills 3 October 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/new-funding-for-traineeship-scheme-announced>

²¹⁰⁸ Government reveals new support to protect interns’ right to fair pay, Department for Business, Innovation & Skills 11 November 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/government-reveals-new-support-to-protect-interns-right-to-fair-pay>

²¹⁰⁹ Access to Work extended to help more disabled people into work, Department for Business, Innovation & Skills 9 December 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/access-to-work-extended-to-help-more-disabled-people-into-work>

On 16 December 2013, Skills Minister Matthew Hancock announced new vocational courses in engineering and construction for 14- to 16-year-olds as part of the government's long-term plan for the economy. The qualifications have been specifically designed by industry leaders and will help Britain's teenagers compete in the global jobs market.²¹¹⁰

On 17 December 2013, it was announced that the London Professional Apprenticeship program will receive GBP1.4 million from the Department for Business, Innovation and Skills of the UL (BIS) with PwC contributing GBP900,000. The programme will provide 250 apprenticeships to attract outstanding young Londoners into professional services roles. This has to help young people to match their skills with employers' requirements.²¹¹¹

On 14 January 2014, Secretary of State for Transport Patrick McLoughlin unveiled the plans for a new college to train the next generation of world-class engineers to work on the construction of high speed rail. The new skills provided by college will include rail engineering, environmental skills and construction. The college will help to fulfill the new jobs in infrastructure sector with British workers. The High Speed 2 rail project is planned to underpin the delivery of 400,000 jobs.²¹¹²

On 28 January 2014, Skills and Enterprise Minister Matthew Hancock set out the plans to open on a new high-tech further education college to train the workforce of nuclear power plants funded by government and the nuclear industry. The college will help to tackle the workers' skills gaps, particularly, in engineering, and to fulfill up to 40,000 jobs planned to be created in the nuclear sector. He also laid out plans to develop a software engineering college to respond to the needs of the information technology sector.²¹¹³

On 28 April 2014, the new scheme Help to Work was launched. It will give Jobcentre staff a new range of options to support the long-term unemployed to help get off benefits and into work. The new measures include intensive coaching, a requirement to meet with the Jobcentre Plus adviser every day, or taking part in a community work placement for up to 6 months so claimants build the skills needed to secure a full-time job.²¹¹⁴

On 10 June 2014, the UK government and energy and utility employers set out an action plan to strengthen the UK's energy and utility workforce over the next three years. The UK government will invest GBP33 million in the partnership to help deliver around 70,000 new learning opportunities including apprenticeships and traineeships.²¹¹⁵

²¹¹⁰ New engineering qualifications for 14- to 16-year-olds, Department for Education 16 December 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/new-engineering-qualifications-for-14-to-16-year-olds>

²¹¹¹ £2.3 million to open London's professional services to more apprentices, Department for Business, Innovation & Skills 17 December 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/23-million-to-open-londons-professional-services-to-more-apprentices>

²¹¹² First new college in 20 years to support development of High Speed 2 (HS2), Department for Business, Innovation & Skills 14 January 2014. Access Date: 20 February 2014. <https://www.gov.uk/government/news/first-new-college-in-20-years-to-support-development-of-high-speed-2-hs2>

²¹¹³ Nuclear college to harness the power of skills training, Department for Business, Innovation & Skills 28 January 2014. Access Date: 20 February 2014. <https://www.gov.uk/government/news/nuclear-college-to-harness-the-power-of-skills-training>

²¹¹⁴ Help to Work: nationwide drive to help the long-term unemployed into work, Prime Minister's Office 28 April 2014. Date of Access: 27 September 2014. <https://www.gov.uk/government/news/help-to-work-nationwide-drive-to-help-the-long-term-unemployed-into-work>

²¹¹⁵ Energy and utility industries set out plan to tackle skills crisis, UK Commission for Employment and Skills 10 June 2014. Date of Access: 27 September 2014. <https://www.gov.uk/government/news/energy-and-utility-industries-set-out-plan-to-tackle-skills-crisis>

On 22 July 2014, the UK government started the commercial process to find a new partner for Remploy Employment Services so they can use private investment to help them expand. Remploy helps disabled people to get into jobs and it will receive the freedom to grow the business when they are allowed to take on significant investment free from government control.²¹¹⁶

On 13 August 2014, the UK Commission for Employment and Skills welcomed new proposals to measure the outcomes of education and skills for adult learners. This measure is intended to provide more accurate, relevant information for students and employers, and to shift the focus of education providers towards giving adult students the skills they need to get into work, rather than simply deliver qualifications.²¹¹⁷

On 10 September 2014, Communities Secretary Eric Pickles announced a consultation on how town halls can ensure that all social tenants have the ability to move easily in case they need to relocate for a new job or training. This measure has to help to improve the mobility of people and to make it easier for them to find a new job.²¹¹⁸

On the demand side, on 5 November 2013 Energy Secretary Edward Davey reaffirmed the government's commitment to invest a share of GBP2.5 million of further investment in offshore wind innovation. The renewable electricity 2010 has the potential to support over 35,000 jobs across the UK.²¹¹⁹

On 18 December 2013, the Energy Bill received Royal Assent. It is intended to provide investors and industry with the confidence to unlock up to GBP110 billion of private sector investment in the electricity sector and to support up to 250,000 jobs, 200,000 of which are "green" jobs in the renewable energy sector.²¹²⁰

On 5 June 2014, Minister for Tourism Helen Grant announced a partnership between the UK Government and the tourism and hospitality sector. The partnership will focus on improving skills, increasing the quality and quantity of jobs available and boosting enterprise in the industry. The partnership will also work for increasing the availability of apprenticeships within the sector.²¹²¹

United Kingdom has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

²¹¹⁶ Boost for Remploy Employment Services, Department for Work and Pensions 22 July 2014. Date of Access: 27 September 2014. <https://www.gov.uk/government/news/boost-for-remploy-employment-services>

²¹¹⁷ UKCES welcomes proposals for new approach to measuring success in adult learning, UK Commission for Employment and Skills 13 August 2014. Access Date: 27 September 2014. <https://www.gov.uk/government/news/ukces-welcomes-proposals-for-new-approach-to-measuring-success-in-adult-learning>

²¹¹⁸ Right to Move: government launches consultation to support social tenants who want to work, Department for Communities and Local Government 10 September 2014. Access Date: 27 September 2014. <https://www.gov.uk/government/news/right-to-move-government-launches-consultation-to-support-social-tenants-who-want-to-work>

²¹¹⁹ Renewable Energy: Delivering Green Jobs, Growth and Clean Energy, Department of Energy & Climate Change 5 November 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/renewable-energy-delivering-green-jobs-growth-and-clean-energy>

²¹²⁰ Electricity Market Reform Delivery Plan Published, Department of Energy & Climate Change 19 December 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/new-energy-reforms-to-support-250000-jobs-keep-bills-down-and-produce-cleaner-energy>

²¹²¹ Government and tourism industry partnership announced to boost the sector, Department for Culture, Media & Sport 5 June 2014. Date of Access: 27 September 2014. <https://www.gov.uk/government/news/government-and-tourism-industry-partnership-announced-to-boost-the-sector>

United States: +1

The United States has fully complied with the commitment on job creation.

On the supply side, on 17 September 2013 the Department of Labor announced a final rule extending the Fair Labor Standards Act's minimum wage and overtime protections to nearly 2 million direct care workers, such as home health aides, certified nursing assistants, etc.²¹²²

On 31 October 2013, the Department of State launched the Veterans Innovation Partnership fellowship program, to promote foreign affairs career opportunities for veterans. The program is concentrated on providing opportunities for veterans to study international relations, to get fellowships and jobs.²¹²³

On 18 February 2014, the Department of Labor announced USD73 million in grants to organizations that oversee education and employment services for disadvantaged youths in their communities. The aim is to help youth complete high school or General Educational Development programs or learn critical skills in high-demand fields, such as health care, information technology, construction, etc.²¹²⁴

On 18 February 2014, the Department of Labor also made available USD30 million to provide training, educational opportunities, workforce activities, follow-up services, etc., in areas with high poverty and crime rates. This funding is in the framework of the second round of the Training to Work — Adult Reentry Competitive Grant Program.²¹²⁵

On 6 August 2014, the Department of Labor announced USD73.6 million in YouthBuild grants to improve academic and occupational skills training for at-risk youth in 31 states. YouthBuild program provides classroom instruction and occupational skills training to young people aged 16 to 24 who have been in the juvenile justice, have dropped out of the school or are otherwise at risk.²¹²⁶

On 24 April 2014, the U.S. Labor Department allocated USD5.6 million to employment assistance services for coal industry workers who are affected by layoffs and mine closures in West Virginia.²¹²⁷

On 26 June 2014, the U.S. Labor Department announced USD36 million in grants for job trainings in civilian sectors to help 12,000 homeless veterans.²¹²⁸

²¹²² Minimum wage, overtime protections extended to direct care workers by US Labor Department, United States Department of Labor 17 September 2013. Access Date: 17 February 2014. <http://www.dol.gov/opa/media/press/whd/WHD20131922.htm>.

²¹²³ The Veterans Innovation Partnership Fellowship Program, U.S. Department of State 31 October 2013. Access Date: 17 February 2014. <http://www.state.gov/r/pa/prs/ps/2013/10/216132.htm>.

²¹²⁴ Approximately \$73M in YouthBuild grants to help disadvantaged youth develop job and leadership skills made available by US Labor Department, United States Department of Labor 18 February 2014. Access Date: 18 February 2014. <http://www.dol.gov/opa/media/press/eta/ETA20140257.htm>.

²¹²⁵ Grants totaling \$30M to help adults in prison work-release programs transition to the workforce now available from US Labor Department, United States Department of Labor 18 February 2014. Access Date: 18 February 2014. <http://www.dol.gov/opa/media/press/eta/ETA20140278.htm>.

²¹²⁶ \$73.6M in YouthBuild grants awarded by the US Labor Department, U.S. Department of Labor 6 August 2014. Access Date: 27 September 2014. <http://www.dol.gov/opa/media/press/eta/ETA20141446.htm>.

²¹²⁷ \$5.6M to aid W.Va. workers formerly employed in the coal mining industry announced by US Labor Department, U.S. Department of Labor 24 April 2014. Access Date: 27 September 2014. <http://www.dol.gov/opa/media/press/eta/ETA20140687.htm>.

²¹²⁸ \$36M in job-training grants to help 12,000 homeless veterans awarded by US Labor Department, U.S. Department of Labor 25 September 2014. Access Date: 27 September 2014. <http://www.dol.gov/opa/media/press/vets/VETS20141224.htm>.

On the demand side, in 2013, the U.S. Small Business Administration (SBA) allocated over USD29 billion in lending to small companies to create new jobs and develop their business.²¹²⁹

In November 2013, the SBA held Veterans Small Business Week to inform veterans about the government support tools and provide them with training, funding and business development opportunities.²¹³⁰

On 25 September 2014, the Department of Labor awarded USD14.8 million in grants to 6 states to expand the capacity of local American Jobs Centers and thus to improve employment opportunities for disabled youth and adults. This project is a part of the Disability Employment Initiative.²¹³¹

The United States has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Tatiana Lanshina

European Union: +1

European Union has fully complied with the commitment on job creation.

On the supply side, on 6-7 November, the European Commission brought together European policy makers at a conference in Brussels to ensure efficient and effective use of the more than EUR70 billion available to member states from the European Social Fund (ESF) from 2014 to 2020.²¹³² The ESF helps people upgrade their skills, facilitates their integration into the labour market, and combats social exclusion and poverty.

On 11 December 2013, the European Commission announced the first tranche of funding for research grants totalling EUR800 million in 2014. This financing is aimed particularly at early-stage researchers without a PhD. Training provides them with experience outside academia to develop transversal skills to encourage innovation, entrepreneurship and employability.²¹³³

On 17 January 2014, European Commission presented a proposal to strengthen pan-European job search network EURES to provide more job offers, increase the likelihood of job matches and help employers, notably small and medium businesses, to fill job vacancies faster and better.²¹³⁴

On 10 March 2014, the EU Council of Ministers adopted a Quality Framework on Traineeships to enable trainees to acquire high-quality work experience under safe and fair conditions, and to increase their chances of finding a good quality job. The Council Recommendation on a Quality Framework for

²¹²⁹ SBA Lending Activity in FY 2013 Shows SBA Continuing to Help Small Businesses Grow and Create Jobs, SBA 29 October 2013. Access Date: 21 February 2014. <http://www.sba.gov/content/sba-lending-activity-fy-2013-shows-sba-continuing-help-small-businesses-grow-and-create-jobs>.

²¹³⁰ Small Business Administration Kicks Off Veterans Small Business Week, SBA 4 November 2013. Access Date: 21 February 2014. <http://www.sba.gov/content/small-business-administration-kicks-veterans-small-business-week>.

²¹³¹ \$14.8M in grants announced by US Labor Department to expand employment opportunities for people with disabilities, U.S. Department of Labor 25 September 2014. Access Date: 27 September 2014. <http://www.dol.gov/opa/media/press/eta/ETA20141764.htm>.

²¹³² European Social Fund: conference to promote more effective and efficient implementation in 2014-2020, European Commission 5 February 2014. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_IP-14-115_en.htm

²¹³³ Marie Skłodowska-Curie Actions: €800 million to support research careers, training and mobility in 2014, European Commission 11 December 2013. Access Date: 21 February 2014. http://europa.eu/rapid/press-release_MEMO-13-1123_en.htm

²¹³⁴ Employment: Commission proposes to improve EURES job search network, European Commission 17 January 2014. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_IP-14-26_en.htm

Traineeships calls on Member States to ensure that national law or practice respects the principles set out in the guidelines, and to adapt their legislation where necessary.²¹³⁵

On 17 June 2014, European Commission launched the European Hospitality Skills Passport, a tool developed to facilitate contact between jobseekers and employers in the hospitality and tourism sector in Europe. In the Skills Passport, workers can record all the skills and competences gained during their education, training and practical work experience in an easily accessible format. It enables employers to quickly overcome language barriers and to find the skilled workers they need to fill their vacancies. According to the European Commission, the passport has to be extended to other sectors in the future to increase mobility of the labour force.²¹³⁶

On the demand side, on 15 October European Council members adopted a declaration in support of the European Alliance for Apprenticeships, and agreed on guidelines to improve their apprenticeships systems. And on 15 November 2013, one of the first “Nestlé needs YOUth” initiatives was launched. Under this initiative the public and private sectors will work together in the fight against youth unemployment and will invest more in equipping young people with the skills and training they need. Nestlé pledged to create 20,000 jobs, apprenticeships and traineeships across Europe in the next three years. The company also pledged to work with 60,000 businesses to increase work opportunities for young people. The company will provide 120 business ambassadors, who will provide advice and guidance to smaller companies that wish to start or strengthen apprenticeship schemes.²¹³⁷

On 5 May 2014, the European Commission has adopted the first of 28 “Partnership Agreements” that set down the strategies in EU members and regions for usage of European Structural and Investment Funds for growth and jobs in 2014-2020. The first partnership agreement was signed with Denmark.²¹³⁸

On 3 June 2014, the European Commission adopted the first Operational Programme in France in the framework of the EUR6 billion Youth Employment Initiative. Under this programme, France will receive EUR432 million to help young people not in employment, education or training to find a job in those regions with youth unemployment rates over 25%.²¹³⁹ On 11 July 2014, the second programme for the implementation of the Youth Employment Initiative was launched in Italy. Under this programme, Italy has to mobilise EUR1.5 billion from various sources, including EUR1.1 billion from the European budget, to help young people to find a job.²¹⁴⁰

European Union has taken steps to create formal jobs on both the supply and demand sides. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

²¹³⁵ Youth employment: Commission welcomes adoption of Quality Framework to improve quality of traineeships, European Commission 10 March 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_IP-14-236_en.htm

²¹³⁶ Employment: new European Skills Passport will facilitate recruitment in hospitality sector, European Commission 17 June 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_IP-14-678_en.htm

²¹³⁷ Commission welcomes Nestlé pledge on jobs and apprenticeships, European Commission 15 November 2013. Access Date: 21 February 2014. http://europa.eu/rapid/press-release_IP-13-1087_en.htm

²¹³⁸ European Commission adopts EU's first 'Partnership Agreement' on using EU Structural and Investment Funds for growth and jobs in 2014-2020, European Commission 5 May 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_IP-14-514_en.htm

²¹³⁹ Youth Employment Initiative: €620 million to tackle youth unemployment in France, European Commission 3 June 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_IP-14-622_en.htm

²¹⁴⁰ Youth Employment Initiative: €1.1 billion of EU money to tackle youth unemployment in Italy, European Commission 11 July 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_IP-14-826_en.htm

13. Employment: Education

“[We commit to] invest in our people’s skills [to give them skill portability and better prospects, to facilitate mobility and enhance employability].”

St. Petersburg G20 Leaders’ Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina		0	
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia		0	
Italy			+1
Japan		0	
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.80	

Background

The commitment to invest in education as a measure to stimulate employment was made at the second G20 summit in London. The leaders committed to “support employment by stimulating growth, investing in education and training, and through active labour market policies, focusing on the most vulnerable.”²¹⁴¹ The leaders’ commitment to increasing employment through promoting education and training was subsequently reiterated at the Pittsburgh, Seoul, Cannes and Los Cabos summits.

On 18-19 July 2013, the G20 Labour and Employment Ministers affirmed the commitment to invest in human capital development and education, emphasizing its importance to stimulating employability: “Well-designed education and training measures can improve employability, and facilitate transition of job seekers into new jobs particularly youth. Lifelong learning for all would be a major step forward in helping people to adapt their skills to the labour market demand areas.”²¹⁴²

²¹⁴¹ Global Plan for Recovery and Reform, G20 Research Group 2 April 2009. Date of Access: 24 January 2014. <http://www.g20.utoronto.ca/2009/2009communique0402.html>.

²¹⁴² G20 Labour and Employment Ministers’ Declaration, Russian G20 Presidency 19 July 2013. Access Date: 21 January 2014. <http://en.g20russia.ru/load/781649316>.

Commitment Features

The commitment requires the G20 members to invest in quality education as a means of enhancing employability and mobility within employment. As the commitment is part of a broader G20 effort to promote inclusive growth, it can be assessed on the basis of the members’ steps to advance these goals, which is to provide quality education for the whole population with a focus on the vulnerable groups, such as youth, women, older workers, long-term unemployed and people with disabilities.

According to the World Bank a vulnerable group is “a population that has some specific characteristics that make it at higher risk of falling into poverty” and includes “the elderly, the mentally and physically disabled, at-risk children and youth, ex-combatants, internally displaced people and returning refugees, HIV/AIDS- affected individuals and households, religious and ethnic minorities and, in some societies, women.”²¹⁴³

Examples of measures to improve the quality of education include:

- increase the relevance of education by adjusting learning processes, curriculum content and school management to take account of the context of learning;
- stress democratic citizenship, respect and human rights as the over-arching values of education and take measures so that they are developed at the school level and in other learning environments;
- emphasize sustainable development as the over-arching social outcome of education, and link this to curriculum development and teacher training;
- take special measures to reach vulnerable and marginalized groups; this may include school feeding programmes, itinerant teachers, health support, materials and instruction in minority languages, measures for the disabled;
- improve the school environment with special attention to the needs of girls in respect of safety, sanitation and the attitudes of teachers;
- strengthen the training, status and remuneration of teachers in order to improve teacher performance and motivation;
- invest in books, materials and equipment to provide a stimulating learning environment — at the very least, every child in school should have access to a book which they can read for themselves;
- develop accountable management systems, particularly at school level, under a clear legal framework and with appropriate capacity-building so that local information can feed into decisions and planning;
- continue research into measuring quality, developing appropriate indicators and building local capacity to collect and interpret local data.²¹⁴⁴

Scoring Guidelines

-1	Member does not take steps to invest in quality education.
0	Member takes steps to invest in quality education without targeting the vulnerable groups to ensure their access to quality education.
+1	Member takes steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education.

Argentina: 0

Argentina has partially complied with the commitment to invest in quality education.

²¹⁴³ Vulnerable Groups, World Bank. <http://go.worldbank.org/IHAHM1X3Q0>.

²¹⁴⁴ Goal 6: Improve the quality of education, UNESCO. <http://www.unesco.org/en/efa/efa-goals/quality-education/cHash/219782210e/>.

On 22 January 2014, Argentinian President Cristina Fernandez de Kirchner announced the launch of PROG.R.ES.AR plan, which is a program to support students in Argentina. She said that this program will ensure enhanced social security policy for the youth focusing on improving the conditions to study. It is aimed at young people aged 18 to 24 who do not study, do not work or have an informal work and fail to perceive the vital and the minimum wage established by law. PROG.R.ES.AR provides a benefit of USD600 per month that would cover 1.5 million young people of a total of nearly 5 million, where the largest rate of unemployment is recorded. This program will involve the Ministry of Economy, which will coordinate the Social Development Performance Fieldwork and Health, because young people have to be tested annually to continue participating in the program.²¹⁴⁵

On 25 September 2014, the Minister of Labour Carlos Tomada met with principals and representatives of 24 national universities to work together in implementing the PROEMPLEAR (a program to support sustainable employment in companies with financial problems and provide training and employment of workers at low cost). Two actions were determined within this meeting. The first implies creating teams of students who will be trained and paid by the Ministry of Labour. The second action implies providing non-college youth with an opportunity to visit university courses under the PROGRESS program.²¹⁴⁶

Argentina has taken measures to invest in quality education targeting the vulnerable groups to ensure their access to quality education. However, these actions were limited to youth. Thus, it has been awarded a score of 0.

Analyst: Yana Nursubina

Australia: +1

Australia has fully complied with the commitment on education.

The newly elected coalition government actively embarked on its proposed Students First Initiative to improve education outcomes with a particular focus in 2014 on four core areas: teacher quality, principal autonomy, engaging parents in education and strengthening the curriculum:

- On 10 January 2014, reviewers were appointed to evaluate the robustness, independence and balance of the Australian curriculum.²¹⁴⁷
- On 3 February 2014, new AUD70 million Independent Public Schools initiative was announced to encourage public schools to become more independent and involve parents and the community in decision-making processes with the aim to improve education outcomes.²¹⁴⁸
- On 19 February 2014, Ministerial Advisory Group on Teacher Education was established to research world's best practices in teacher education programs and advise the Australian government on improving teacher education.²¹⁴⁹

²¹⁴⁵ La Presidenta lanzó el programa PROG.R.ES.AR 22 January 2014.

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1744.

²¹⁴⁶ Se suman 24 universidades a la puesta en marcha del PROEMPLEAR. 19 September 2014

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2071

²¹⁴⁷ Review of national curriculum to put students first, Ministers' Media Centre Education portfolio 10 January 2014. Access Date: 2 February 2014. <http://ministers.education.gov.au/pyne/review-national-curriculum-put-students-first>

²¹⁴⁸ More schools set to use their own decision making power, Australian Government, Department of Education 3 February 2014. Access Date: 22 February 2014. <http://education.gov.au/news/more-schools-set-use-their-own-decision-making-power>

On 28 August 2014, Higher Education and Research Reform Amendment Bill 2014 was introduced into the House of Representatives, aiming to extending demand driven funding to higher education qualifications and improve access to higher education for all Australians.²¹⁵⁰

On 10 December 2013, the New Colombo Plan 2014 pilot program was launched by Minister for Foreign Affairs Julie Bishop with a funding of AUD100 million over five years. The plan will encourage a two-way flow of students in the Indo-Pacific region with the aim to lift knowledge of the region in Australia and strengthen people-to-people and institutional relationships.²¹⁵¹

On 2 December 2013, the government announced an additional AUD1.2 billion for Queensland, Western Australia and the Northern Territory, bringing total additional school funding over the next four years to AUD2.8 billion and ensuring fairer funding for schools nationally.²¹⁵²

On 22 November 2013, Minister for Education Christopher Pyne announced an increase in postgraduate and sub-bachelor student places in Australian universities with over 4,500 new places made available over the next four years in nursing and allied health, language and tertiary preparation programs.²¹⁵³

On 25 September 2014, legislation was introduced into the Australian Parliament to provide an extra AUD6.8 million to flow to non-government schools that have large numbers of Indigenous boarding students from remote areas and protect AUD2.4 million for students with disability.²¹⁵⁴

On 30 June 2014, an additional AUD22 million grant was announced for Good to Great Schools Australia programme to improve the literacy results of children in remote primary schools.²¹⁵⁵

On 22 June 2014, Minister for Education Christopher Pyne announced an increase of AUD22 million in funding for the Teach for Australia programme, which aims to fast-track high-calibre non-teaching graduates into disadvantaged schools through an intensive training programme.²¹⁵⁶

On 11 December 2013, Minister for Education Christopher Pyne announced that 17 projects were selected to receive funding under the Higher Education Participation and Partnerships Program to

²¹⁴⁹ Improved teacher education will put Students First, Ministers' Media Centre Education portfolio 19 February 2014. Access Date: 22 February 2014. <http://ministers.education.gov.au/pyne/improved-teacher-education-will-put-students-first>

²¹⁵⁰ Higher Education and Research Reform Amendment Bill 2014, Australian Government, Department of Education 29 August 2014. Access Date: 27 September 2014. <http://education.gov.au/news/higher-education-and-research-reform-amendment-bill-2014>

²¹⁵¹ New Colombo Plan, Australian Government, Department of Foreign Affairs and Trade 10 December 2013. Access Date: 2 February 2014. <http://www.dfat.gov.au/new-colombo-plan/>

²¹⁵² A fairer funding agreement for schools, Ministers' Media Centre Education portfolio 2 December 2013. Access Date: 23 February 2014. <http://ministers.education.gov.au/fairer-funding-agreement-schools>

²¹⁵³ Coalition announces additional university places, Ministers' Media Centre Education portfolio 22 November 2013. Access Date: 2 February 2014. <http://ministers.education.gov.au/pyne/coalition-announces-additional-university-places>

²¹⁵⁴ Legislation to ensure funding for Indigenous students and students with disability, Australian Government, Department of Education 25 September 2014. Access Date: 27 September 2014. <http://ministers.education.gov.au/pyne/legislation-ensure-funding-indigenous-students-and-students-disability>

²¹⁵⁵ \$22 million Government grant to boost literacy, Australian Government, Department of Education 30 June 2014. Access Date: 27 September 2014. <http://education.gov.au/news/22-million-government-grant-boost-literacy>

²¹⁵⁶ \$22 million boost to Teach for Australia, Australian Government, Department of Education 22 June 2014. Access Date: 27 September 2014. <http://education.gov.au/news/22-million-boost-teach-australia>

prepare students from disadvantaged backgrounds, particularly indigenous Australians, to attend university.²¹⁵⁷

On 23 November 2013, the government announced additional AUD35.2 million to support students with disabilities through extra resources and teacher training opportunities.²¹⁵⁸

On 8 October 2013, the government commissioned a review of indigenous training and employment programs to develop recommendations to ensure indigenous training and employment services are targeted and administered to connect unemployed indigenous people with real and sustainable jobs.²¹⁵⁹

Australia has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Ekaterina Maslovskaya

Brazil: +1

Brazil has fully complied with the commitment on education.

Since 2011 the Brazilian government has been carrying out the National Program of Access to Technical Education and Employment (Pronatec), which expands people's access to quality jobs through improving the quality of education and workers' professional capacities.²¹⁶⁰ Pronatec includes several initiatives.²¹⁶¹ One of them is the "Brasil Profissionalizado" program, which is designed to stimulate development of infrastructure, governance and quality education in the country. By 2014 Brazilian government spent approximately USD1.8 billion on this program.²¹⁶²

Pronatec will also improve job prospects for disadvantaged youth through quality education and professional training. About 10,000 young people who were rescued from child labour or other difficult circumstances are involved in the program.²¹⁶³

On 3 April 2014, the meeting of the Management Committee of the National Restructuring Programme of the Federal University Hospitals (REHUF) took place. It was announced at the meeting that the investment in improving the federal university hospitals will amount to R\$970 million in 2014. The

²¹⁵⁷ \$50 million for partnerships to boost participation at university, Australian Government, Department of Education 11 December 2013. Access Date: 2 February 2014. <http://education.gov.au/news/50-million-partnerships-boost-participation-university>

²¹⁵⁸ Government boosts support for students with disabilities, Ministers' Media Centre, Education portfolio 23 November 2013. Access Date: 2 February 2014. <http://ministers.education.gov.au/pyne/government-boosts-support-students-disabilities>

²¹⁵⁹ Review of Indigenous Training and Employment, Prime Minister of Australia 8 October 2013. Access Date: 23 February 2014. <http://www.pm.gov.au/media/2013-10-08/review-indigenous-training-and-employment>

²¹⁶⁰ O que é o Pronatec?, Pronatec. Access Date: 30 June 2014. <http://pronatec.mec.gov.br/institucional-90037/o-que-e-o-pronatec>.

²¹⁶¹ Objetivos e Iniciativas, Pronatec. Access Date: 30 June 2014. <http://pronatec.mec.gov.br/institucional-90037/objetivos-e-iniciativas>.

²¹⁶² Brasil Profissionalizado – Apresentação, Ministerio da Educacao. Access Date: 30 June 2014. http://portal.mec.gov.br/index.php?option=com_content&view=article&id=12325&Itemid=663.

²¹⁶³ Quality Apprenticeships – OECD –Brazil, OECD. Access Date: 30 June 2014. http://www.oecd.org/els/emp/R_SZATMARTI-Quality%20Apprenticeships%20E2%80%93%20OECD%20E2%80%93%20Brazil.pdf.

investment was planned to be used to purchase equipment, medicines, health products, as well as renovations and expansions of hospitals.²¹⁶⁴

On 9 October 2014, the Department of Basic Education, Ministry of Education announced the transfer of additional financial resources from the National Fund for Education Development (ENDF) to the basic education establishments in 12 Brazilian states. The decision will allow nurseries and pre-schools hire additional part-time and full-time staff to take better care of and provide better education to children.²¹⁶⁵

Brazil has taken steps to invest in quality education. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

Canada: +1

Canada has fully complied with the commitment on education.

On 11 February 11 2014, the Government of Canada presented the Canada's Economic Action Plan 2014. Canada's Economic Action Plan 2014 provides USD 32.18 million for the Computers for Schools Program over four years to renew communications technology equipment.²¹⁶⁶

The plan confirmed funding of USD 1.12 billion to the First Nations Control of First Nations Education Act, created the Enhanced Education Fund and Education Infrastructure Fund to build and renovate schools for aboriginal peoples with USD 143 million and USD 447 million respectively.²¹⁶⁷

Canada has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

China: +1

China has fully complied with the commitment on education.

On 28 October 2013, the National Health and Family Planning Commission of China stated that it set up a plan that urges improvements to the country's education and training system for rural doctors to ensure that 60 per cent of such doctors hold degrees from secondary technical schools or above by 2015. All rural doctors are expected to be qualified as medical practitioners by 2020.²¹⁶⁸

On 20 November 2013, the People's Liberation Army of China said military schools will reform their curriculum and management of students to boost real combat abilities. The reform will also unify

²¹⁶⁴ Investimentos previstos para 2014 serão de R\$ 970 milhões, Portal Brazil 3 April 2014. Date of Access: 15 October 2014. <http://www.brasil.gov.br/educacao/2014/04/investimentos-previstos-para-2014-serao-de-r-970-milhoes>.

²¹⁶⁵ MEC autoriza novos recursos para educação infantil, Portal Brazil 9 October 2014. Date of Access: 15 October 2014. <http://www.brasil.gov.br/educacao/2014/10/mec-autoriza-novos-recursos-para-educacao-infantil>.

²¹⁶⁶ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 20 September 2014. <http://actionplan.gc.ca>

²¹⁶⁷ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 20 September 2014. <http://actionplan.gc.ca>

²¹⁶⁸ China aims to nurture trained rural doctors, Ministry of Agriculture of the People's Republic of China 29 October 2013. Access Date: 13 February 2014. http://english.agri.gov.cn/news/dqnf/201310/t20131029_20528.htm

teaching materials, innovate in teaching methods for combat command and hone a performance-based reward and penalty mechanism for students.²¹⁶⁹

On 22 of November 2013, the Ministry of Finance said the central government has allocated CNY16.03 billion to boost preschool education. The fund will be used to support kindergartens to give disadvantaged families easier access to preschool education, especially those of migrant workers or with financial difficulties, or orphans and disabled children.²¹⁷⁰

On 11 December 2013, the central government of China allocated CNY20.7 billion to disadvantaged schools in the countryside. The money will be used for equipment, books and reconstruction.²¹⁷¹

On 21 January 2014, seven Chinese departments, including the education, civil affairs and finance ministries, mapped out the plan, according to which on improving education for learners with special needs, there will be more investment, more infrastructure, more quality teachers and new special education curricula. China ensures that at least 90 per cent of children with visual, hearing and intellectual disabilities get free primary and middle school education by the end of 2016. According to the plan, the special education budget for each student will be increased to CNY6,000, or eight times the per capita budget in standard schools over the next three years. The figure currently stands at CNY2,100. The plan also advocates more financial support for disabled children from impoverished families. The three-year plan stipulates that children with special needs should attend the nearest possible standard school. Special education skills should be incorporated into standard teacher training and higher education institutes may not refuse admission on the basis of disability. According to the document, authorities at county level should have specific teaching plans for every individual disabled child of school age.²¹⁷²

China has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with the commitment on education.

On 16 January 2014, Vincent Peillon, Minister of Education, and George Pau-Langevin, Deputy Minister for Educational Success, presented the reform of priority education that defines three areas: student support in learning, stable educational teams, and conducive learning environment.²¹⁷³

On 5 March 2014, Law n° 2014-288 on vocational training, employment and social democracy was adopted. It emphasizes sustainable development as the over-arching social outcome of education. In

²¹⁶⁹ China orders combat-oriented reforms in military schools, Ministry of National Defense of the People's Republic of China 20 November 2013. Access Date: 12 February 2014. http://eng.mod.gov.cn/DefenseNews/2013-11/21/content_4475814.htm

²¹⁷⁰ China Grants 16.03 Bln Yuan to Preschool Education, National Working Committee for Children and Women under the State Council 25 November 2013. Access Date: 13 February 2014. <http://www.nwccw.gov.cn/html/44/n-168644.html>

²¹⁷¹ China gives 20.7 bln yuan to rural schools, Ministry of Agriculture of the People's Republic of China 12 December 2013. Access Date: 12 February 2014. http://english.agri.gov.cn/news/dqnf/201312/t20131212_20842.htm

²¹⁷² China to boost education for disabled children, Economic and Commercial Counsellor's Office of the Mission of the People's Republic of China to the European Union 22 January 2014. Access Date: 12 February 2014. <http://eu2.mofcom.gov.cn/article/chinanews/201401/20140100469191.shtml>

²¹⁷³ Refonder l'éducation prioritaire. Access Date: 20 September 2014. <http://www.education.gouv.fr/cid76427/refonder-education-prioritaire.html>

terms of training, this law notably specified the conditions for the implementation of the individual training account and created the possibility of signing apprenticeship contracts on an openended basis. In terms of social democracy, the rules for the organisation of employee representative elections have been modified with immediate effect, employer representation rules have been reformed and financial transparency rules have been introduced for works councils and both union and employer organisations.²¹⁷⁴

In 2014 the Ministry of Education continues its “Future Jobs Teaching” engagement that improves teacher performance and motivation.²¹⁷⁵

In 2014 France started a program to ensure the equal school teaching of girls and boys to respect human rights.²¹⁷⁶

France has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on education.

From 2010 to 2013, the German government increased its budget for education and research by EUR13.3 billion.²¹⁷⁷

According to the 2014 federal budget, EUR1.8 billion will be spent “to create additional study places to accommodate the great increase in the number of first-year students.” Within the Quality Pact for Teaching EUR200 million will be invested in the improvement of studying conditions and the quality of teaching. The government also increased its spending on financial support programs for students such as the Federal Training Assistance Act, Germany Scholarship and special programs for the gifted and talented to EUR1.9 billion.²¹⁷⁸

In 2013, Germany continued to finance a number of nationwide projects in the area of quality education.

In particular, the “Workplace-oriented literacy and basic education of adults” funding program launched in 2012 was implemented in the framework of the National Strategy for Literacy and Basic Education of Adults. The total funding equals EUR50 million from 2012 to 2015. The program improves the functional literacy of adult population.²¹⁷⁹

²¹⁷⁴ LOI n° 2014-288 du 5 mars 2014 relative à la formation professionnelle, à l'emploi et à la démocratie sociale. Access Date: 20 September 2014.

<http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000028683576&categorieLien=id>

²¹⁷⁵ Emplois d'avenir professeur. Access Date: 20 September 2014. <http://www.education.gouv.fr/cid61330/les-emplois-d-avenir-professeur.html>

²¹⁷⁶ L'enseignement de l'égalité filles-garçons à l'École. Access Date: 20 September 2014.

<http://www.education.gouv.fr/cid76775/l-enseignement-de-l-egalite-filles-garcons-a-l-ecole.html>

²¹⁷⁷ Integration through Education, Federal Ministry of Education and Research. Access Date: 19 April 2014.

<http://www.bmbf.de/en/15624.php>.

²¹⁷⁸ The Federal Government is investing in the future, Federal Ministry of Education and Research 7 August 2013. Access Date: 19 April 2014. <http://www.bmbf.de/en/96.php>.

²¹⁷⁹ National Strategy for Literacy and Basic Education of Adults, Federal Ministry of Education and Research. Access Date: 19 April 2014. <http://www.bmbf.de/en/426.php>.

In 2013, the Federal Ministry of Education and Research launched the support program for out-of-school “Education Alliances.” The “Education Alliances” bring together various social actors in a single location in order to support disadvantaged young people through out-of-schools program and reduce educational deprivation.²¹⁸⁰ In 2014 about EUR50 million will be allocated to “Education Alliances,” that is approximately 67 per cent more than in 2013.²¹⁸¹

In 2013-14, the Federal Ministry of Education and Research co-sponsored a number of programs to improve education for both children and adults with a background that includes migration. The programs improve functional literacy, provide support in learning German and ensure access to educational materials and facilities for pupils.²¹⁸²

In 2014, the German government launched a three-year program of inclusion in vocational education and employment. The initiative provides for in-company vocational education of people with disabilities. The funding of the program exceeds EUR50 million.²¹⁸³

On 2 July 2014, the German government adopted the draft 2015 federal budget and the financial plan for 2014-2018. Additional expenditures of USD6 billion and USD3 billion are to be allocated in the areas of education and research respectively in 2015-2017, compared with the level of 2014.²¹⁸⁴

On 18 July 2014, the German Federal Employment Agency announced its new program aimed at stimulating businesses to create more training places through organizational and administrative support. One of the elements of this program is the so-called assisted training, providing for individual assistance received throughout the entire training period by the trainees who have got learning difficulties or those who are socially disadvantaged.²¹⁸⁵

Germany has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Andrey Sbelepor

India: +1

India has fully complied with the commitment on education.

On 25 January 2014, Indian President Pranab Mukherjee said the country needs leadership to take India to the pinnacle of the education sector. He said the quality of education has to be the focus of attention

²¹⁸⁰ Investing in the future: The Twelve Billion Euro Package of the Federal Government, Federal Ministry of Education and Research 7 August 2013. Access Date: 19 April 2014. <http://www.bmbf.de/en/6075.php>.

²¹⁸¹ The Federal Government is investing in the future, Federal Ministry of Education and Research 7 August 2013. Access Date: 19 April 2014. <http://www.bmbf.de/en/96.php>.

²¹⁸² Nationaler Aktionsplan Integration, Federal Ministry of Education and Research May 2013. Access Date: 19 April 2014. http://www.bmbf.de/pub/bilanz_nationaler_integrationsplan.pdf.

²¹⁸³ Inclusion initiative for vocational education and employment, Federal Ministry of Education and Research 3 April 2014. Access Date: 19 April 2014. http://www.imove-germany.de/cps/rde/xchg/imove_projekt_international/h5.xsl/search.htm?content-url=10728.htm.

²¹⁸⁴ German cabinet adopts 2015 draft budget, Federal Ministry of Finance 2 July 2014. Access Date: 9 October 2014. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-07-02-cabinet-adopts-2015-draft-budget.html>.

²¹⁸⁵ The Board of Governors of the Federal Employment Agency Starts Initiative "Right of Way for In-Company Training", Federal Employment Agency 18 July 2014. Access Date: 9 October 2014. <http://www.arbeitsagentur.de/web/content/EN/Press/Detail/index.htm?dfContentId=L6019022DSTBAI674048>.

now. Education is no longer just the privilege of the elite, but a universal right. He said people must be open to all knowledge.²¹⁸⁶

On 19 February 2014, BJP's prime ministerial nominee Narendra Modi said job creation remained a focal point of development even as he criticized Finance Minister P Chidambaram over fiscal management. He said for better job opportunities proper manpower is needed and for that government have focused upon human resource development and skill development. He also stressed the skill development measures undertaken by his state government. He added that the Prime Minister has given an award to government of Gujarat in the sector of skill development. Gujarat has taken the need of skill development as a mission.²¹⁸⁷

On 21 February 2014, Education Minister P.K. Shahi assured the vice-chancellors of all the universities in the state of full government support to their efforts to raise the standard of higher education. Addressing a two-day conference organized by the state education department, he emphasized the need for the accreditation of all colleges and universities in the state to be able to get the maximum financial grants under Rashtriya Uchchar Shiksha Abhiyan. Shahi said every effort should be made to satisfy the educational needs of the youth, who constitute 58 per cent of the state's population. Issues of implementing a uniform act for better governance of the universities, quality assurance in the recruitment of teachers and non-teaching staff, filling up of vacant posts of technical staff and repair and renovation of buildings and modernization of infrastructural facilities and the necessity of having small and manageable universities were discussed at length at the meeting. Patna University's Ranjeet Kumar Verma pleaded for finalization of a master plan for his university. N.R. Madhava Menon, educationist and founder of the Bangalore-based National Law School University, suggested steps for improving the quality of higher education in the state and also highlighted the salient features of the proposed model act for the state universities. Menon chairs the committee constituted by the state government for drafting the proposed act.²¹⁸⁸

On 7 February 2014, the government introduced the Rights of Persons with Disabilities Bill in Rajya Sabha, seeking to increase reservation for persons with disabilities in public sector jobs from existing 3 per cent to 5 per cent and reserve seat for them in higher educational institutions. The bill, introduced by Mallikarjun Kharge, Union Minister for Social Justice and Empowerment, also provides for setting up the National Commission for Persons with Disabilities, which will have statutory powers in addition to establishing a dedicated National Fund for Persons with Disabilities.²¹⁸⁹

On 9 June 2014, President Pranab Mukherjee said, while addressing the joint sitting of Parliament, that for rapid creation of jobs in the manufacturing sector, the government would strategically promote labour-intensive manufacturing, employment opportunities will also be expanded by promoting tourism and agro-based industries. The government plans to transform the moribund Employment Exchanges into Career Centres that will not just help the youth scout for jobs but also offer counseling and training

²¹⁸⁶ President Calls for More Focus on Improving Quality of Education in India, Aninews, 25 January 2014. Access Date: 22 February 2014. <http://www.aninews.in/newsdetail2/story152087/president-calls-for-more-focus-on-improving-quality-of-education-in-india.html>

²¹⁸⁷ Job Creation is Focal Point of Development: Modi, Times of India, 19 February 2014. Access Date: 22 February 2014. <http://timesofindia.indiatimes.com/india/Job-creation-is-focal-point-of-development-Modi/articleshow/30685624.cms>

²¹⁸⁸ Govt Assures Support to VCs for Bettering Education, Times of India, 22 February 2014. Access Date: 22 February 2014. <http://timesofindia.indiatimes.com/city/patna/Govt-assures-support-to-VCs-for-bettering-education/articleshow/30808526.cms>

²¹⁸⁹ Government Introduces Rights of Persons with Disabilities Bill in Rajya Sabha, Times of India, 7 February 2014. Access Date: 22 February 2014. <http://timesofindia.indiatimes.com/india/Government-introduces-Rights-of-Persons-with-Disabilities-Bill-in-Rajya-Sabha/articleshow/30007941.cms>

services and step up the skill development drive as it embarks on a massive job-generating journey. While creating jobs has emerged as the central focus of the government's growth drive, the Narendra Modi administration has also recognized the gaps in the current system that it is trying to fix in order to ensure that the 10 million youth joining the workforce do not get disillusioned in the absence of work. The government plans to bridge the gap between formal education and skill development, and put in place a mechanism to give academic equivalence to vocational qualifications. President Pranab Mukherjee said, that with the goal of Skilled India, the government will also launch a National Multi-skill Mission.²¹⁹⁰

On 10 July 2014, the government announced the launch of a national multi-skill programme — 'Skill India', that will skill the youth with an emphasis on employability and entrepreneurship.²¹⁹¹

On 14 August 2014, Prime Minister Narendra Modi in his Independence Day speech said India must focus on growing the manufacturing sector and on developing skills to provide meaningful employment to millions of young Indians. The cabinet has approved proposals to amend and reform archaic labour laws like Factories Act 1948, Apprentices Act 1961 and the Labour Laws (exemption from furnishing returns and maintaining registers by certain establishments) Act, 1988 to facilitate this. On Thursday, Lok Sabha approved changes to the Apprentices Amendment Bill 2014, that seeks to increase the availability of skilled manpower in the country, provide industries the flexibility to hire apprentices and improve their pay. Many experts have held that archaic labour laws restrict the growth of manufacturing and job creation in the country.²¹⁹²

On 3 September 2014, Indian Minister of Human Resource Development (HRD) Smriti Irani said, he has picked up several aspects of the Gujarat schooling system and plans to implement them in more schools across the country. The ministry has decided to ask schools across India to celebrate Shala Utsav and implement Shala Darpan and Vanchhe Bharat programs, which are already part of the schooling system in Gujarat. HRD ministry has already written to all states to celebrate Shala Utsav. As part of the plan, parents of students in government and aided schools will be able to get updates on their ward's progress in the class through a mobile application. The ministry's bid to bring in Internet connectivity to institutes is also picking up pace. The HRD ministry will launch UNITE (University Network Initiative to enhance education) program on Education Day — November 11.²¹⁹³

India has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Alisa Prokhorova

Indonesia: 0

Indonesia has partially complied with the commitment on education.

²¹⁹⁰ Govt starts mega job creation journey, Times of India. 10 June 2014. Date of Access: 26 September 20.

<http://timesofindia.indiatimes.com/business/india-business/Govt-starts-mega-job-creation-journey/articleshow/36315669.cms>

²¹⁹¹ Budget 2014: Government emphasis on job creation to create 5-8 million jobs in 3-4 years, The Economic Times 10 July 2014. Date of Access: 26 September 2014. http://articles.economictimes.indiatimes.com/2014-07-10/news/51300658_1_job-creation-job-market-lakh-job

²¹⁹² Modi calls to focus on skill development, manufacturing for job creation, Live Mint & The Wall Street Journal. 15 August 2014. Date of Access: 26 September 2014. http://www.livemint.com/Industry/53ATum6RaNZOw4ULO0ZiNN/Modi-calls-to-focus-on-skill-development-manufacturing-for.html?utm_source=copy

²¹⁹³ HRD Minister wants to bring Gujarat education model to schools across India, The Daily Mail India. 3 September 2014. Date of Access: 26 September 2014. <http://www.dailymail.co.uk/indiahome/indianews/article-2742587/HRD-Minister-wants-bring-Gujarat-education-model-schools-India.html#ixzz3EEcwPWQI>

On 8 October 2013, Education and Culture Ministry secretary-general Ainun Naim took part in the Finnish-Indonesian Symposium on Education and The Role of Teachers to strengthen educational cooperation between the two countries. He said that Indonesia would consider Finnish experience to reform its education system. At the same symposium, Hamid Muhammad, Director General for Secondary Education in the Education and Culture Ministry, spoke on the government's efforts to improve the education system including the establishment of teacher competence tests as well as the adoption of a new curriculum as a response to country's low international results.²¹⁹⁴

On 12 December 2013, Erman Samsudin, Director of Early Childhood Education Development, announced that the government had included additional funds in the budget to establish early childhood education programs in every village across Indonesia in 2014. The cost of the program amounts to IDR600 billion.²¹⁹⁵

In 2013, the President of Indonesia signed a decree on Holistic Integrated ECD (early childhood development) that had been already endorsed by seven ministries. Governmental investments provided for by the decree will be aimed at establishing the integrated system of services, including early childhood education, throughout the country.²¹⁹⁶

On 25 September 2014, Education and Cultural Attaché of the Indonesian Embassy in Egypt Dr. Fahmy Lukman attended the meeting of the Working Group for Higher Education in Cairo. The group consists of the rectors of major Indonesian and Egyptian universities, and its meetings are facilitated by the Indonesian Embassy in Egypt. The participants of the meeting announced their plans to cooperate in educational field in future, including on several joint projects to be held in 2015.²¹⁹⁷

Indonesia has taken steps to invest in quality education but has failed to address the vulnerable groups' access to quality education. Thus, it has been awarded a score of 0.

Analyst: Nadezhda Sporysheva

Italy: +1

Italy has fully complied with the commitment on education.

On 12 September 2013, the Italian government issued decree n. 104 on Urgent Measures in Areas of Education, Universities and Research. With this document the government authorized the spending of EUR15 million in 2014 on payments to the middle school students with high academic performance, in need of reimbursements of transportation costs, and those in difficult financial situation. These measures encourage young people, including vulnerable groups, to receive higher quality education.²¹⁹⁸

On 9 October 2013, the Italian Ministry of Education, Universities and Research issued a ministerial decree, specifying the criteria for the schools to be eligible for government funded installation or enhancement of wireless networks infrastructure. According to the decree, the projects submitted by

²¹⁹⁴ RI looks to Finland model to reform education, The Jakarta Post 10 October 2013. Access Date: 28 February 2014. <http://www.thejakartapost.com/news/2013/10/10/ri-looks-finland-model-reform-education.html>.

²¹⁹⁵ Early years education for all in 2014, The Jakarta Post 12 December 2013. Access Date: 28 February 2014. <http://www.thejakartapost.com/news/2013/12/12/early-years-education-all-2014.html>.

²¹⁹⁶ Indonesia. Annual Report 2013, UNICEF. . Access Date: 28 September 2014. http://www.unicef.org/indonesia/Annualreport_v7_english_preview.pdf.

²¹⁹⁷ Joint Working Group Pendidikan Tinggi di Kairo, Ministry of Religious Affairs of The Republic of Indonesia 25 September 2014. Access Date: 28 September 2014. <http://www.kemenag.go.id/index.php?a=berita&id=213859>.

²¹⁹⁸ DECRETO-LEGGE 12 settembre 2013, n. 104. Misure urgenti in materia di istruzione, universita' e ricerca, Italian Government 12 September 2013. Access Date: 5 May 2014. <http://www.governo.it/backoffice/allegati/72817-8928.pdf>.

schools should aim to promote students' access to the wireless networks in classes and provide for transformation of study space to accommodate the changes.²¹⁹⁹

On 14 February 2014, the Italian Ministry of Education, Universities and Research issued a ministerial decree n. 104 "Indicators and Parameters for monitoring and estimation of universities' programs 2013-2015." The decree improves the quality of university education through improvement of student services, promoting territorial integration and international capacity of education and research, providing incentives for improving the quality of academics recruitment process.²²⁰⁰

Italy has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

Japan: 0

Japan has partially complied with the commitment on education.

Japan has taken actions to increase the relevance of education by adjusting learning processes, curriculum content and school management to take account of the context of learning.

On 15 December 2013, the Ministry of Education, Culture, Sports, Science and Technology of Japan (MEXT) has announced that it is going to reform the English-language education at junior high schools. As the part of the reform the ministry plans to hire foreign teachers and introduce new test to certify Japanese teachers of English.²²⁰¹

On 9 May 2014, MEXT and the International Baccalaureate (IB) announced an agreement to build a Dual Language IB Diploma for Japanese students in Math and Physics. This will extend the scope of access to an IB education in Japan.²²⁰²

Japan has taken steps to invest in quality education without targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of 0.

Analyst: Evgeny Gushchin

Korea: 0

Korea has partially complied with the commitment on education.

On 9 December 2013, the Education Ministry reported that 4.37 million students benefited from government educational funding in 2013. KRW3.185 trillion, including for high school tuitions, school meals and so on, will be provided in 2013 to 4.37 million primary and secondary school students across the country. KRW428.4 billion will be provided to 386,000 students, or 20 per cent of the entire high

²¹⁹⁹ Ministero dell'Istruzione, dell'Università e della Ricerca 9 October 2013. Access Date: 5 May 2014.

http://www.istruzione.it/allegati/dm804_13.pdf.

²²⁰⁰ Indicatori e Parametri per il monitoraggio e la valutazione dei programmi delle università 2013 – 2015, Ministero dell'Istruzione, dell'Università e della Ricerca 14 February 2014. Access Date: 5 May 2014.

<http://attiministeriali.miur.it/anno-2014/febbraio/dm-14022014.aspx>.

²²⁰¹ Education ministry proposes radical English education reform, Japan Today 15 December 2013. Access Date: 21 February 2014. <http://www.japantoday.com/category/national/view/education-ministry-proposes-radical-english-education-reform>.

²²⁰² Math and Physics made available to Japanese Students Pursuing an IB Education, Ministry of Education, Culture, Sports, Science and Technology of Japan 9 May 2014. Access Date: 29 September 2014.

http://www.mext.go.jp/b_menu/houdou/26/05/_icsFiles/afieldfile/2014/05/12/1347737_02.pdf.

school students for high school tuitions (admission fees, tuitions and school operating expenses). KRW1,251.8 billion to 790,000 students for after school classes, and KRW 67.1 billion for 240,000 students for information technology. KRW2.4374 trillion will be provided for school meals, including free meals, making 4.37 million students, or 67 per cent of the total will benefit. The number of educational funding recipients rose by 397,000, and the amount of the funding by KRW504.5 billion.²²⁰³

On 9 December 2013, the Korean Ministry of Education and the Committee on College Admissions System Reform proposed the set of measures to streamline the college admissions system to reduce the burden on students and parents and improve school education. The objectives of the new measure are as follows:

- to reduce burden on parents and students by making college admissions system more predictable while laying a foundation for education that extends dreams and talents of students.
- respect autonomy of universities and minimize regulations to encourage universities to contribute to normalization of school education
- set up a cooperative system with the participation of parents, students, universities and the government to create a desirable system based on national consensus.²²⁰⁴

On 29 August 2014, the Ministry of Education, Science and Technology of Korea announced plans to open up the market further to international providers by easing restrictions on foreign investors and creating an international education hub in Songdo International Business District. The ministry aims to provide an incentive to study in the country by allowing Korean students to study at top foreign institutions for a much lower cost than overseas. The initiative also includes measures to boost the number of incoming foreign students, including lowering the Korean language requirements, and allowing private schools and academies to issue visas.²²⁰⁵

There is no evidence of any actions taken by Korea to invest in quality education targeting the vulnerable groups during the compliance period. Because Korea has taken steps to invest in quality education but failed to address the access to quality education for vulnerable groups, it has been awarded a score of 0.

Analyst: Anastasia Zburavleva

Mexico: +1

Mexico has fully complied with the commitment on education.

On 10 September 2013, three laws were published in the Official Journal of the Federation. The first one amends the education law, the second establishes the National Institute for the Evaluation of Education and the third creates the Professional Teaching Service.²²⁰⁶

On 25 November 2013, Mexican President Enrique Peña Nieto presented the National Digital Strategy based on five pillars: e-government, digital economy, digital education, health care and public

²²⁰³ 4.37 million Students benefit from educational funding in 2013

<http://english.moe.go.kr/web/42208/en/board/envview.do?bbsId=265&boardSeq=50388&mode=view>.

²²⁰⁴ Simpler College Admissions System.

<http://english.moe.go.kr/web/42208/en/board/envview.do?bbsId=265&boardSeq=50387&mode=view>

²²⁰⁵ Korea opens up to foreign providers <http://thepienews.com/news/korea-opens-up-to-foreign-providers/>

²²⁰⁶ Decreto por el que se reforman, adicionan y derogan diversas disposiciones de la Ley General de Educación 11 September 2013. Access Date: 15 February 2014.

http://www.dof.gob.mx/nota_detalle.php?codigo=5313841&fecha=11/09/2013.

security.²²⁰⁷ The Mexican government intends to integrate information technology and communication into the education of our children and youth. As one of the first step the pilot phase of MiCompu.mx program began early November to provide computers for students in the fifth and sixth grades in public schools.²²⁰⁸

On 23 December 2013, the Mexican Ministry of Public Education (SEP) announced 802,050 grants for the bachelor students studying social and economic sciences. A total cost of the grants is more than USD300,000. More than 82 per cent of beneficiaries come from low-income families. Each grant covers almost 44 per cent of monthly student costs including transportation, materials for education and food in university.²²⁰⁹

On 1 February 2014, SEP launched programs to improve higher education in Mexico. The Fund to Improve Higher Education Quality ensures the educational programs are relevant, and help students to develop their professional skills. The Program of Higher Education Support boosts strategic projects to consolidate higher education quality in various institutes, to promote their internationalisation, etc. The Program for Encouraging Teachers Performance is aimed to improve teaching in classrooms, to encourage full-time professors, etc. The Fund for Financial Restructuring and Addressing the Structural Problems of State Public Universities supports such universities in addressing their financial difficulties and in realization their programs of institutional development. The programs would be released in state public universities, technology and classical universities, technology institutes, etc.²²¹⁰

On 4 February 2014, Peña announced the Plan Michoacán.²²¹¹ One of its pillars is “Education and Culture for Prosperity.” According to the plan the number of full-time schools will be increased to 240, number of decent schools to 236. A total sum of more than USD75 million will be allocated for 350,000 scholarships at all educational levels.²²¹²

On July 2013, the Escuela Digna Program was launched to guarantee basic education infrastructure in marginalized and indigenous areas by providing sanitary services, necessary education equipment including special equipment for people with disabilities, access to the internet, etc.²²¹³ A total sum of

²²⁰⁷ National Digital Strategy to transform Mexico 25 November 2013. Access Date: 16 February 2014.

<http://en.presidencia.gob.mx/national-digital-strategy-to-transform-mexico/>.

²²⁰⁸ We are determined to transform Mexico and place it at the cutting-edge of technology and knowledge: Enrique Peña Nieto 25 November 2013. Access Date: 23 February 2014. <http://en.presidencia.gob.mx/articles-press/estamos-decididos-a-transformar-a-mexico-y-colocar-lo-en-la-frontera-de-la-tecnologia-y-el-conocimiento-enrique-pena-nieto/>.

²²⁰⁹ Comunicado 204.- SEP entregó más de 802 mil becas a estudiantes de Educación Media Superior de todo el país 23 December. Access Date: 23 February 2014. <http://www.comunicacion.sep.gob.mx/index.php/comunicados/diciembre/359-comunicado-204-sep-entrego-mas-de-802-mil-becas-a-estudiantes-de-educacion-media-superior-de-todo-el-pais>.

²²¹⁰ Comunicado 017.- La SEP da a conocer programas de apoyo para fortalecer la calidad de las instituciones de educación superior 1 February 2014. Access Date: 23 February 2014. <http://www.comunicacion.sep.gob.mx/index.php/comunicados/enero-2014/385-comunicado-017-la-sep-da-a-conocer-programas-de-apoyo-para-fortalecer-la-calidad-de-las-instituciones-de-educacion-superior>.

²²¹¹ El plan de rescate para Michoacán, hecho de proyectos que ya existían 4 February 2014. Access Date: 17 February 2014. <http://www.animalpolitico.com/2014/02/el-plan-de-rescate-para-michoacan-hecho-de-proyectos-que-ya-existian/#axzz2tOHGR8vQ>.

²²¹² Five Lines of Action for Michoacán 4 February 2014. Access Date: 17 February 2014. <http://en.presidencia.gob.mx/five-lines-of-action-for-michoacan/>.

²²¹³ Lineamientos Generales para la operacion, aplicacion de recursos, rendicion de cuentas y transparencia del Programa Escuelas Dignas 2013. Access Date: 23 February 2014. http://inifed.gob.mx/escuelas_dignas/pdf/LINEAMIENTOS_PUBLICADOS_DOI.pdf.

more than USD7 million was allocated to the Escuela Digna in 2013. Within the program 320 schools would be constructed in 2014 with total investment of more than USD15 million.²²¹⁴

On 13 December 2013, the Mexican Minister of Public Education reiterated the government commitment to promote quality and equal education at the ceremony of inauguration of 54 centres for bachelor students with disabilities across the country. The SEP intends to establish more than 400 such centers by 2018. The centres provide special information and technical equipment including software for the students with eye disabilities, Braille printers, etc.²²¹⁵

Mexico has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Elizaveta Safonkina

Russia: +1

Russia has fully complied with the commitment to invest in quality education.

On 13 November 2013, the Russian government adopted the Action Plan to increase the number of high-skilled workers by 2020. The plan provides for measures to assist students and workers achieve the skills to ensure a high professional level. It will modernize the education program to ensure flexibility and individual approach in education with use of modern technologies. By 2018 250 multifunctional centres of applied qualifications and a basic centre of professional training will be created.²²¹⁶

On 15 April 2014, the Russian government updated the State Program on the Promotion of Employment. Its subprogram Development of the Labour Market Institutions to create conditions for increasing the quality of the labour force and professional mobility development and improving labour conditions. It provides for developing vocational training and professional mobility through training and skills improvement and improving the national system of professional qualifications. RUB18.9 billion will be allocated to this subprogram in from 2013 to 2020.²²¹⁷

The State Program's subprogram Development of Vocational Education and Training increases the contribution of education to social, economic and cultural modernization and increases its global competitiveness, as well as ensuring demand from the economy and society for each person. RUB3.8 trillion will be allocated to this subprogram from 2013 to 2020.²²¹⁸

On 16 April 2014, Russian President Vladimir Putin signed an executive order creating the Presidential National Council for Professional Qualifications. It will work on the "issues pertaining to creating and

²²¹⁴ El Secretario de Educación Pública, Lic. Emilio Chuayffet Chemor, entregó 254 Escuelas Dignas en Michoacán y confirmó 320 más para 2014 13 February 2014. Access Date: 23 February 2014. <http://inifed.gob.mx/index.php/1ra-sesion-gneaea/entrega-de-254-escuelas-en-michoacan>.

²²¹⁵ Comunicado 197.- La educación debe ser de calidad y con igualdad 13 December 2013. Access Date: 23 February 2014. <http://www.comunicacion.sep.gob.mx/index.php/comunicados/diciembre/344-comunicado-197-la-educacion-debe-ser-de-calidad-y-con-igualdad>.

²²¹⁶ On the adoption of the Action Plan to increase the number of high-skilled workers by 2020, Russian Government 16 November 2013. <http://government.ru/docs/8204>.

²²¹⁷ Government Resolution No. 298 of 15 April 2014, Russian Ministry of Labour and Social Protection 29 April 2014. <http://www.rosmintrud.ru/docs/government/134>.

²²¹⁸ Government Resolution No. 298 of 15 April 2014, Russian Ministry of Labour and Social Protection 29 April 2014. <http://www.rosmintrud.ru/docs/government/134>.

developing in Russia a system of professional qualifications.²²¹⁹ The council will coordinate the work of state authorities, organizations of employers, trade unions, civil society organizations, educational and scientific organizations in the sphere of professional education and training.²²²⁰

To increase employment among women on leave for child care, Russia has introduced additional vocational training measures. RUB153.1 million and RUB161.2 million are allocated for training of 12,700 and 13,100 women in 2014 and 2015 respectively.²²²¹

Russia has taken measures to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on education.

In 2014 Saudi Arabia will spend 13.5 per cent of its education budget on administrative, cleaning and maintenance projects. Schools will be provided with upgraded facilities for information technology and computer labs. The King Abdullah project for the development of school curricula, teacher training, improvement of the educational environment and non-class activities will be continued.²²²²

The Ministry of Education is considering covering the expenses of Saudis who cannot find places for their children in public kindergartens and have to send them to private kindergartens. This will also promote early education. The ministry has already adopted three curricula for kindergartens.²²²³

In May 2014, King Abdullah approved a 5-year plan aimed at developing Saudi Arabia's education sector. To realise this initiative SAR80 billion (USD21.33 billion) were allocated in addition to annual allocations to the Ministry of Education. Under the plan, it is expected to build 1,500 nurseries, to train about 25,000 teachers and to establish new educational centres.²²²⁴

Saudi Arabia has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education.

On 7 January 2014, the Saudi Arabian Human Resources Development Fund (HRDF) and the Rehab Group of Ireland signed an agreement to develop pre-employment and employment programs for persons with disabilities in Saudi Arabia. To make employment programs at HRDF accessible for persons with disabilities, the Rehab Group will develop educational and training support for them.²²²⁵

²²¹⁹ Presidential National Council for Professional Qualifications created, President of Russia 16 April 2014.

<http://eng.kremlin.ru/acts/7032>.

²²²⁰ Statute of the Presidential National Council for Professional Qualifications, President of Russia 16 April 2014.

<http://state.kremlin.ru/council/39/statute>.

²²²¹ On the training of women on leave for childcare purposes, Russian Government 11 May 2014.

<http://government.ru/orders/12269>.

²²²² 86.5% of education budget spent on paying salaries, Arab News 15 January 2014. Access Date: 7 February 2014. <http://www.arabnews.com/news/509331>.

²²²³ State to pay for kindergarten education, Arab News 21 January 2014. Access Date: 7 February 2014.

<http://www.arabnews.com/news/512571>.

²²²⁴ Saudi Arabia approves \$21 bln five-year education plan -SPA, Reuters 19 May 2014. Access Date: 22 September 2014.

<http://www.reuters.com/article/2014/05/19/saudi-education-idUSL6N0053HU20140519>.

²²²⁵ HRDF, Rehab Group sign partnership accord, Saudi Gazette 7 January. Access Date: 7 February 2014.

<http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20140108191867>.

On 15 July 2014, the Ministry of Labor of Saudi Arabia and a massive open online course provider EdX launched an open-platform Massive Open Online Course (MOOC) to fill up the gap between the education and employment in the country. The courses are mainly aimed at women, young people, disabled and residents of rural communities.²²²⁶

Saudi Arabia has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Tatiana Lanshina

South Africa: +1

South Africa has fully complied with the commitment to invest in quality education.

In October 2013, in her speech at the Global Conference on Child Labour, South African Labour Minister of Labour Mildred Oliphant said that education was identified as a critical issue to fighting the child labour: “We have as a country in effect achieved the Millennium Development Goal of universal access to primary education before the year 2015.”²²²⁷

On 12 November 2013, the South African National Assembly adopted the Employment Services Bill. The bill provides for a legal basis for the reestablishment of Supported Employment Enterprises “to provide employment for people with disabilities who have long term physical, mental, intellectual or sensory impairment which hinder their full and effective participation in society on an equal basis with others.” It will also transform this service into a training resource for specific projects like the making of school furniture and other deliverables.²²²⁸

On 3 December 2013, Labour Minister Mildred Oliphant announced the launch of a ZAR300 million training program, which will benefit 8,000 youth and the unemployed. The program will be funded on a 50/50 basis by the Department of Labour’s Unemployment Insurance Fund and the Skills Education Training Authorities in South Africa. The Department of Public Works and the Department of Higher Education and the Department of Human Settlements will also participate.²²²⁹

South Africa has taken measures to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Lyudmila Tarasenko

²²²⁶ A Massive Open Online Course (MOOC) portal created exclusively for Arab audiences will deliver vocational & employability skills to women, youth, persons with disabilities and citizens in rural communities, EdX 15 July 2014. Access Date: 22 September 2014. <https://www.edx.org/press/saudi-arabia-edx-join-forces-bridge-gap>.

²²²⁷ South Africa has made significant progress in fighting child labour, Labour Minister tells global conference, South African Department of Labour 9 October 2013. <http://www.labour.gov.za/DOL/media-desk/media-statements/2013/south-africa-has-made-significant-progress-in-fighting-child-labour-labour-minister-tells-global-conference>.

²²²⁸ National assembly passes Employment Services Bill bringing to four bills passed this year alone, South African Department of Labour 12 November 2013. <http://www.labour.gov.za/DOL/media-desk/media-statements/2013/national-assembly-passes-employment-services-bill-bringing-to-four-bills-passed-this-year-alone>.

²²²⁹ Department of Labour’s UIF to fund a R300-million training programme with Seta’s to empower youth and unemployed, South African Department of Labour 3 December 2013. <http://www.labour.gov.za/DOL/media-desk/media-statements/2013/department-of-labour2019s-uif-to-fund-a-r300-million-training-programme-with-seta2019s-to-empower-youth-and-unemployed>.

Turkey: +1

Turkey has fully complied with the commitment on education.

On 28 October 2013, the Turkish Ministry of National Education delivered 100 minibuses to different schools and universities in the country.²²³⁰

On 30 January 2014, at a meeting with the private schools association Minister of National Education Nabi Avci unveiled the government plans to provide all pupils studying at private schools with textbooks for free.²²³¹

On 10 February 2014, Minister of National Education and Food, Agriculture and Livestock Minister Mehdi Eker participated at the School Milk Distribution Ceremony. The ministers announced the state initiative to distribute milk to 6,330,000 elementary school pupils three days a week. This initiative contributes to pupils' mental and physical development.²²³²

On 17 February 2014, Prime Minister Recep Tayyip Erdogan attended the Tablet Distribution Ceremony and announced that 675,000 tablet computers will be delivered to students in 81 Turkish provinces until the end of March. In his speech during the ceremony Recep Tayyip Erdogan pointed out that children should encourage scientific and technological changes in Turkish educational system.²²³³

Turkey has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education.

In 2013, the Turkish Ministry of National Education continued to supply school books free of charge and provide transported education and conditional educational assistance “within the framework of improving access to education and providing equal opportunities.” In order to provide gender equality in education the Ministry of Education agreed on the joint Turkey-European Union project to be launched in 2014.²²³⁴ The project titled Promoting Gender Equality in Education is co-financed by Turkey.²²³⁵

On 25 September 2014, the Minister of National Education attended the closing ceremony of the Special Education Strengthening Project (ÖZEGEP). He mentioned that one of the measures implemented within the project is tests harmonizing system (special education services), which makes

²²³⁰ Millî Eğitim Bakanlığı'ndan İl Müdürlüklerine 100 Minibüs Gönderiliyor, .

²²³¹ Bakan Avci'dan Özel Okullarda Okuyan Öğrencilere ve Velilerine Müjde, Ministry of National Education of Turkey 30 January 2014. Access Date: 24 February 2014. <http://www.meb.gov.tr/bakan-avcidan-ozel-okullarda-okuyan-ogrencilere-ve-velilerine-mujde/haber/6650>.

²²³² Okullarda Süt Dağıtımına Törenle Başlandı, Ministry of National Education of Turkey 10 February 2013. Access Date: 24 February 2014. <http://www.meb.gov.tr/okullarda-sut-dagitimina-torenle-baslandi/haber/6665>.

²²³³ Başbakan Erdoğan: “Okulunda İyi Eğitim Varsa O Ülkenin Geleceği Parlaktır”, Ministry of National Education of Turkey 17 February 2013. Access Date: 24 February 2014. <http://www.meb.gov.tr/basbakan-erdogan-8220okulunda-iyi-egitim-varsa-o-ulkenin-gelecegi-parlaktir8221/haber/6687>

²²³⁴ 2013 Progress Report prepared by Turkey, Turkish Ministry for EU Affairs December 2013. Access Date: 24 February 2014. http://www.abgs.gov.tr/files/AB_Iliskileri/AdaylikSureci/IlerlemeRaporlari/2013_tr_progress_report.pdf.

²²³⁵ Standard Summary Project Fiche – IPA Decentralized National Programmes, European Commission. Access Date: 24 February 2014. http://ec.europa.eu/enlargement/pdf/turkey/ipa/2010/125_tr2010013604_gender_equality_in_education.pdf.

access to computers easier for disabled people.²²³⁶ The project had been conducted since the beginning of 2014. It is aimed at improving and enhancing the quality of vocational education of disabled people and bringing them back into society.²²³⁷

Turkey has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

United Kingdom: +1

The United Kingdom has fully complied with the commitment on education.

On 4 December 2013, Education Minister Elizabeth Truss announced GBP11 million for around 30 new “mathematics education strategic hubs” to drive up the quality of maths teachers. Each hub will provide support to all schools in the area, across all areas of maths education, including recruitment of maths specialists into teaching, initial training of maths teachers and converting existing teachers into maths, co-ordinating and delivering a wide range of maths continuing professional development and school-to-school support.²²³⁸

On 30 January 2014, a new nationwide competition that gives primary school children a loan of GBP5 and encourages them to do something enterprising to grow their money was launched. The initiative is supported by GBP330,000 from the Department for Business, Innovation and Skills of the UK and has help to boost enterprise and entrepreneurial spirit in education, right through from nursery to further and higher education. The first year plan is to engage 20,000 children in up to 500 primary schools across the UK, increasing to 30,000 young people in 2015 and 40,000 in 2016.²²³⁹

On 5 February 2014, Skills and Enterprise Minister Matthew Hancock announced that up to GBP20 million will be made available to incentivise talented graduates to consider teaching maths in further education as the government has made maths an essential part of traineeships, apprenticeships and vocational education. It is expected that these measures will result in the recruitment of over 500 specialist maths teachers by September 2015.²²⁴⁰

On 8 July 2014, Science Minister David Willetts announced a GBP52 million investment into the science sector to create more than 7,800 education and skills opportunities over a 2 year period. The

²²³⁶ Bakan Avcı ‘Özel Eğitimin Güçlendirilmesi Projesi’ Kapanış Konferansına Katıldı, Ministry of National Education of Turkey 25 September 2014. Access Date: 1 October 2014. <http://www.meb.gov.tr/bakan-avci-ozel-egitim-guclendirilmesi-projesi-kapanis-konferansina-katildi/haber/7164>.

²²³⁷ ‘Özel Eğitimin Güçlendirilmesi Projesi’ Kapanış Toplantısı Milli Eğitim Bakanı Sayın Nabi Avcı’nın Katılımıyla Gerçekleştirildi, Ministry of National Education of Turkey 26 September 2014. Access Date: 1 October 2014. <http://orgm.meb.gov.tr/www/ozel-egitim-guclendirilmesi-projesi-kapanis-toplantisi-milli-egitim-bakani-sayin-nabi-avcinin-katilimiyla-gerceklestirildi/icerik/423>.

²²³⁸ New maths hubs to raise standards, Department for Education 4 December 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/new-maths-hubs-to-raise-standards>

²²³⁹ Young Enterprise partners with Virgin Money and Department for Business to launch new enterprise challenge for primary school children, Department for Business, Innovation & Skills 30 January 2014. Access Date: 30 January 2014. <https://www.gov.uk/government/news/young-enterprise-partners-with-virgin-money-and-department-for-business-to-launch-new-enterprise-challenge-for-primary-school-children>

²²⁴⁰ Millions unlocked to encourage the best to teach maths in further education, Department for Business, Innovation & Skills 5 February 2014. Access Date: 20 February 2014. <https://www.gov.uk/government/news/millions-unlocked-to-encourage-the-best-to-teach-maths-in-further-education>

investments will cover the vocational training and skills programmes that the life sciences, chemicals and industrial science sectors need to thrive and compete in the global economy.²²⁴¹

On 27 August 2014, the UK government launched a scheme to help raise maths standards of young people and adults by grants to support training of maths graduates employed to teach the subject.²²⁴²

On 23 September 2013, Business Secretary Vince Cable announced GBP8 million of funding to create hundreds of new apprenticeships and traineeships to train the next generation of nuclear technicians and engineers.²²⁴³

On 30 September 2013, Universities and Science Minister David Willetts announced that science and engineering teaching at English universities will receive a GBP400 million boost. And as only 6 per cent of the engineering workforce in the UK is female, this package of support will also have a particular focus on encouraging women into these subjects.²²⁴⁴

Tomorrow's Engineers Week was 4 to 8 November 2013, when government, employers and educators came together to enthuse young people, particularly girls, about the rewarding careers on offer in engineering. On 15 February 2013, Vince Cable announced that the survey found that after this event the number of 11 to 14 year olds thinking about working in engineering has jumped by 6 per cent. Significantly, the survey showed a 6 per cent rise in the number of girls saying they would consider an engineering career, an industry that acknowledges the need to recruit more women.²²⁴⁵

On 10 February 2014, the Department for Education and Russell Group launched a joint program for disadvantaged pupils to visit top universities for a day of lectures and workshops.²²⁴⁶

On 12 June 2014, Skills and Enterprise Minister Matthew Hancock announced a GBP30 million fund to increase the supply of engineers, to encourage more women into the sector and to address engineering

²²⁴¹ £52 million boost for skills and training in UK science sectors, Department for Business, Innovation & Skills 8 July 2014. Access Date: 27 September 2014. <https://www.gov.uk/government/news/52-million-boost-for-skills-and-training-in-uk-science-sectors>

²²⁴² Support for further education sector to develop maths teachers of the future, Department for Business, Innovation & Skills 27 August 2014. Access Date: 27 September 2014. <https://www.gov.uk/government/news/support-for-further-education-sector-to-develop-maths-teachers-of-the-future>

²²⁴³ £8 million to train the next generation of the nuclear workforce, Department for Business, Innovation & Skills 23 September 2014. Access Date: 27 September 2014. <https://www.gov.uk/government/news/8-million-to-train-the-next-generation-of-the-nuclear-workforce>

²²⁴⁴ £400 million will help science and engineering students get ahead in the global race and encourage more women to study these subjects, Department for Business, Innovation & Skills 30 September 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/400-million-will-help-science-and-engineering-students-get-ahead-in-the-global-race-and-encourage-more-women-to-study-these-subjects>

²²⁴⁵ More young people want to be engineers after government and industry efforts to showcase exciting careers, Department for Business, Innovation & Skills 15 February 2014. Access Date: 20 February 2014. <https://www.gov.uk/government/news/more-young-people-want-to-be-engineers-after-government-and-industry-efforts-to-showcase-exciting-careers>

²²⁴⁶ Scheme encouraging disadvantaged pupils to apply for leading universities opens, Department for Education 10 February 2014. Access Date: 20 February 2014. <https://www.gov.uk/government/news/scheme-encouraging-disadvantaged-pupils-to-apply-for-leading-universities-opens>

skills shortages in smaller companies. The fund will enable engineering companies to establish training programmes to develop future engineers and increase the number of women in the profession.²²⁴⁷

On 14 July 2014, Skills and Enterprise Minister Matthew Hancock announced GBP4 million of funding to the creative industries to develop new pathways into these industries for hundreds of people from underrepresented groups. The project will see nearly 300 black, Asian and minority ethnic (BAME) young people recruited into living wage internships.²²⁴⁸

The United Kingdom has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The United States has fully complied with the commitment on education.

In 2013-2014 U.S. states received awards to continue improving performance of their lowest-performing schools through new awards from the School Improvement Grants program of the Department of Education.^{2249,2250,2251,2252,2253}

On 26 September 2013, the Department of Education awarded more than USD20.1 million to 39 colleges and universities under the Strengthening Institutions Program (SIP), which helps postsecondary schools expand their opportunities to serve low-income students. SIP may finance planning, faculty development and the improvement of academic programs.²²⁵⁴

²²⁴⁷ £30 million fund to secure supply of engineers and boost number of women in sector, Department for Business, Innovation & Skills 12 June 2014. Access Date: 27 September 2014. <https://www.gov.uk/government/news/30-million-fund-to-secure-supply-of-engineers-and-boost-number-of-women-in-sector>

²²⁴⁸ Skills Minister announces multi-million pound drive to boost diversity in creative industries, Department for Business, Innovation & Skills 14 July 2014. Access Date: 27 September 2014. <https://www.gov.uk/government/news/skills-minister-announces-multi-million-pound-drive-to-boost-diversity-in-creative-industries>

²²⁴⁹ U.S. Department of Education Announces Awards to Seven States to Continue Efforts to Turn Around Their Lowest-Performing Schools, U.S. Department of Education 23 December 2013. Access Date: 23 February 2014. <http://www.ed.gov/news/press-releases/us-department-education-announces-awards-seven-states-continue-efforts-turn-around>.

²²⁵⁰ U.S. Department of Education Announces Awards to 7 States to Continue Efforts to Turn Around Lowest-Performing Schools, U.S. Department of Education 27 January 2014. Access Date: 23 February 2014. <http://www.ed.gov/news/press-releases/us-department-education-announces-awards-7-states-continue-efforts-turn-around-l>.

²²⁵¹ U.S. Department of Education Announces Awards to 6 States and District of Columbia to Continue Efforts to Turn Around Lowest-Performing Schools, U.S. Department of Education 7 February 2014. Access Date: 23 February 2014. <http://www.ed.gov/news/press-releases/us-department-education-announces-awards-6-states-and-district-columbia-continue>.

²²⁵² U.S. Department of Education Announces Awards to Nine States to Continue Efforts to Turn Around Lowest-Performing Schools, U.S. Department of Education 20 February 2014. Access Date: 23 February 2014. <http://www.ed.gov/news/press-releases/us-department-education-announces-awards-nine-states-continue-efforts-turn-around>.

²²⁵³ U.S. Department of Education Announces Awards to 10 States to Continue Efforts to Turn Around Lowest-Performing Schools, U.S. Department of Education 13 March 2014. Access Date: 22 September 2014. <http://www.ed.gov/news/press-releases/us-department-education-announces-awards-10-states-continue-efforts-turn-around->.

²²⁵⁴ Education Department Awards \$20.1 Million in Grants to Strengthen 39 Higher Education Institutions, U.S. Department of Education 26 September 2013. Access Date: 23 February 2014. <http://www.ed.gov/news/press-releases/education-department-awards-201-million-grants-strengthen-39-higher-education-in>.

On 8 January 2014, the U.S. Department of Education and the U.S. Department of Justice released a discipline guidance to assist states, districts and schools in improving school climate and ensuring compliance of those policies with federal law.²²⁵⁵

On 23 September 2014, the Department of Education allocated more than USD70 million to improve school climate, prevent gun violence and improve mental health services.²²⁵⁶

On 25 September 2014, the Department of Education granted USD35 million to 24 new partnerships between universities and high-need school districts aimed at improving student achievements. In the next 5 years these awards will allow to recruit and train more than 11,000 teachers, mainly in science, technology, engineering and math (STEM) fields. This represents an advancement to the President Obama's goal to prepare 100,000 STEM teachers over the next decade set in President's 2011 State of the Union address.²²⁵⁷

The United States has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education.

On 21 October 2013, the Department of Education announced a USD10.5 million five-year grant to the National Center on Deaf-Blindness to improve educational opportunities for deaf-blind students by implementing systems change efforts that have proven successful and by supporting improved systems integration between the national center and the state and multi-state projects.²²⁵⁸

On 31 October 2013, the Department of State announced the Veterans Innovation Partnership fellowship program, to promote foreign affairs career opportunities for U.S. veterans, including their opportunities to study international relations.²²⁵⁹

On 6 November 2013, the U.S. Department of Education and the Virtual Community School of Ohio agreed that the school would provide equal access to education for students with disabilities. This first-of-its-kind resolution is in line with Section 504 of the Rehabilitation Act and Title II of the Americans with Disabilities Act. Earlier it was found that the school had problems with identifying disabled students, their individual educational needs and utilized a website that was not available for individuals with disabilities, especially those who are blind.²²⁶⁰

²²⁵⁵ U.S. Departments of Education and Justice Release School Discipline Guidance Package to Enhance School Climate and Improve School Discipline Policies/Practices, U.S. Department of State 8 January 2014. Access Date: 17 February 2014. <http://www.ed.gov/news/press-releases/us-departments-education-and-justice-release-school-discipline-guidance-package->

²²⁵⁶ U.S. Department of Education Invests More Than \$70 Million to Improve School Climate and Keep Students Safe, U.S. Department of Education 25 September 2014. Access Date: 29 September 2014. <http://www.ed.gov/news/press-releases/us-department-education-invests-more-70-million-improve-school-climate-and-keep->

²²⁵⁷ 24 New Teacher Quality Partnership Grants Totaling More Than \$35 Million Awarded to Recruit, Train and Support More Science, Technology, Engineering and Math Teachers, U.S. Department of Education 25 September 2014. Access Date: 29 September 2014. <http://www.ed.gov/news/press-releases/24-new-teacher-quality-partnership-grants-totaling-more-35-million-awarded-recru>.

²²⁵⁸ National Center on Deaf-Blindness Awarded \$10.5 Million Grant to Help Improve Services for Children who are Deaf-Blind, U.S. Department of Education 21 October 2013. Access Date: 17 February 2014. <http://www.ed.gov/news/press-releases/national-center-deaf-blindness-awarded-105-million-grant-help-improve-services-c>.

²²⁵⁹ The Veterans Innovation Partnership Fellowship Program, U.S. Department of State 31 October 2013. Access Date: 17 February 2014. <http://www.state.gov/r/pa/prs/ps/2013/10/216132.htm>.

²²⁶⁰ U.S. Education Department Announces First-of-Its Kind Resolution of Virtual Charter School Civil Rights Investigation, U.S. Department of Education 6 November 2013. Access Date: 22 February 2014. <http://www.ed.gov/news/press-releases/us-education-department-announces-first-its-kind-resolution-virtual-charter-scho>.

On 13 December 2013, the U.S. Department of Education announced that it will recognize the legal marriage of a student or a parent if the legal marriage is recognized in the jurisdiction where it was contracted, regardless of whether the marriage is between a couple of the same sex or opposite sex, where the student or couple lives or the student is attending school. This guidance influences all questions on marriage on the Free Application for Federal Student Aid, thus improving educational opportunities for some groups of vulnerable people.²²⁶¹

On 18 February 2014, the U.S. Department of Labour announced USD73 million in grants to organizations that oversee education and employment services for disadvantaged youths. The aim is to help disadvantaged young people complete high school or acquire critical occupational skills in high-demand fields.²²⁶²

On 12 August 2014, the U.S. Department of Education allocated USD28.4 million in grants to 40 states to help low-income students pay for advanced placement tests. This initiative is expected to increase the number of low-income students taking advanced placement tests to get a college credit for high school courses and decrease for these students costs and time required to complete a postsecondary degree.²²⁶³

On 13 August 2014, preschool development grants were made available by the U.S. Department of Education. The initiative is aimed at developing and expanding voluntary, high-quality preschool programs for children from low- and moderate-income families.²²⁶⁴

On 14 August 2014, the U.S. Department of Education awarded almost USD4 million to prepare graduate students for work with disabled children and youth, while many college professors and administrators in special education are facing retirement in the coming years.²²⁶⁵

On 24 September 2014, the U.S. Department of Education granted USD3.9 million to partnerships between postsecondary institutions and school districts that focus on increasing the participation of

²²⁶¹ Education Department Announces that All Legal Same-Sex Marriages Will Be Recognized for Federal Financial Aid Purposes, U.S. Department of Education 13 December 2013. Access Date: 22 February 2014. <http://www.ed.gov/news/press-releases/education-department-announces-all-legal-same-sex-marriages-will-be-recognized-f>.

²²⁶² Approximately \$73M in YouthBuild grants to help disadvantaged youth develop job and leadership skills made available by US Labor Department, United States Department of Labor 18 February 2014. Access Date: 18 February 2014. <http://www.dol.gov/opa/media/press/eta/ETA20140257.htm>.

²²⁶³ Education Department Awards 40 States, D.C., and the Virgin Islands \$28.4 Million in Grants to Help Low-Income Students Take Advanced Placement Tests, U.S. Department of Education 14 August 2014. Access Date: 22 September 2014. <http://www.ed.gov/news/press-releases/education-department-awards-40-states-dc-and-virgin-islands-284-million-grants-h>.

²²⁶⁴ Education Secretary Duncan and Health and Human Services Secretary Burwell Announce New Grant Competition to Increase Access to High-Quality Preschool, U.S. Department of Education 13 August 2014. Date of Access: 22 September 2014. <http://www.ed.gov/news/press-releases/education-secretary-duncan-and-health-and-human-services-secretary-burwell-annou>.

²²⁶⁵ U.S. Education Department Awards Almost \$4 Million in Grants to Help Prepare Graduate Students for Leadership in Special Education, U.S. Department of Education 14 August 2014. Access Date: 22 September 2014. <http://www.ed.gov/news/press-releases/us-education-department-awards-almost-4-million-grants-help-prepare-graduate-stu>.

minorities and other underrepresented students in gifted and talented programs, e.g. students from poor families, students with low English language skills or disabled students.²²⁶⁶

The United States has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Tatiana Lanshina

European Union: +1

The European Union has fully complied with the commitment on education.

On 24 February 2014, improving the skills needed to enhance employability and increase levels of literacy and numeracy in the EU were at the top of the agenda of Education Ministers meeting.²²⁶⁷

On 25 September 2013, the European Commission unveiled Opening Up Education, a plan to tackle digital equipment problems preventing schools and universities from delivering high-quality education and the digital skills that 90 per cent of jobs will require by 2020. The commission launched a new website, Open Education Europa, that will allow students, practitioners and educational institutions to share free-to-use open educational resources.²²⁶⁸

On 5 February 2013, the European Commission announced that member that suffer from high youth unemployment will benefit from support drawn from a EUR3 billion special allocation under the Youth Employment Initiative, to support young people in education or training.²²⁶⁹

On 25 April 2014, the European Parliament launched Erasmus+, a new program for education, training, youth and sport. More than 4 million people will receive an EU grant to study, train, gain work experience or volunteer abroad over the next seven years. The program's budget will be EUR14.7 billion over the next 7 years. Its objective is to improve people's skills, especially those of young people, and give them a better chance of finding sustainable employment.²²⁷⁰

On 2 July 2014, the European Commission launched the new European Tertiary Education Register, that will provide a one-stop-shop for detailed and comparable data on 2 250 institutions hosting more than 16 million students. The data includes university size, number of students and staff, subjects and degree levels covered, as well as information about research and international activities. It will help policy makers to better manage the European higher education system as a whole, allow universities to

²²⁶⁶ U.S. Department of Education Awards \$3.9 Million to Partnerships to Support Underrepresented Students in Gifted and Talented Programs, U.S. Department of Education 24 September 2014. Access Date: 29 September 2014. <http://www.ed.gov/news/press-releases/us-department-education-awards-39-million-partnerships-support-underrepresented->

²²⁶⁷ EU Education Council (24 February), European Commission 21 February 2014. Access Date 21 February 2014. http://europa.eu/rapid/press-release_MEMO-14-125_en.htm

²²⁶⁸ Commission launches 'Opening up Education' to boost innovation and digital skills in schools and universities, European Commission 25 September 2013. Access Date 21 February 2014. http://europa.eu/rapid/press-release_IP-13-859_en.htm

²²⁶⁹ European Social Fund and the Youth Employment Initiative: vital instruments for a job rich recovery, European Commission 5 February 2014. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_MEMO-14-84_en.htm

²²⁷⁰ London launch for Erasmus+, European Commission 25 April 2014. Access Date 20 September 2014. http://europa.eu/rapid/press-release_IP-14-480_en.htm

compare themselves with others, and to identify opportunities for research collaboration or specialisation.²²⁷¹

The European Union has taken steps to invest in quality education targeting the vulnerable groups to ensure their access to quality education. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

²²⁷¹ Launch of European Tertiary Education Register - a new transparency approach in higher education, European Commission 2 July 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_IP-14-747_en.htm

14. Macroeconomic Policy: Small and Medium-Sized Enterprises

“We commit to encourage the private sector, including small and medium sized enterprises as one of our most important partners, in fostering inclusive economic growth including for job creation and labour absorption.”

St. Petersburg G20 Leaders' Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina		0	
Australia			+1
Brazil			+1
Canada			+1
China		0	
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan		0	
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.85	

Background

G20 members have discussed the development of small and medium-sized enterprises (SMEs) since the 2009 Pittsburgh Summit. G20 commitments on SMEs have focused on the areas of development and financial inclusion. At Pittsburgh and Toronto SME-related commitments focused on providing better access to financial services. In Seoul, the G20 considered investment in SMEs as an avenue for development in poorer countries and as a contribution to employment and wealth creation.²²⁷² The G20 St Petersburg Declaration contains commitments to support SMEs by increasing their access to finance and improving their financial inclusion, by assisting the private sector in developing countries. For the first time leaders highlighted the link between a well-functioning SME sector, strong economic growth and job creation.²²⁷³

²²⁷² Annex II: Multi-Year Action Plan on Development, G20 Information Centre (Toronto) 12 November 2010. Access Date: 23 January 2014. <http://www.g20.utoronto.ca/2010/g20seoul-development.html>.

²²⁷³ G20 Leaders' Declaration, G20 Information Centre (Toronto) 6 September 2013. Access Date: 23 January 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

Commitment Features

This commitment requires G20 members to provide support to the private sector in its activities contributing to inclusive economic growth and job creation.

Taking into account the International Labour Organization estimates that “50% of total employment creation comes from enterprises with less than 100 employees,”²²⁷⁴ actions to comply with this commitments should be directed toward SMEs. As the commitment mentions job creation and labour absorption as important elements of inclusive economic growth, G20 members should implement policies encouraging SMEs to create new jobs or employ people to fill existing vacancies in order to register full compliance. G20 members taking actions to support SMEs without a direct focus on job creation and employment issues will be considered as partially complying with this commitment.

Scoring Guidelines

-1	Member does not implement policies to support the development of SMEs.
0	Member implements policies to support the development of SMEs, but they do not directly lead to creating new jobs and increasing the level of employment.
+1	Member implements policies to support the development of SMEs, including those that directly lead to creating new jobs and increasing the level of employment.

Argentina: 0

Argentina has partially complied with the commitment on small and medium-sized enterprises (SMEs).

On 6 January 2014, the Argentinian Minister of Economy and Public Finance Axel Kicillof together with other Cabinet Ministers presented the Exports Diversification Program. Kicillof emphasized that one key objective of this program is to conquer markets that are not traditional for Argentina and increase exports up to USD101.52 million in two years. It will also contribute to the development of regional economies, increasing the number of export companies and diversifying export destinations and export basket. Those countries include Brazil, Russia, India, China and South Africa (BRICS) and other emerging countries (Indonesia, Nigeria, Turkey, Vietnam and Qatar) as well as nine Latin American countries (Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Paraguay and Peru).

One of the program’s priorities is to promote the participation of SMEs in international trade to enhance transfer of technologies and of regional integration. In this regard, Argentinian Minister of Industry Debora Giorgi emphasized that since 2008 Argentinian export promotion programs had helped create about 2,500 new SME-exporters.²²⁷⁵

In January the Central Bank of Argentina, through the BCRA Communication “A” 5516, launched a new Credit line for financing investment projects of SMEs across the country. The quota for MSMEs project funding allows enterprises to borrow under a fixed interest rate of 17.5% per annum with a minimum term of three years. The credit line is offered through 30 top public and private banks in the country. The program of funding helps SMEs that are refused to be funded by usual financial

²²⁷⁴ Is small still beautiful? International Labour Organization 26 July 2013. Access Date: 23 January 2014. http://www.ilo.org/global/about-the-ilo/newsroom/comment-analysis/WCMS_218252/lang--en/index.htm.

²²⁷⁵ Kicillof presentó un programa para incrementar las exportaciones.6 January 2014. <http://www.mecon.gov.ar/wp-content/uploads/2014/01/gacetilla-padex.pdf>.

institutions to get an access to financial resources.²²⁷⁶ The Credit line was prolonged for the second half of 2014 (Communication BCRA “A” 5600) with a fixed rate of 19,5% per annum for MSMEs.²²⁷⁷

In April Fund for Economic Development of Argentina (ANCHOR) was launched under the decree 606/2014. The Fund will invest 10 billion pesos in funding the projects aimed to strengthen regional economies, exports and innovation.²²⁷⁸

On August, 7 President of Argentina Cristina Fernandez de Kirchner announced the launch of PROEMPLEAR, a program that combines different instruments to support sustainable employment in firms with financial problems and provide trainings and employment of workers at low cost. The Minister of Labour Carlos Tomada said that this initiative is a part of government policy that guarantees equal access to labour market and ensures more efficient decision making in issues of decent work. The program will strengthen its focus on small and medium enterprises throughout the country.²²⁷⁹ On September, 10 Employment Secretary Matthias Barroetaveña and President of Association of Small and Micro Enterprises (SME) Daniel Moreira, signed an agreement that aims to bring to life tools and incentives launched within the PROEMPLEAR program.²²⁸⁰

Argentina has taken measures to support the development of SMEs, but not those that directly lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of 0.

Analyst: Yana Nursubina

Australia: +1

Australia has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 1 July 2014, the new AUD484.2 million Entrepreneurs’ Infrastructure Programme was phased in establishing a new streamlined Single Business Service Delivery to link small and other businesses to specific Government assistance programmes, and other energy efficiency, industry and skills programmes.²²⁸¹

On 13 May 2014, the Government allocated AUD8 million to establish the Small Business and Family Enterprise Ombudsman as single entry-point for small businesses to resolve disputes and access assistance and information. It will cut compliance burdens and reduce red-tape for small businesses.²²⁸² Additional AUD2.8 million in funding in the next four years were announced to set up a new unit to advise small business on Commonwealth Departments tendering and procurement processes.²²⁸³

²²⁷⁶ Financiamiento para PyMEs: prorrogan la Línea de Crédito Para Inversión Productiva. 9 January 2014

<http://www.uia.org.ar/departamento.do?id=9&sid=1&nid=2137>

²²⁷⁷ El BCRA prorrogó la Línea de Crédito para Inversión Productiva para el segundo semestre de 2014. 2 July 2014

<http://www.uia.org.ar/departamento.do?id=9&sid=1&nid=2268>

²²⁷⁸ FONDEAR: financiamiento para las economías regionales, sectores estratégicos y la innovación productiva. 30 April 2014 <http://www.uia.org.ar/departamento.do?id=9&sid=1&nid=2216>

²²⁷⁹ PROEMPLEAR, una herramienta para la defensa del trabajo. 7 August 2014

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1989

²²⁸⁰ Trabajo acerca las herramientas de PROEMPLEAR a pequeñas y micro empresas. 10 September 2014

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2039

²²⁸¹ A new era for Australian industry and small business, Minister for Small Business. 1 July 2014. Access Date: 29 September 2014. <http://bfb.ministers.treasury.gov.au/media-release/038-2014/>

²²⁸² Access to the Commonwealth made easier for small business, Minister for Small Business. 13 May 2014. Access Date: 29 September 2014. <http://bfb.ministers.treasury.gov.au/media-release/028-2014/>

²²⁸³ Small business to benefit from new Commonwealth contracting arrangements, Minister for Small Business. 13 May 2014. Access Date: 29 September 2014. <http://bfb.ministers.treasury.gov.au/media-release/029-2014/>

On 28 March 2014, the Government tasked the Board of Taxation to conduct a review to help small business sector to drive innovation and jobs growth.²²⁸⁴

On 6 March 2014, the Government extended Export Market Development Grants (EMDG) scheme by AUD50 million to help small and medium sized businesses reach their export potential.²²⁸⁵

On 7 January 2014, the Australian government announced that from April 2014 Small Business Superannuation Clearing House will be transferred to the Australian Taxation Office. This measure will make it easier for small business to meet their superannuation obligations, reduce red tape and compliance costs.²²⁸⁶

Australia has implemented policies to support the development of SMEs, including those that directly lead to creating new jobs and increasing the level of employment.

On 25 March 2014, the ‘Guide to hiring new employees’ was released by Fair Work Ombudsman to help small business owners recruit quality staff.²²⁸⁷

On 6 December 2013, Fair Work Ombudsman’s Small Business Helpline was opened to help SME owners around Australia “efficiently improve their understanding of the laws so they are confident to grow, invest and create jobs,” Minister for Employment Eric Abetz said.²²⁸⁸ Over 100,000 calls have been received over seven month it has been in operation.²²⁸⁹

Australia has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Ekaterina Maslonskaya

Brazil: +1

Brazil has fully complied with the commitment on small and medium-sized enterprises (SMEs).

Brazilian government supports the development of SMEs through its “Micro Empreendedor Individual” program. Launched in 2008, the program formalizes SMEs across the country, allowing individual entrepreneurs to make use of social security and tax benefits.²²⁹⁰

On 15 September 2014, the Banco do Nordeste, a national regional development bank owned primarily by the Brazilian Government, and the João Pessoa Chamber of Commerce signed a cooperation

²²⁸⁴ Working to remove barriers to help small businesses grow, Minister for Small business 28 March 2014. Access Date: 27 September 2014. <http://bfb.ministers.treasury.gov.au/media-release/015-2014/>

²²⁸⁵ \$50m boost to help small businesses export, Australian Government Minister for Trade and Investment 6 March 2014. Access Date: 25 September 2014. http://trademinister.gov.au/releases/Pages/2014/ar_mr_140306.aspx?ministerid=3

²²⁸⁶ Life made easier for small business, Minister for Small Business 7 January 2014. Access Date: 22 February 2014. <http://bfb.ministers.treasury.gov.au/media-release/001-2014/>

²²⁸⁷ Small businesses to benefit from Hiring New Employees Guide, Ministers’ Media Centre, Employment Portfolio 25 March 2014. Access Date: 27 September 2014. <http://ministers.employment.gov.au/abetz/small-businesses-benefit-hiring-new-employees-guide>

²²⁸⁸ New helpline for small business, Ministers’ Media Centre, Employment Portfolio 6 December 2013. Access Date: 2 February 2014. <http://ministers.employment.gov.au/abetz/new-helpline-small-business-0>

²²⁸⁹ Small Business Helpline receives 100,000 calls, Australian Government, Department of Employment 15 July 2014. Access Date: 28 September 2014. <http://ministers.employment.gov.au/abetz/small-business-helpline-receives-100000-calls>

²²⁹⁰ Campanha sobre o MEI estimula formalização, Portal Brazil 4 June 2014. Access Date 30 June 2014. <http://www.brasil.gov.br/economia-e-emprego/2014/06/campanha-sobre-o-mei-estimula-formalizacao>

agreement with the objective of offering local merchants credit lines to modernize commercial and service establishments. About 700 accredited traders had the opportunity to benefit from this initiative. ²²⁹¹

On 25 September 2014, the Brazilian Ministry of Agrarian Development announced the launch of a technical assistance program to help 3600 family farmers in the Southern Region modernize the production chains of grape and wine. The program provides for the allocation of BRL12.9 million. ²²⁹²

On 8 October 2014, Banco do Nordeste announced that during the period from January to August 2014 micro and small enterprises had received BRL1.9 billion in investments from the Constitutional Fund for Financing the Northeast (FNE). The FNE was created in 1988 by the government to promote socio-economic development in the Northwestern states of Brazil. ²²⁹³

On 8 October 2014, the Department of Micro and Small Enterprises of Brazil and the Federal Public Ministry signed a partnership agreement aimed at providing differentiated treatment of micro and small enterprises and improving effectiveness of these companies. ²²⁹⁴

Brazil has implemented policies to support the development of SMEs including those that may lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakbarov

Canada: +1

Canada has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 2 December 2013, Minister of Science and Technology Greg Rickford announced a new service providing firms with timely information and advice to identify and access government innovation support programs that more adequately respond to their needs. It will be easier for SMEs to find and access business research and development programs to accelerate their growth using this service. ²²⁹⁵

On 28 January 2014, Minister of International Trade Ed Fast and Minister of Small Business and Tourism, and Agriculture Maxime Bernier, with Treasury Board President, Tony Clement, outlined progress made in cutting red tape for Canadian SMEs, under the Red Tape Reduction Action Plan. ²²⁹⁶

The business tax rate is reduced to 11 per cent for businesses with income of USD 447,000 or less, providing an estimated USD 2 billion per year in tax relief for these micro-businesses in 2014. ²²⁹⁷ The

²²⁹¹ BNB e CDL-JP firmam parceria que beneficia lojistas, Portal Brazil 17 September 2014. Date of Access: 14 October 2014. <http://www.brasil.gov.br/economia-e-emprego/2014/09/bnb-e-cdl-jp-firmam-parceria-que-beneficia-lojistas>.

²²⁹² Ministério lança chamada para assistir agricultores familiares, Portal Brazil 25 September 2014. Date of Access: 14 October 2014. <http://www.brasil.gov.br/economia-e-emprego/2014/09/ministerio-lanca-chamada-para-assistir-agricultores-familiares>.

²²⁹³ Micro e pequenas empresas recebem investimento de R\$ 1,9 bilhão, Portal Brazil 8 October 2014. Date of Access: 14 October 2014. <http://www.brasil.gov.br/economia-e-emprego/2014/10/micro-e-pequenas-empresas-recebem-investimento-de-r-1-9-bilhao>.

²²⁹⁴ Micro e pequenas empresas vão ter tratamento diferenciado, Portal Brazil 8 October 2014. Date of Access 14 October 2014. <http://www.brasil.gov.br/economia-e-emprego/2014/10/micro-e-pequenas-empresas-va-ter-tratamento-diferenciado>.

²²⁹⁵ Government of Canada launches tool to help canadian businesses grow and create jobs. Access Date: 20 September 2014. <http://news.gc.ca/web/article-en.do?mthd=advSrch&crtr.page=2&nid=798369&crtr.kw=SMEs>

²²⁹⁶ Harper Government Reducing Red Tape to Create Jobs and Opportunities. Access Date: 20 September 2014. <http://news.gc.ca/web/article-en.do?mthd=advSrch&crtr.page=2&nid=812219&crtr.kw=SMEs>

Economic Action Plan 2014 continues to reduce the tax compliance and regulatory burden for SMEs and other tax filers.²²⁹⁸ In particular, the Canadian government extended the temporary accelerated capital cost allowance for new investment in machinery and equipment for 2014 and 2015 helping SMEs in the manufacturing and processing sector accelerate and undertake additional investment.²²⁹⁹

On 11 September 2014, French Minister of Finance Joe Oliver announced the introduction of the Small Business Job Credit.²³⁰⁰ The Small Business Job Credit will apply to Employment Insurance (EI) premiums paid by small businesses in 2015 and 2016. This measure is expected to save small employers more than USD550 million over 2015 and 2016.²³⁰¹

Canada has implemented policies to support the development of SMEs, including those that directly lead to creating new jobs and increasing the level of employment.

The Economic Action Plan supports internships, apprenticeships and new jobs by providing CAD15 million per year re-allocated from the Youth Employment Strategy for up to 1,000 internships within SMEs.²³⁰²

Canada has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

China: 0

China has partially complied with the commitment on small and medium-sized enterprises (SMEs).

On 27 October 2013, China's administrative reform will streamline its corporate registration system to ease market access and encourage social investment. This action will foster a market environment of fairness and competition, mobilize social capital, encourage small and micro enterprises to grow, and boost employment.²³⁰³ According to the statement, requirements for the minimum registered capital for limited liability companies, one-person limited liability companies, as well as joint-stock companies with limited liability, will be scrapped. Requirements on the site registered for business operation will also be relaxed. Currently, minimum registered capital for limited liability companies is CNY30,000, while that for one-person limited liability companies and joint-stock companies is CNY100,000 and CNY5 million.²³⁰⁴

²²⁹⁷ Chapter 3.2: Fostering Job Creation, Innovation and Trade. Access Date: 20 September 2014.

<http://www.budget.gc.ca/2014/docs/plan/ch3-2-eng.html>

²²⁹⁸ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 20 September 2014. <http://actionplan.gc.ca>

²²⁹⁹ Tax Relief for New Manufacturing Machinery and Equipment, Canada's Economic Action Plan. Access Date: 24 July 2014. <http://actionplan.gc.ca/en/initiative/tax-relief-new-manufacturing-machinery-and>.

²³⁰⁰ New tax relief will save small businesses more than half a billion dollars over two years. Access Date: 20 September 2014. <http://www.fin.gc.ca/n14/14-120-eng.asp>

²³⁰¹ Supporting the Engines of Job Creation: The Small Business Job Credit. Access Date: 20 September 2014.

<http://actionplan.gc.ca/en/blog/supporting-engines-job-creation-small-business-job>

²³⁰² Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 20 September 2014. <http://actionplan.gc.ca>

²³⁰³ China Relaxes Company Registration Requirements, Changsha Municipal People's Government 28 October 2013. Access Date: 11 February 2014. http://en.changsha.gov.cn/About/chinanews/201310/t20131028_508150.html

²³⁰⁴ Easier company registration to help SME growth, Economic and Commercial Counsellor's Office of the Embassy of the People's Republic of China in the Kingdom of Denmark 30 October 2013. Access Date: 11 February 2014. <http://dk2.mofcom.gov.cn/article/chinanews/201310/20131000372081.shtml>

On 12 December 2013, the Central Committee of the Communist Party of China declared that to empower SMEs, the Chinese government waived value-added tax and business tax for companies with monthly sales lower than CNY20,000. That way the government will benefit six million small and micro businesses in China from a tax burden of CNY12 billion a year. A chief engineer of the Ministry of Industry and Information Technology (MIIT) Zhu Hongren stated that the MIIT plans to set up 4,000 public service platforms for SMEs by the end of 2015, and 307 had already been established as models. The platforms will provide services related to information and technology, financing, energy saving and environmental protection, as well as training and logistics.²³⁰⁵

On 24 January 2014, 266 SMEs started to be traded on the New Third Board, or National Equities Exchange and Quotation system, marking a considerable expansion for China's over-the-counter market. The move, bringing the number of companies listed on the New Third Board to 621, represents China's efforts to encourage the development of SMEs against the current economic downward pressure. The system serves as a national system for SMEs to transfer shares and raise funds.²³⁰⁶

China has implemented policies to support the development of SMEs, but they do not directly lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of 0.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 5 March 2014, the Law on vocational training, employment and social democracy was adopted. The law supports SMEs development and job creation by allowing them to use the generation contract scheme.²³⁰⁷

On 18 June 2014, Law n° 2014-626 on crafts, trade and small businesses was adopted, it revitalizes shops, strengthens commercial diversity, evaluates the know-how of artisans, and supports 3 million small French companies.²³⁰⁸ The Law includes measures to control commercial rents and improve the tenancy rights of small business, creates a single authorization procedure of the building permit and business license, aims to secure the skills of he skills of artisans, and creates a unique and simplified system of micro-business.

France has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

²³⁰⁵ SMEs seek equal footing in China's new reform, Economic and Commercial Counsellor's Office of the Embassy of the People's Republic of China in the Kingdom of Belgium, Economic and Commercial Counsellor's Office of the Embassy of the People's Republic of China in the Grand-Duchy of Luxembourg 13 December 2013. Access Date: 13 February 2014. <http://be2.mofcom.gov.cn/article/chinanews/201312/20131200425168.shtml>

²³⁰⁶ 266 SMEs debut on New Third Board, Administrative Committee of Zhongguancun Science Park 10 February 2014. Access Date: 13 February 2014. http://en.zgc.gov.cn/2014-02/10/content_17274593.htm

²³⁰⁷ LOI n° 2014-288 du 5 mars 2014 relative à la formation professionnelle, à l'emploi et à la démocratie sociale. Access Date: 20 September 2014.

<http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000028683576&categorieLien=id>

²³⁰⁸ Le loi artisanat, commerce et très petites entreprises. Access Date: 20 September 2014. <http://www.senat.fr/dossier-legislatif/pjl13-376.html>

Germany: +1

Germany has fully complied with the commitment on small and medium-sized enterprises (SMEs).

In 2013-2014, Germany continued to implement previously launched initiatives to support SMEs.

From 2007 to 2013, the Federal Ministry of Economic and Technology implemented the project “Targeted Trainee Placement for Companies Willing to Train.” The program strengthens the competitiveness of SMEs by “helping them recruit suitable trainees and ensure that their need for skilled staff is met.” The program funding is EUR7.9 million, including EUR2.9 million from the federal budget. The project will likely be extended beyond 2013 with wider coverage.²³⁰⁹

In 2013, the Federal Ministry of Labour and Social Affairs implemented its long-term “Vocational Training without Borders” program. Launched in 2009 it is co-financed by the ministry (EUR 3.2 million) and the European Social Fund (EUR8.7 million). The funds are used to finance the work of 35 mobility consultants from the Chambers of Skilled Trades and Chambers of Industry and Commerce to inform SMEs on opportunities for their trainees to spend time working abroad within the European Union and help them organize such trips abroad. The goal of the program is to stimulate SMEs to offer more training and working places.²³¹⁰

In February 2014, the Federal Ministry of Economics and Energy announced the new phase of its Central SME Innovation Programme (ZIM). Financial support is given to SMEs willing to implement research and development (R&D) projects or trying to receive consulting services related to innovation policies.²³¹¹ The program also provides for support to join R&D projects carried out by SMEs. In particular, on 15 October 2013, the Federal Ministry of Economics and Energy signed a cooperation agreement with the province of Alberta (Canada) within the framework of the ZIM. The two sides published a joint invitation for SMEs in both countries to submit R&D projects.²³¹²

On 20 May 2014, the German government announced its plans to provide EUR100 million as a loan financing provided to SMEs in Greece. Support will be provided via the business promotion bank KfW Förderbank cooperation with Greek commercial banks. The Greek government will co-finance the project with the additional EUR100 million. The German government will back the loans with its guarantee, and thus help SMEs in Greece to get access to relatively cheap and secure financing.²³¹³

On 2 July 2014, the German government adopted the draft 2015 federal budget and the financial plan for 2014-2018. According to these documents, the ZIM budget in 2015 will be increased by EUR30 million to EUR5433 million. Additionally, the go-Inno advisory programme will receive EUR9 million to provide SMEs with vouchers for targeted advisory services. In 2015 the German government will also allocate EUR37 million to promote business skills and expertise among SMEs through measures to

²³⁰⁹ Report on Vocational Education and Training 2013, Federal Ministry of Education and Research August 2013. Access Date: 19 April 2014. http://www.bmbf.de/pub/bbb_2013_en.pdf.

²³¹⁰ Report on Vocational Education and Training 2013, Federal Ministry of Education and Research August 2013. Access Date: 19 April 2014. http://www.bmbf.de/pub/bbb_2013_en.pdf.

²³¹¹ Central Innovation Programme for SMEs, Federal Ministry of Economics and Energy February 2014. Access Date: 19 April 2014. <http://www.zim-bmwi.de/download/infomaterial/infomaterialsbrochure-zim-englisch.pdf>.

²³¹² Federal Ministry of Economics calls upon SMEs to work together with Alberta (Canada) in the field of R&D, Federal Ministry of Economics and Energy 15 October 2013. Access Date: 19 April 2014. <http://www.bmwi.de/EN/Press/press-releases,did=598744.html>.

²³¹³ Federal Government provides support for SMEs in Greece, Federal Ministry for Economic Affairs and Energy 20 May 2014. Access Date: 9 October 2014. <http://www.bmwi.de/EN/Press/press-releases,did=640084.html>.

encourage small companies to consult external business specialists at an early stage and on any aspect of their management. EUR67 million will be spent to support innovative start-ups.²³¹⁴

Germany has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepor

India: +1

India has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 22 October 2013, in its effort to develop and nurture SMEs in Malaysia, the Centre for Entrepreneur Development and Research (CEDAR) signed a memorandum of understanding with state-created Entrepreneurship Development Institute of India, a leading institute in the region involved in the advancement of entrepreneurs. The purpose is to enable both parties to collaborate on various entrepreneurship development programs; market-driven and industry-based researches; staff capacity building and exchange programs; co-organizing of conferences and workshops; as well as other related initiatives that shall enrich and enhance the capabilities of both entrepreneurs and Development Financial Institutions.²³¹⁵

On 30 November 2013, the Indian state-owned Corporation Bank opened its exclusive fully furnished SME loan centre in New Delhi. S.R. Bansal, Chair and Managing Director, inaugurated the centre. The bank has launched exclusive SME loan centres in various cities across India. With the launch of the New Delhi centre the total number of SME centres have increased to 17.²³¹⁶

On 21 November 2013, Securities and Exchange Board of India (SEBI) has allowed SMEs to list their specified securities on the new Institutional Trading Platform (ITP) of a recognized stock exchange without an initial public offering. As a welcome development for Indian SMEs, SEBI recently allowed SMEs to list without any requirement of an initial public offering. SEBI has notified a new set of regulations.²³¹⁷

On 1 September 2014, the MAIT ICT SME Conclave 2014 in Noida was organized by Manufacturers' Association for Information Technology (MAIT), the apex body representing India's IT hardware, training and R&D services sectors, in association with the Ministry of Communication & Information Technology and Ministry of Micro Small and Medium Enterprises with an aim to create awareness

²³¹⁴ Draft Budget for 2015, Federal Ministry for Economic Affairs and Energy 2 July 2014. Access Date: 9 October 2014.
<http://www.bmwi.de/EN/Ministry/budget,did=646316.html>.

²³¹⁵ Collaboration Between CEDAR of Malaysia and EDI of India on Entrepreneurship Education, Research and Development Programmes, SME Bank, 22 October 2013. Access Date: 22 February 2014.
<http://www.smebank.com.my/collaboration-between-cedar-of-malaysia-and-edi-of-india-on-entrepreneurship-education-research-and-development-programmes/>

²³¹⁶ Corporation Bank Opens SME Loan Centre at Delhi, Times of India, 30 November 2013. Access Date: 22 February 2014.
<http://timesofindia.indiatimes.com/business/india-business/Corporation-Bank-opens-SME-loan-centre-at-Delhi/articleshow/26643839.cms>

²³¹⁷ India: Listing Without An IPO For SME: SEBI Provides A Platform For Exits By Investors, Mondaq, 21 November 2013. Access Date: 22 February 2014.
<http://www.mondaq.com/india/x/276438/listing+rules+flotation/Listing+Without+An+IPO+For+SME+SEBI+Provides+A+Platform+For+Exits+By+Investors>

among SMEs about the various initiatives, policies and schemes offered by the Government of India.²³¹⁸

In 2013-14, India continued to implement the Micro and Small Enterprise-Cluster Development Program. It provides for government financial support to diagnostic studies, setting up common facility centres and improving infrastructure for micro and small businesses. This program contributes to raising employment, in particular among vulnerable groups.²³¹⁹ During the same period, India implemented the Entrepreneurial Skill Development Programme (ESDP), which provides comprehensive training to upgrade skills of prospective entrepreneurs and the existing workforce and also develop skills of new workers and technicians of SMEs. The specific programs for skill development of socially disadvantaged groups are organized in various Indian regions in the framework of ESDP. It covers training across 60 disciplines.²³²⁰ Other programs implemented by the Indian Ministry of Micro, Small and Medium Enterprises also contributed to SMEs development with a particular focus on creating jobs and stimulating entrepreneurship. These include specific vocational training programmes,²³²¹ Management Development Programmes,²³²² and Industrial Motivation Campaigns.²³²³

India has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment in the monitoring period. Thus, it has been awarded a score of +1.

Analyst: Alisa Prokhorova

Indonesia: +1

Indonesia has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 23 September 2013, Indonesian representatives initiated talks on empowering SMEs as one priority at the APEC 2013 Eighth High-Level Summit in Bali. Firmanzah, Presidential Advisor for Economy and Development, said that Indonesian SMEs continue to be encouraged to improve human resource capacity, market dominance and technology. He announced that the Ministry for Cooperatives and Small and Medium-Sized Businesses continues to implement its Credit for the People (KUR) program to provide finance to micro enterprises. This initiative has been widely supported by all APEC members and they agreed to have a discussion on empowering SMEs at each annual APEC meeting.²³²⁴

²³¹⁸ Government should encourage SME manufacturers in India: MAIT, InformationWeek, 1 September 2014. Date of Access: 26 September 2014. http://www.informationweek.in/informationweek/news-analysis/297733/government-encourage-sme-manufacturers-india-mait?utm_source=reference_article

²³¹⁹ Micro and Small Enterprises – Cluster Development Programme (MSE-CDP), Indian Ministry of Micro, Small & Medium Enterprises 2014. Access Date: 22 February 2014. <http://www.dcmsme.gov.in/MSE-CDProg.htm>.

²³²⁰ Entrepreneurial Skill Development Programme (ESDPs), Indian Ministry of Micro, Small & Medium Enterprises 2014. Access Date: 22 February 2014. <http://www.dcmsme.gov.in/esdpDetail.htm>.

²³²¹ Vocational and Educational Training, Indian Ministry of Micro, Small & Medium Enterprises 2014. Access Date: 22 February 2014. <http://www.dcmsme.gov.in/VOCDetail.htm>.

²³²² Management Development Programmes, Indian Ministry of Micro, Small & Medium Enterprises 2014. Access Date: 22 February 2014. <http://www.dcmsme.gov.in/mdpDetail.htm>.

²³²³ Industrial Motivation Campaigns, Indian Ministry of Micro, Small & Medium Enterprises 2014. Access Date: 22 February 2014. <http://www.dcmsme.gov.in/imcDetail.htm>.

²³²⁴ Indonesia Initiates Discussion on Empowering SMEs at APEC 2013 High Level Summit, Cabinet Secretariat of Republic of Indonesia 23 September 2014. Access Date: 27 February 2014. <http://setkab.go.id/en/news-10391-indonesia-initiates-discussion-on-empowering-smes-at-apec-2013-high-level-summit.html>.

On 6 October 2013, President Susilo Bambang Yudhoyono at the APEC Summit mentioned that in order to achieve APEC's goals Indonesia would focus its efforts "economic empowerment, engagement of stake-holders and enhancement of SMEs' global competitiveness" through promoting innovation and engaging women in small businesses.²³²⁵

On 14 November 2013, Deputy Coordinating Minister for Economic Affairs in Commerce Edi Putra announced the directorate general of tax imposing 1 per cent tax on SMEs. He said that this measure would improve SME access to the financial market, as entrepreneurs would have an opportunity to get a tax identification number necessary for getting a loan.²³²⁶

On 23 October 2013, Wayan Dipta, Indonesian Minister for Cooperatives and SMEs, announced the launch of a practical business skills program, to provide training for young people in rural areas to stimulate their activity as entrepreneurs.²³²⁷

In 2013, Indonesian Government initiated the launch of the Green Technology Innovation Network in the framework of APEC SME Working Group to support SME development. The project is aimed at developing a green technology network that would facilitate interaction between green technology-based SMEs and technology innovation providers.²³²⁸

Indonesia has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

Italy: +1

Italy has fully complied with the commitment to support small and medium-sized enterprises (SMEs).

On 27 December 2013, the Italian Ministry of Economic Development jointly with the Ministry of Economy and Finance approved a decree on strengthening the Guarantee Fund for Small and Medium Enterprises. The decree, inter alia, provided for the simplification of procedures and requirements for applying for guarantees.²³²⁹

On 13 February 2014, Italy's Ministry of Employment and Social Policies issued a decree simplifying the procedures of adoption and effective implementation of job safety regulations for SMEs.²³³⁰

²³²⁵ Keynote Speech at The APEC CEO 2013, President Republic of Indonesia 6 October 2013. Access Date: 25 February 2014. <http://www.presidentri.go.id/index.php/eng/pidato/2013/10/06/2190.html>.

²³²⁶ Tax Imposition on SMEs for Easy Financial Access, Ministry of Republic of Finance Republic of Indonesia 14 November 2014, Access Date: 27 February 2014. <http://www.kemenkeu.go.id/en/Berita/smes-tax-easy-financial-access>.

²³²⁷ Pendirian Tempat Praktek Keterampilan Usaha Di Pedesaan Digenjot, Ministry for Cooperatives and SMEs of Indonesia 23 October 2013. Access Date: 27 February 2014. http://www.dekop.go.id/index.php?option=com_content&view=article&id=1346:pendirian-tempat-praktek-keterampilan-usaha-di-pedesaan-digenjot&catid=50:bind-berita&Itemid=97.

²³²⁸ Small and Medium Enterprises, APEC. Access Date: 29 September 2014. <http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Small-and-Medium-Enterprises.aspx>.

²³²⁹ DECRETO 27 dicembre 2013 Disposizioni per il rafforzamento del Fondo di garanzia per le piccole e medie imprese, Gazzetta Ufficiale 27 December 2013. Date of Access: 10 October 2014. http://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2014-03-08&atto.codiceRedazionale=14A01793&elenco30giorni=false

²³³⁰ Procedure semplificate per l'adozione dei modelli di organizzazione e gestione nelle piccole e medie imprese, Ministero di lavoro e delle Politiche Sociali 13 February 2014. Access Date: 5 May 2014. http://www.lavoro.gov.it/SicurezzaLavoro/PrimoPiano/Pages/20140225_proceduresemplificate.aspx.

According to the Economic and Financial Document, approved by the Council of Ministers on 8 April 2014, provides for spending of additional EUR670 million into the Guarantee Fund for Small and Medium Enterprises in 2014. The fund is a special body of the Italian Ministry of Economic Development designed to support SMEs by promoting their access to credit.²³³¹

On 6 June 2014, the electronic invoicing procedure became operational in Italy.²³³² According to the Ministry of Economy and Finance the electronic invoicing service will provide support in meeting the legal requirements to SMEs acting as suppliers for public administration bodies.²³³³

Italy has implemented policies to support the development of SMEs, including those that directly lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

Japan: 0

Japan has partially complied with the commitment on small and medium-sized enterprises (SMEs).

On 20 September 2013, the Act for Partial Revision of the SME Basic Act came into force. It introduced measures to revitalize the business activities of micro enterprises, including the promotion of overseas expansion.²³³⁴

On 7 March 2014, the Cabinet of Japan approved the Bill for the Basic Act for Promoting Small Enterprises and the Bill for the Act for the Partial Revision of the Act on Supporting Small Business by Commerce and Industry Association and Chamber of Commerce and Industry. Both bills were submitted to the Diet. The first is oriented toward the sustainable business development of small and micro enterprises with the formulation of a 5-year plan of SME promotion measures. The second — toward developing a cooperative support system for the small enterprises.²³³⁵

On 1 April 2014, the Industrial Enhancement Act came into effect that includes a substantial reduction of fees for small and medium-sized enterprises: a request for a substantive examination of a patent and annuities for the first year through to the tenth year of a patent have been reduced from JPY380,000 (USD3,720) to about JPY130,000 (USD1,272).²³³⁶

²³³¹ Documento di Economia e Finanza 2014, Ministero dell'Economia e delle Finanze 8 April 2014. Access Date: 5 May 2014. http://www.tesoro.it/doc-finanza-pubblica/def/2014/documenti/DEF_Sezione_I_Programma_di_Stabilita_.pdf.

²³³² Fatturazione elettronica PA - Comunicazione ai fornitori dell'Agenzia delle Entrate, Agenzia delle Entrate 6 June 2014. Date of Access: 10 October 2014. <http://www.agenziaentrate.gov.it/wps/content/Nsilib/Nsil/Documentazione/Fatturazione+elettronica+PA+-+Comunicazione/>

²³³³ Parte sul mepa il servizio di supporto alla fatturazione elettronica per gli acquisti della P. A., Ministero dell'Economia e delle Finanze 3 February 2014. Date of Access: 10 October 2014. http://www.mef.gov.it/ufficio-stampa/comunicati/2014/comunicato_0029.html.

²³³⁴ Japan's Policy on Small and Medium Enterprises (SMEs) and Micro Enterprises, Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry September 2013, p. 34. Access Date: 22 February 2014. http://www.chusho.meti.go.jp/sme_english/outline/04/20131007.pdf.

²³³⁵ The Cabinet Approved the Bill for the Small Enterprises Promotion Act and the Bill for the Small Business Support Act, Ministry of Economy, Trade and Industry of Japan 7 March 2014. Access Date: 29 September 2014. http://www.meti.go.jp/english/press/2014/0307_02.html.

²³³⁶ Hiroshi Hari Fees reduced for SMEs, World Intellectual Property Review 29 July 2014. Access Date: 29 September 2014. <http://www.worldipreview.com/article/fees-reduced-for-smes>.

On 25 April 2014, the Small and Medium Enterprise Agency (SMEA) issued 2014 White Paper on Small and Medium Enterprises in Japan that reveals the current situation in the SME sector of Japan and offers policy measures for its support.²³³⁷

Japan has implemented policies to support the development of SMEs, but they have not directly lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of 0.

Analyst: Evgeny Gushchin

Korea: +1

Korea has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 26 December 2013, Korean Finance Minister Hyun Oh-seok announced that Korea would focus next year on boosting the private sector to make more people feel the impacts of the economic recovery in their daily life. He said that the government “will work hard to have the momentum for economic recovery we have built up this year through additional budget and other government-led efforts spill over into the private sector.”²³³⁸

On 14 January 2014, the Government of Korea announced that in 2014 it will emphasize the role of deregulation and the private sector in growth in gross domestic product. On 7 January President Park Geun-hye reiterated her plans to oversee a shift away from Korea’s heavily export-oriented growth model, in a bid to revitalize the country’s faltering long-term economic expansion.²³³⁹

On 11 December 2013, at the 28th Ministerial and the Small and Medium Business Administration (SMBA) the plan to reform SME criteria aimed at promoting growth and creating jobs was confirmed. According to SMBA, if this plan takes effect in 2015, it will promote employment and investment in the long term, since SMEs will be able to increase the number of employees and the amount of capital without the increase affecting their SME status.²³⁴⁰

On 3 March 2014, the SMBA announced the measures to expand the advancement of SMEs into Southeast Asia at the 147th External Economy Ministers’ Meeting. The measures will help enhance policy support for the successful promotion of Korean SMEs to the markets of Southeast Asia.²³⁴¹

On 20 May 2014, the SMBA and the Korean Institute for the Advancement of Technology announced that they would each select eight final companies for their “project to support tailored technological

²³³⁷ 2014 White Paper on Small and Medium Enterprises in Japan, Ministry of Economy, Trade and Industry of Japan 25 April 2014. Access Date: 29 September 2014. http://www.meti.go.jp/english/press/2014/0425_01.html.

²³³⁸ S. Korea to focus economic policy on private sector: minister, Yonhap News Agency 26 December 2013. Access Date: 5 March 2014, <http://english.yonhapnews.co.kr/business/2013/12/26/28/0502000000AEN20131226005600320F.html>.

²³³⁹ The Economist Intelligence Unit. [http://country.eiu.com/\(F\(b0wLCbwTUg7VKcgYqCWa7eqoV2-3xqWq8N82DH61SKq_plsfKJqVMIMZTFMPqU2s7F1140jsZay6IRMbqs3-OfnalMLa7aXne0jAhqE8fN41\)\)/article.aspx?articleid=721424056&Country=South%20Korea&topic=Economy](http://country.eiu.com/(F(b0wLCbwTUg7VKcgYqCWa7eqoV2-3xqWq8N82DH61SKq_plsfKJqVMIMZTFMPqU2s7F1140jsZay6IRMbqs3-OfnalMLa7aXne0jAhqE8fN41))/article.aspx?articleid=721424056&Country=South%20Korea&topic=Economy)

²³⁴⁰ SME criteria reform.

http://www.smba.go.kr/board/boardView.do?mc=usr0001705&board_id=SMBA000006&seq=44096.

²³⁴¹ SMBA Announces Measures to Expand the Advancement of SMEs to Southeast Asia

http://www.smba.go.kr/board/boardView.do?board_id=SMBA000006&seq=45394&pageIndex=1&searchCondition=&searchKeyword=&pageUnit=10&mc=usr0001705

development and enhance the exporting capacity of SMEs and middle-grade companies” and would contribute KRW 100 million each.²³⁴²

On 1 September 2014, Korea and Denmark signed an agreement on the cooperation in innovations to create SMEs working with advanced technology and based in universities.²³⁴³

Korea has implemented policies to support the development of SMEs, including those that directly lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Anastasia Zhuravleva

Mexico: +1

Mexico has fully complied with the commitment on small and medium-sized enterprises (SMEs).

In September-November 2013, the Mexican Labour and Social Welfare Ministry in collaboration with Mexican Creativeness Alliance held a special seminar for micro, small and medium enterprises to promote innovative development through implementation of creativity instruments and practices.²³⁴⁴

On 26 November 2013, the Mexican government announced a new program on financial guarantees for SMEs. The program will guarantee financing of USD151 million for approximately 1,000 enterprises.²³⁴⁵

On 28 November 2013, Mexico launched the Border Zone Support Program in Baja California, Baja California Sur, Campeche, Chiapas, Chihuahua, Coahuila, Nuevo León, Quintana Roo, Sonora, Tabasco and Tamaulipas.²³⁴⁶ The program stimulates growth and development in border regions. More than USD37 million will be invested in a development bank to trigger loans of up to USD370 million for SMEs, especially export, maquiladoras and tourist firms as well as agribusinesses.²³⁴⁷

On 6 December 2013, the Mexican Chamber of Electronics, Telecommunications and Information Technologies (CANIETI) and Nacional Financiera (NAFINSA) confirmed loans to SMEs working in information technology and communication spheres for equipment purchase, etc. CANIETI and NAFINSA intended to provide loans for a total amount of USD30 million to 100 companies. Each loan is up to USD7,000 for a term of four years. In contrast to banks’ requirements to provide physical guarantee for a loan, this program requires the confirmation of company capacity to make business.²³⁴⁸

On 13 December 2013, the Mexican the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) published the decree approving the 2013-2018 Agricultural, Fisheries

²³⁴² Enhancing support for technological development of and increased exports by SMEs and middle-grade companies http://www.smba.go.kr/board/boardView.do?board_id=SMBA000006&seq=46565&pageIndex=1&searchCondition=&searchKeyword=&pageUnit=10&mc=usr0001705

²³⁴³ Denmark engages innovation cooperation with South Korea <http://ufm.dk/en/newsroom/news/2014/denmark-engages-innovation-cooperation-with-south-korea>

²³⁴⁴ Taller de técnicas de creatividad para la innovación en PYMEs Septiembre – Noviembre, 2013. Access Date: 16 February 2014. http://buenaspracticas.stps.gob.mx/buenaspracticas/eventos_anterior_19.aspx.

²³⁴⁵ El Gobierno de la República anuncia Programa de Garantías de Fianzas para PyMEs 26 November 2013. Access Date: 16 February 2014. <http://www.economia.gob.mx/eventos-noticias/informacion-relevante/9983-boletin168-13>.

²³⁴⁶ Border Zone Support Program 28 November 2013. Access Date: 16 February 2014. <http://en.presidencia.gob.mx/border-zone-support-program/>.

²³⁴⁷ 6 Strategic Actions for Border Zone Support Program 28 November 2013. Access Date: 16 February 2014. <http://en.presidencia.gob.mx/6-strategic-actions-for-border-zone-support-program/>.

²³⁴⁸ Abren financiamiento y capacitación para pymes TIC 6 December 2013. Access Date: 16 February 2014. <http://www.informador.com.mx/economia/2013/501099/6/abren-financiamiento-y-capacitacion-para-pymes-tic.htm>.

and Food Development Program.²³⁴⁹ One of the objectives is to develop productive capabilities and entrepreneurial vision of small farmers and increase productivity of smallholdings through partnership models (“clusters”) and integration into the supply chains. Approximately 80 per cent of Mexican farmers own land less than 5 hectares that largely limits productivity. The program intends to promote various farmers partnerships to raise productivity and integrate them to the value chains.

On 16 December 2013, Mexico and Italy signed an agreement to promote collaboration as well experience exchange between the SMEs of both countries.²³⁵⁰

On 7 January 2014, Ildefonso Guajardo Villareal, Minister of Economy of Mexico and José Ángel Gurría, Secretary General of the Organisation for Economic Co-operation and Development (OECD), Enrique Jacob Rocha, President of INADEM, and Sergio Arzeni, Director of the OECD Centre for Entrepreneurship, SMEs and Local Development signed two agreements to strengthen policy support to micro, small and medium enterprises. The first one refers to the state policy for micro, small and medium enterprises, the second one establishes an ombudsman for MiPyMEs in Mexico. According to Gurría, these agreements would improve the conditions for MiPyMEs in Mexico.²³⁵¹

On 4 February 2014, Mexican President Enrique Peña Nieto announced the Plan Michoacán.²³⁵² It includes the creation of SMEs and support in form of credits and training activities. Credits and guarantees are expected to trigger investment of up to MXN12 billion.²³⁵³

On 10 October 2013, Enrique announced USD39 million to support micro and small enterprises (MSMEs) in municipalities affected by hurricanes Ingrid and Manuel. He noted that many jobs in these municipalities are created by MSMEs. The SME Fund allocated USD7 million to provide direct support to 10,000 businesses affected. The Entrepreneurs’ Fund allocated USD9 million for 12,500 companies to replace broken computers, telephone equipment and point-of-sale terminals. Through the Nacional Financiera USD22 million will be allocated to provide loans for affected companies.²³⁵⁴

On 3 June 2014, Mexican Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food Enrique Martínez and Governor of Puebla state Rafael Moreno Valle announced the assignment of machinery and accompanying materials to more than four thousand small producers of the state. The total cost of equipment is more than USD14 thousand. They also witnessed the signing of an agreement

²³⁴⁹ Decreto por el que se aprueba el Programa Sectorial de Desarrollo Agropecuario, Pesquero y Alimentario 2013-2018 13 December 2013. Access Date: 16 February 2014.

<http://www.sagarpa.gob.mx/quienesomos/introduccion/Documents/Programa%20Sectorial%20de%20Desarrollo%20Agropecuario,%20Pesquero%20y%20Alimentario%202013-2018.pdf>.

Programa Sectorial de Desarrollo Agropecuario, Pesquero y Alimentario 2013-2018. Access Date: 16 February 2014.

http://www.sagarpa.gob.mx/Transparencia/Pot%202013/Sitio/Programa_sectorial_SAGARPA_2013-2018.pdf.

²³⁵⁰ Mexico and Italy sign agreement to promote collaboration for small and medium-sized enterprises 16 December 2013. Access Date: 16 February 2014. <http://www.economia.gob.mx/news-and-events/press-room/headlines/10036-boletin-conjunto-161213-en>.

²³⁵¹ INADEM y OCDE suscriben acuerdos de colaboración a favor de las MiPyMEs en México 7 January 2014. Access Date: 23 February 2014. <http://www.presidencia.gob.mx/articulos-prensa/inadem-y-ocde-suscriben-acuerdos-de-colaboracion-a-favor-de-las-mipymes-en-mexico/>.

²³⁵² El plan de rescate para Michoacán, hecho de proyectos que ya existían 4 February 2014. Access Date: 17 February 2014. <http://www.animalpolitico.com/2014/02/el-plan-de-rescate-para-michoacan-hecho-de-proyectos-que-ya-existian/#axzz2tOHGR8vQ>.

²³⁵³ Five Lines of Action for Michoacán 4 February 2014. Access Date: 17 February 2014.

<http://en.presidencia.gob.mx/five-lines-of-action-for-michoacan/>.

²³⁵⁴ Economic Recovery Program for Micro and Small Enterprises 10 October 2013. Access Date: 16 February 2014. <http://en.presidencia.gob.mx/economic-recovery-program-for-micro-and-small-enterprises/>.

between the flour company Sinergia Rural and small producers of colored maize. The agreement will benefit 835 small producers because it confirms the purchase of five thousand tons of maize.²³⁵⁵

On 2 July 2014, the SAGARPA General Coordinator of Delegations Victor Hugo Celaya and the Governor of Quintana Roo state Roberto Borge Angulo announced the USD12,039,458 funds allocation for small farmers to boost their productivity. The funds will benefit more than 24 thousand small farmers.²³⁵⁶

On 11 July 2014, SAGARPA and the International Fund for Agricultural Development (IFAD) agreed to strengthen their cooperation aimed at promotion of the comprehensive plans for communities and organizations of small producers in vulnerable areas. These plans are designed to support family agriculture. IFAD will provide the Mexican Government with a new vision on the development of the rural areas through support of small farmers.²³⁵⁷

Mexico has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Elizaveta Safonkina

Russia: +1

Russia has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 3 November 2013, Russian President Vladimir Putin adopted the amendments to the Federal Law on Accounting. The amendments reduce the costs of SMEs related to the maintenance of accounting records by giving them the right to simplified accounting reporting.²³⁵⁸

On 2 April 2014, Putin adopted the amendments to the Russian legislation in order to reduce administrative barriers and simplify the procedure of legal entities registration. The law provides for electronic exchange of documents between a legal entity and state authorities.²³⁵⁹

On 20 April 2014, the Federal Law on Electrical Energy Industry was amended in order to reduce the costs of connection to the electrical grid for SMEs.²³⁶⁰

On 5 May 2014, the Russian legislation was amended in order to simplify the procedure of registering limited liability companies.²³⁶¹

²³⁵⁵ Entregan 204 MDP en incentivos a la productividad para más de cuatro mil 280 pequeños productores de Puebla 3 June 2014. Access Date: 26 September 2014. <http://www.presidencia.gob.mx/articulos-prensa/entregan-204-mdp-en-incentivos-a-la-productividad-para-mas-de-cuatro-mil-280-pequenos-productores-de-puebla/>

²³⁵⁶ Con una inversión de 161.2 mdp, entregan incentivos productivos a pequeños agricultores y ganaderos de Quintana Roo 2 July 2014. Access Date: 26 September 2014. <http://www.presidencia.gob.mx/articulos-prensa/con-una-inversion-de-161-2-mdp-entregan-incentivos-productivos-a-pequenos-agricultores-y-ganaderos-de-quintana-roo/>

²³⁵⁷ Fortalecerán México y FIDA acciones a favor de pequeños productores del sector rural 11 July 2014. Access Date: 26 September 2014. <http://www.presidencia.gob.mx/articulos-prensa/fortaleceran-mexico-y-fida-acciones-a-favor-de-pequenos-productores-del-sector-rural/>

²³⁵⁸ The Federal Law On Accounting amended, President of Russia 3 November 2013. <http://kremlin.ru/acts/19545>.

²³⁵⁹ Legislation amended to reduce administrative barriers and simplify the procedure of legal entities registration, President of Russia 2 April 2014. <http://kremlin.ru/acts/20694>.

²³⁶⁰ Federal Law On Electrical Energy Industry amended, President of Russia 21 April 2014. <http://kremlin.ru/acts/20832>.

²³⁶¹ Federal Law On Limited Liability Companies amended, President of Russia 5 May 2014. <http://kremlin.ru/acts/20943>.

On 5 May 2014, the Russian government created the Agency of Credit Guaranties, which will be the basis for creating the national system of credit organizations to facilitate the access of SMEs to credit resources. The system mitigates the risks of bank credits in the case of financial situation worsening.²³⁶²

Russia has taken measures to support the development of SMEs, including those that directly lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on small and medium-sized enterprises (SMEs).

In December 2013, the Ministry of Agriculture of Saudi Arabia and the United Nations Food and Agriculture Organization (FAO) organized a specialized rural entrepreneurship course for 25 Saudi women. New similar courses to support women contributing to the rural development will be organized within the joint project between the ministry and FAO.²³⁶³

In 2013 management of the SME Loan Guarantee Program (KAFALAH) approved 2,515 SME guarantees, 51 per cent more than in 2012. The total sum of guarantees increased by 36 per cent. KAFALAH is a joint initiative of the Ministry of Finance of Saudi Arabia and Saudi Banks aimed at developing SMEs in Saudi Arabia. KAFALAH not only grants guarantees but also provides training and education in cooperation with the International Finance Corporation (IFC), the Institute of Banking established by Saudi Arabia Monetary Agency, Saudi Banks and Chambers of Commerce and Industry of Saudi Arabia.²³⁶⁴

In September 2014 Prince Faisal Bin Salman launched a non-profit organisation Namaa Al Munawara to support small and medium enterprises in the Madinah region of Saudi Arabia. This organisation would be an executive arm of Al Munawara Endowment. The new organisation will support entrepreneurs from start to finish providing them with work areas, showrooms, sale points, etc.²³⁶⁵

Thus, Saudi Arabia has implemented policies to support the development of SMEs, including those that directly lead to creating new jobs and increasing the level of employment. Saudi Arabia has been awarded a score of +1.

Analyst: Tatiana Lanshina

South Africa: +1

South Africa has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 21 October 2013, a joint initiative of the Industrial Development Corporation (IDC), the Small Enterprise Finance Agency (SEFA) and the National Youth Development Agency on youth entrepreneurship was launched. South African Economic Development Minister Ebrahim Patel reported that the IDC and SEFA youth entrepreneurship programs had already approved ZAR37.4

²³⁶² On the creation of the Agency of Credit Guaranties, Russian Government 6 May 2014.

<http://government.ru/docs/12165>.

²³⁶³ Training for Women in Small Businesses, Arab News 7 December 2013. Access Date: 21 February 2014.

<http://www.arabnews.com/news/488821>.

²³⁶⁴ Small & Medium Enterprises Loan Guarantee Program, Saudi Industrial Development Fund 27 May 2014. Access Date: 26 September 2014. <http://www.sidf.gov.sa/En/Achievements/Pages/SmallandMediumEnterprises.aspx>.

²³⁶⁵ Big Madinah Push for SMEs, Arab News 17 September 2014. Access Date: 26 September 2014.

<http://www.arabnews.com/saudi-arabia/news/631436>.

million of loans to 44 youth-owned enterprises after the signing of the Youth Employment Accord earlier in 2013.²³⁶⁶

On 25 February 2014, South African state-owned company Transnet, SEFA and Zimele launched a ZAR165 million fund to help small companies become rail utility's suppliers. Each of three partners contribute ZAR55 million to the newly established Godisa Supplier Development Fund, which promotes growth and sustainability among existing and potential suppliers of Transnet in the rail engineering and freight services. Transnet Group CEO Brian Molefe said that they wanted to foster enterprise development in such a way "that recipients will be able to create new jobs in the communities in which they operate."²³⁶⁷

South Africa has taken measures to support the development of SMEs, including those that directly lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Lyudmila Tarasenko

Turkey: +1

Turkey has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 16 January 2014, the Turkish SME Development Agency (KOSGEB), Turkish Deputy Prime Minister Bülent Arınç and Vietnamese Minister Vu Huy Hoang signed a memorandum of understanding on cooperation "to support SMEs in improving competitiveness and cooperation in trade and investment" between business communities of the two countries.²³⁶⁸

On 21 February 2014, the Ministry of National Defence introduced seven new projects, involving SMEs and universities, aimed at making major studies in aerospace propulsion system technologies. These projects include the development of parts for Turkish unmanned aerial vehicles (IPEK and KOZA project); super plastic forming process for titanium alloy development (DILEK project); the development of control mechanisms for drones (Servo Motor Development Project); magnesium Casting Technology for helicopter gearboxes (MUGE project); nickel alloy layer manufacturing technology and Titanium Casting Technology for improving turbine engine technology (YAKUT project).²³⁶⁹

On 19 December 2013, a new loan agreement regarding the financial support of SME investments located in Turkey was signed between the Development Bank of Turkey and Council of Europe Development Bank (CEB). The loan amounts to EUR80 million and is provided under repayment guarantee of the Turkish Undersecretary of Treasury. The money will be used by leasing firms for stimulating productive investment in SMEs projects in Turkey "to promote job creation and

²³⁶⁶ Minister Patel Welcomes Efforts To Fast-Track Youth Entry Into Business, South African Department of Economic Development 21 October 2013. <http://www.economic.gov.za/communications/media/press-releases-2013/361-minister-patel-welcomes-efforts-to-fast-track-youth-entry-into-business/download>.

²³⁶⁷ R165m Fund To Develop Transnet's Small Suppliers, GardenRoute.com 25th February 2014.

http://www.littlebrak.co.za/r165m-fund-to-develop-transnets-small-suppliers_article_op_view_id_8379.

²³⁶⁸ 6th session of Vietnam – Turkey Joint Commission chaired by Minister Vu Huy Hoang, Ministry of Industry and Trade of Vietnam 20 January 2014. Access Date: 24 February 2014. <http://www.moit.gov.vn/en/News/506/6th-session-of-vietnam-turkey-joint-commission-chaired-by-minister-vu-huy-hoang.aspx>.

²³⁶⁹ Turkey to boost defense industry with SMEs and universities, Anadolu Agency 21 February 2014. Access Date: 24 February 2014. <http://www.aa.com.tr/en/news/291043--turkey-to-boost-defense-industry-with-smes-and-universities>.

preservation.”²³⁷⁰ The planned investments are mainly fixed asset and will be made in different sectors including manufacturing/machinery, construction, agro-industry, tourism, trade and logistics. The project is expected to benefit more than 150 SMEs and contribute to the creation or preservation of more than 8,000 jobs.

On 14 March 2014, the Council of Ministers issued a decree regarding the selection criteria, investment areas and limits of financing related to a law enacted on 3 April 2013 by the Turkish Parliament regarding a capital contribution to a fund of venture capital funds. The law aims to strengthen the fund for venture capital funds and business angel program. Relevant government agencies can directly contribute to the fund of venture capital funds and co-investment funds that invest together with the angel investors into early stage SMEs.²³⁷¹

On 3-4 June 2014, the Turkish government and the World Bank co-organized the Financial Inclusion Conference 2014 in Istanbul. The main goals of the conference were to facilitate the discussion on financial inclusion and SME finance among stakeholders in Turkey, to support Turkey in designing financial inclusion policies and to inform policy makers about successful international experiences.²³⁷²

Turkey has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

United Kingdom: +1

The United Kingdom has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 9 September 2013, Business Minister Jo Swinson confirmed that burdensome accounting red tape will be reduced for micro-businesses as the UK's 1.5 million micro-entities will become exempt from certain financial reporting requirements.²³⁷³

On 8 October 2013, Business Secretary Vince Cable announced a GBP25 million boost that will be given to small but innovative UK businesses.²³⁷⁴

On 6 November 2013, Cable committed GBP45 million of funding to Praesidian Capital Europe and BMS Finance to provide debt finance through their respective funds to help small firms grow. In addition to this, he set out a new GBP1 million Sector Mentoring Challenge Fund that will enable firms to benefit from support and advice from experienced business people in their own field of work, and a

²³⁷⁰ Development Bank of Turkey will allocate 80 million Euros to support SMEs, Development Bank of Turkey 19 December 2013. Access Date: 25 February 2014. <http://english.kalkinma.com.tr/development-bank-of-turkey-will-allocate-80-million-euros-to-support-smes.aspx>.

²³⁷¹ Üst Fonlara Kaynak Aktarımına İlişkin Karar, Turkish Undersecretariat of Treasury 14 March 2014. Access Date: 25 July 2014. https://www.hazine.gov.tr/File/?path=ROOT%2fDocuments%2fGenel+İçerik%2fUFKA%2fUFKA_BKK.pdf.

²³⁷² Turkey Financial Inclusion Conference 2014, the World Bank. Access Date: 1 October 2014. <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTFINANCIALSECTOR/0,,contentMDK:23588476~pagePK:210058~piPK:210062~theSitePK:282885,00.html>.

²³⁷³ Accounting red tape cut for smallest UK companies, Department for Business, Innovation & Skills 9 September 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/accounting-red-tape-cut-for-smallest-uk-companies>

²³⁷⁴ Business Secretary announces £25 million boost for innovative small businesses, Department for Business, Innovation & Skills 8 October 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/business-secretary-announces-25-million-boost-for-innovative-small-businesses>

GBP10 million synthetic biology start up fund to help entrepreneurial scientists working in synthetic biology get their business off the ground.²³⁷⁵

On 13 December 2013, a new GBP15 million scheme that will allow universities to entrepreneurship and innovation was announced by Department for Business, Innovation & Skills of the UK. University Enterprise Zones will be organized to allow business spaces to be built that can host a range of new high-tech companies in the early stages of their development.²³⁷⁶

On 28 January 2014, Minister of Energy and Climate Change Greg Barker announced that small and medium size enterprises within the energy efficiency, building technologies, power generation and energy storage sectors are invited to bid for funding of up to GBP2 million under the government's Energy Entrepreneurs Fund. In addition to funding, the winning companies will also receive advice from commercial experts on how to attract investment to bring their products to the market.²³⁷⁷

On 7 December 2013, Enterprise Minister Matthew Hancock announced new measures to make it easier for small businesses to grow and create jobs. First, 22 cities across the UK will benefit from up to GBP100 million of broadband vouchers worth up to GBP3,000 each to help more small firms boost their business by accessing faster and better broadband connectivity. Second, small firms will receive access to GBP230 billion of public sector contracts. Finally, small businesses will also benefit from an additional GBP250 million being made available to the British Business Bank to improve access to finance.²³⁷⁸

On 30 January 2014, the Department for Business, Innovation and Skills announced that 13 projects that will help thousands of small businesses will share GBP1.27 million of government funding matched by industry for a total investment of GBP2.69 million. This is expected to help sustain and create over 200 jobs.²³⁷⁹

On 12 September 2013, the Department for Business, Innovation & Skills of the UK announced that extra GBP69 million will be provided for British entrepreneurs to start a business through Start-Up Loans and New Enterprise Allowance. The new funding will include business mentoring and funding for people who are unemployed but want to start up a company. The New Enterprise Allowance will be extended for new starters up until the end of 2014, providing an additional 60,000 mentoring places for claimants.²³⁸⁰

²³⁷⁵ Investment and campaign to help small firms grow, Department for Business, Innovation & Skills 6 November 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/investment-and-campaign-to-help-small-firms-grow>

²³⁷⁶ £15 million boost for local business growth at universities, Department for Business, Innovation & Skills 13 December 2014. Access Date: 20 February 2014. <https://www.gov.uk/government/news/15-million-boost-for-local-business-growth-at-universities>

²³⁷⁷ £10 million Boost for SME Energy Innovation, Department of Energy & Climate Change 28 January 2014. Access Date: 20 February 2014. <https://www.gov.uk/government/news/10-million-boost-for-sme-energy-innovation>

²³⁷⁸ Government sets out new support on Small Business Saturday, Department for Business, Innovation & Skills 7 December 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/government-sets-out-new-support-on-small-business-saturday>

²³⁷⁹ Ambitious small businesses given tailored expertise to grow, Department for Business, Innovation & Skills 30 January 2014. Access Date: 20 February 2014. <https://www.gov.uk/government/news/ambitious-small-businesses-given-tailored-expertise-to-grow>

²³⁸⁰ £69 million more for Start-Up Loans and New Enterprise Allowance, Department for Business, Innovation & Skills 12 September 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/69-million-more-for-start-up-loans-and-new-enterprise-allowance>

On 25 June 2014, the Small Business, Enterprise and Employment Bill was introduced to the UK Parliament. The Bill has to remove barriers to growth for small firms, strengthen the foundations for a sustainable recovery, and create jobs. The measures of the Bill include the improvement of small enterprises' access to credit, reduction of the red tape etc.²³⁸¹

The UK has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The United States has fully complied with the commitment on encouraging SMEs.

In 2013, the U.S. Small Business Administration (SBA) allocated over USD29 billion in lending to small companies, and 2013 was historically third highest year of SBA lending — after 2011 and 2012. These credits allow small enterprises enhance their business and create new jobs.²³⁸²

In November 2013, the SBA held Veterans Small Business Week to ensure that veteran entrepreneurs are aware of the government support tools and programs available for them. The SBA has been providing veterans with training, funds and business development opportunities. Veteran entrepreneurs are especially important to the SBA since they are 45 per cent more likely to be self-employed in the private sector than other groups.²³⁸³

In 2013 the U.S. Government achieved its small business federal contracting goal (23 per cent) for the first time in 8 years. In 2013 23.39 per cent of federal contracts for USD83.1 billion were allocated between small businesses.²³⁸⁴ These contracts help small companies grow and create new jobs.

On 5 February 2014, the SBA launched its 2014 Emerging Leaders executive-level intensive entrepreneurship training initiative for small business owners in 27 cities and communities. This initiative helps small companies grow, obtain government contracts and create new jobs.²³⁸⁵

On 2 May 2014, SBA launched a USD2.5 million competition for business-accelerators and other organisations comprising entrepreneurial infrastructure. During the competition the panel focused at accelerators in the U.S. regions where access to conventional sources of start-up capital are constrained.²³⁸⁶

²³⁸¹ Small businesses at the heart of the legislative agenda, Department for Business, Innovation & Skills 125 June 2014. Access Date: 27 September 2014. <https://www.gov.uk/government/news/small-businesses-at-the-heart-of-the-legislative-agenda>

²³⁸² SBA Lending Activity in FY 2013 Shows SBA Continuing to Help Small Businesses Grow and Create Jobs, SBA 29 October 2013. Access Date: 21 February 2014. <http://www.sba.gov/content/sba-lending-activity-fy-2013-shows-sba-continuing-help-small-businesses-grow-and-create-jobs>.

²³⁸³ Small Business Administration Kicks Off Veterans Small Business Week, SBA 4 November 2013. Access Date: 21 February 2014. <http://www.sba.gov/content/small-business-administration-kicks-veterans-small-business-week>.

²³⁸⁴ Obama Administration Achieves 2013 Small Business Federal Procurement Contracting Goal, Small Business Administration 1 August 2014. Access Date: 23 September 2014. <http://www.sba.gov/content/obama-administration-achieves-2013-small-business-federal-procurement-contracting-goal>.

²³⁸⁵ SBA Launches 2014 Emerging Leaders Initiative, SBA 5 February 2014. Access Date: 21 February. <http://www.sba.gov/content/sba-launches-2014-emerging-leaders-initiative>.

²³⁸⁶ SBA Launches Accelerator Competition to Award \$2.5 Million for Small Business Startups, Small Business Administration 12 May 2014. Access Date: 23 September 2014. <http://www.sba.gov/content/sba-launches-accelerator-competition-award-25-million-small-business-startups-0>.

On 2 July 2014, SBA announced USD1.5 million in grant funding for innovative projects aimed at promoting small disadvantaged businesses which take part in SBA's Business Development Program. Grants may be provided to universities, associations, companies, etc. Innovative projects may include specialized training, executive education, business promotion tools.²³⁸⁷

On 18 September 2014, SBA announced its partnership with the Securities Exchange Commission to cohost a number of events to teach small business owners about new opportunities to attract funds under the Jumpstart Our Business Startups (JOBS) Act.²³⁸⁸

The U.S. has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Tatiana Lanshina

European Union: +1

The European Union has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 6-7 November 2013, the European Commission brought together policy makers at a conference in Brussels. One of the sessions at the conference was dedicated to the launching of the new Employment and Social Innovation (EaSI) program, which includes the European Microfinance and Social Entrepreneurship Facility. EaSI will make EUR920 million available for the 2014-2020 period.²³⁸⁹

On 21 November 2013, the European Commission welcomed the adoption of the Programme for the Competitiveness of Small and Medium-Sized Enterprises (COSME) by the European Parliament. COSME will ease access to credit for small businesses and has a budget of EUR2.3 billion. The measures will include a guarantee facility for loans to SMEs of up to EUR150,000. In addition, COSME entrepreneurs will benefit from easier access to markets in the EU and beyond, citizens who wish to become self-employed will receive tailored services and assistance, and member states' authorities will be better assisted in their efforts to elaborate and implement effective SME-related policy reform.²³⁹⁰

On 21 March 2014, European Investment Bank extended EUR50 million to UniCredit Bulbank to finance SME projects in the areas of industry, services and agriculture in Bulgaria.²³⁹¹

On 30 June 2014, European Commission Vice President Antonio Tajani announced that SMEs in Europe will have the opportunity to access up to EUR25 billion of additional finance supported by the EU Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises. The

²³⁸⁷ SBA Announces \$1.5 Million Grant Funding Opportunity for Innovative Projects to Help Small Disadvantaged Businesses, Small Business Administration 2 July 2014. Access Date: 23 September 2014. <http://www.sba.gov/content/sba-announces-15-million-grant-funding-opportunity-innovative-projects-help-small-0>.

²³⁸⁸ SBA Partners with SEC on Jumpstart Our Business Startups (Jobs) Act Events to Help Small Businesses Raise Capital, Small Business Administration 18 September 2014. Access Date: 23 September 2014. <http://www.sba.gov/content/sba-partners-sec-jumpstart-our-business-startups-jobs-act-events-help-small-businesses-raise>.

²³⁸⁹ European Social Fund: conference to promote more effective and efficient implementation in 2014-2020, European Commission 5 February 2014. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_IP-14-115_en.htm

²³⁹⁰ COSME: € 2.3 billion to foster the competitiveness of SMEs over the next seven years, European Commission 21 November 2014. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_IP-13-1135_en.htm

²³⁹¹ EIB extends EUR 50 million to UniCredit Bulbank to finance SME and midcap companies' projects, European Investment Bank 21 March 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_BEI-14-64_en.htm

programme will allow financial institutions throughout Europe to provide enhanced access to finance to up to 330 000 SMEs.²³⁹²

On 18 September 2014, 155 SMEs were announced to be the first to receive grants from a new EUR3 billion SME Instrument. The SME instrument was launched to help innovative small firms get innovative projects from the lab to the market.²³⁹³

The EU has implemented policies to support the development of SMEs, including those that lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

²³⁹² Unleashing Europe's potential through mobilising up to €25 billion of finance for SMEs, European Commission 30 June 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_IP-14-753_en.htm

²³⁹³ EU SME Instrument: first 155 winners of grants announced, European Commission 18 September 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_IP-14-1015_en.htm

15. Development: Green Growth

“Building on the Los Cabos Leaders’ Declaration we will continue to support developing countries in sustaining and strengthening their development through appropriate measures, including those that encourage inclusive green growth in the context of sustainable development.”

St. Petersburg Development Outlook

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia			+1
Brazil	-1		
Canada			+1
China		0	
France			+1
Germany			+1
India		0	
Indonesia		0	
Italy			+1
Japan			+1
Korea		0	
Mexico		0	
Russia	-1		
Saudi Arabia	-1		
South Africa	-1		
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.25	

Background

The foundation of the G20 development agenda was presented at the Seoul Summit in November 2010. The issue of green growth was not on the G20 agenda at that time, however the Seoul Development Consensus for Shared Growth emphasized promotion of sustainable environmental as well as economic and social development as key elements of its overarching objective to “improve and maintain the levels and quality of growth” in low-income countries (LICs).²³⁹⁴ In order to implement it the Multi-Year Action Plan on Development (MYAP) was provided introducing such measures as environmental safeguards integration into infrastructure development and promotion of the best existing environmental standards for responsible investment in value chains.²³⁹⁵ However, neither green growth nor environmental protection were included as a separate MYAP pillar.

²³⁹⁴ Annex I: Seoul Development Consensus for Shared Growth, G20 Information Centre 12 November 2010. <http://www.g20.utoronto.ca/2010/g20seoul-consensus.html>.

²³⁹⁵ Annex II: Multi-Year Action Plan on Development, G20 Information Centre 12 November 2010. <http://www.g20.utoronto.ca/2010/g20seoul-development.html>.

In 2012 under the Mexican presidency of the G20, green growth was introduced as a cross-cutting issue on the agenda of the G20 Development Working Group (DWG). This came from an initiative of the informal co-facilitators group on inclusive green growth, which included Australia, Brazil, Canada, Germany, Japan, Mexico and Korea with contributions from the Organisation for Economic Co-operation and Development (OECD), the African Development Bank, the United Nations and World Bank. Commitments on inclusive green growth were also included in the first G20 accountability exercise on development commitments. However, the St. Petersburg Accountability Report on G20 Development Commitments emphasized that as the work on inclusive green growth was only initiated in 2012, “its work items have yet to be finalized and show concrete results.”²³⁹⁶

The DWG emphasized that “embarking on inclusive green growth must not become a prescriptive conditionality for developing countries and G20 countries alike to access international assistance and resources. Instead, the international community must come together to support developing countries seeking to put in place country-driven and nationally appropriate tools that foster economic growth which is both environmentally sustainable and socially inclusive.”²³⁹⁷

One of the main deliverables of the DWG’s work was the development of a non-prescriptive policy toolkit for inclusive green growth developed by the African Development Bank, OECD, World Bank and UN, which contains policy options for inclusive green growth in developing countries, and particularly LICs.²³⁹⁸ Another deliverable was a G20 leaders’ agreement to “identify mechanisms for mobilizing public and private funds for green growth investments” through a public-private Dialogue Platform on Inclusive Green Investments.²³⁹⁹

At the St. Petersburg Summit the G20 identified five core priorities for its development agenda to guide future work (food security, financial inclusion and remittances, infrastructure, human resource development, domestic resource mobilization) and committed to continue to support developing countries in sustaining and strengthening their development through appropriate measures, including those that encourage inclusive green growth in the context of sustainable development.²⁴⁰⁰

Commitment Features

The International Finance Corporation (IFC) report to G20 in September 2013 points out that “the absence of an agreed definition in discussing “inclusive green growth,” which incorporates a wide range of sectors with very diverse characteristics and challenges, is a major challenge to identifying, evaluating, and learning from existing IGG [inclusive green growth] investments.”²⁴⁰¹

²³⁹⁶ St. Petersburg Accountability Report on G20 Development Commitments, G20 Information Centre 2013.

http://www.g20.utoronto.ca/2013/Saint_Petersburg_Accountability_Report_on_G20_Development_Commitments.pdf.

²³⁹⁷ A Toolkit of Policy Options to Support Inclusive Green Growth. Submission to the G20 Development Working Group by the AfDB, the OECD, the UN and the World Bank, G20 Development Working Group Information Exchange Facility 2012. <http://www.g20dwg.org/documents/pdf/download/241/>.

²³⁹⁸ A Toolkit of Policy Options to Support Inclusive Green Growth. Submission to the G20 Development Working Group by the AfDB, the OECD, the UN and the World Bank, G20 Development Working Group Information Exchange Facility 2012. <http://www.g20dwg.org/documents/pdf/download/241/>.

²³⁹⁹ St. Petersburg Accountability Report on G20 Development Commitments, G20 Information Centre 2013.

http://www.g20.utoronto.ca/2013/Saint_Petersburg_Accountability_Report_on_G20_Development_Commitments.pdf.

²⁴⁰⁰ St. Petersburg Development Outlook, 5 September 2013.

http://www.g20.utoronto.ca/2013/Saint_Petersburg_Development_Outlook.pdf.

²⁴⁰¹ Mobilizing Public and Private Funds for Inclusive Green Growth Investment in Developing Countries: A Stocktaking Report Prepared for the G20 Development Working Group, IFC, 2013.

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/cb_home/publications/publication_mobilizinggreeninvestments/.

The OECD gives the following definition: “green growth means fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. It is also about fostering investment and innovation which will underpin sustained growth and give rise to new economic opportunities.”²⁴⁰² IFC points out that the word “inclusive” makes “clear the need to address social justice and distributional concerns in growth.”²⁴⁰³

Given that the commitment calls on the G20 to support developing countries, actions to promote inclusive green growth at home do not constitute compliance.

The OECD defines three main pillars of “an agenda for international cooperation to support green growth in developing countries”:²⁴⁰⁴

1. Strengthening green finance and investment, including through better targeting use of official development assistance (ODA), other types of official development finance and private investment.
2. Promoting green technology innovation through cooperation and building capacity for endogenous green innovation and adoption, as well as to protect intellectual property rights and enabling conditions for successful technology transfer.
3. Facilitating trade in green goods and services through fostering international markets, removing tariff and non-tariff trade barriers, and building capacity in developing countries to allow more producers to participate and benefit from growing international markets.

The following are examples of G20 members helping developing countries in promoting inclusive green growth:²⁴⁰⁵

- Using ODA to boost energy access through renewable energy technologies: Through the ACP-EU Energy Facility the EU has been involved in more than 130 projects in African, Caribbean and Pacific countries. With resources of about EUR 340 million committed, this facility has attracted co-financing of about the same amount from other public and private sources. Overall, the countries involved have been able to bring modern energy services to between 12 and 13 million people.
- Climate Public Private Partnership for developing countries: The United Kingdom government, in collaboration with the International Finance Cooperation and Asian Development Bank, launched the Climate Public Private Partnership in January 2012. The partnership will support projects to deliver clean, renewable and efficient energy, new technology and protect natural resources in emerging and developing countries.
- Technology co-operation for building a low-carbon society: The government of Japan carries out technological collaboration with developing countries through its Science and Technology Agency. For example, it is working with the government of Malaysia to develop a policy roadmap for a low carbon society through its program on Low Carbon Society Scenarios for Asian Regions.

The commitment explicitly states that the work on promoting inclusive green growth will be based on the relevant decisions made at the Los Cabos Summit. It is mentioned in the G20 Accountability Report

²⁴⁰² Towards Green Growth, OECD 2011. <http://www.g20dwg.org/documents/pdf/download/240/>.

²⁴⁰³ Private Investment in Inclusive Green Growth and Climate-related Activities: Key Messages from the Literature and Bibliography, G20 Development Working Group Information Exchange Facility 4 June 2012. <http://www.g20dwg.org/documents/pdf/download/245/>.

²⁴⁰⁴ Putting Green Growth at the Heart of Development. Summary for Policymakers, OECD 5 June 2013. <http://www.oecd.org/dac/environment-development/greengrowthanddevelopment.htm>.

²⁴⁰⁵ Putting Green Growth at the Heart of Development. Summary for Policymakers, OECD 5 June 2013. <http://www.oecd.org/dac/environment-development/greengrowthanddevelopment.htm>.

that “Los Cabos Leaders’ Declaration mandated the DWG to explore ways to scale up private finance for IGG investments in developing countries.”²⁴⁰⁶ In particular the leaders encouraged further exploration of effective mechanisms to mobilize public and private funds for investment in inclusive green growth through the Dialogue Platform on Inclusive Green Investments and B20’s Green Growth Action Alliance.²⁴⁰⁷ Given the importance of mobilizing private financing for supporting inclusive green growth, full compliance will be awarded to members whose actions help encourage inclusive green growth in developing countries by attracting financing from both public and private sources.

Scoring Guidelines

-1	Member has not taken actions to encourage inclusive green growth in developing countries NEITHER on its own NOR in partnership with the private sector.
0	Member has taken actions to encourage inclusive green growth in developing countries on its own OR in partnership with the private sector.
+1	Member has taken actions to encourage inclusive green growth in developing countries on its own AND in partnership with the private sector.

Argentina: -1

Argentina has failed to comply with the commitment on encouraging inclusive green growth in developing countries.

No actions taken by Argentina to promote inclusive green growth in developing countries during the compliance period have been found. Thus, it is awarded a score of -1.

Analyst: Yana Nursubina

Australia: +1

Australia has fully complied with the commitment on promoting green growth in developing countries.

On 19 February 2014, the new Five-Year Strategic Plan of the Australian Centre for International Agricultural Research was launched.²⁴⁰⁸ The program focuses on creating opportunities for smallholder farmers to transition into sustainable, market-oriented production, in line with the broader Australian aid program strategy of promoting economic growth in the Indo-Pacific region, while assessing both economic and environmental impacts.²⁴⁰⁹ It aims at deepening existing partnerships and creating new ones, with an emphasis on private sector and emerging economies.²⁴¹⁰

²⁴⁰⁶ St. Petersburg Accountability Report on G20 Development Commitments, G20 Information Centre 2013.

http://www.g20.utoronto.ca/2013/Saint_Petersburg_Accountability_Report_on_G20_Development_Commitments.pdf.

²⁴⁰⁷ G20 Leaders Declaration, G20 Information Centre 19 June 2012. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

²⁴⁰⁸ Building economic prosperity through agricultural research, Parliamentary Secretary to the Minister for Foreign Affairs 19 February 2014. Access Date: 23 February 2014.

http://ministers.dfat.gov.au/mason/releases/2014/bm_mr_140219.html

²⁴⁰⁹ ACIAR Strategic Plan 2014–18, Australia Centre for International Agricultural Research 17 February 2014. Access Date: 23 February 2014. <http://aciarc.gov.au/publication/cp027>

²⁴¹⁰ ACIAR STRATEGIC PLAN 2014–18, Australian Government. Date of Access: 13 August 2014. http://aciarc.gov.au/files/strategic_plan_2014-18_accesspdf.pdf.

On 18 January 2014, Foreign Minister Julie Bishop confirmed that the Australian government's annual aid budget for 2013/14 would be AUD5.042 billion, refocused on reducing poverty and supporting sustainable development in the Indo-Pacific region.²⁴¹¹

On 11 December 2013, Australia and Papua New Guinea (PNG) held the ministerial forum and agreed to expand the relationship to one of economic and strategic partnership with a focus, inter alia, on development cooperation. Australia committed to undertake an assessment of its aid investment to position its aid program to address the key constraints to sustainable economic growth in PNG.²⁴¹²

At the World Economic Forum on 25 January 2014 Australia was a founding participant of the new initiative to eliminate of tariffs on environmental goods.²⁴¹³ On 15 April 2014, the Department of Foreign Affairs and Trade launched consultations on a plurilateral agreement to remove tariffs on a range of environmental goods.²⁴¹⁴

In April 2014, it was reported that Australia agreed to ratify the establishment agreement of the Global Green Growth Institute (GGGI).²⁴¹⁵ GGGI is aimed at promoting green growth that simultaneously targets key aspects of economic performance, 'such as poverty reduction, job creation and social inclusion, and those of environmental sustainability, such as mitigation of climate change and biodiversity loss and security of access to clean energy and water'. The GGGI is also designed to stimulate business-led green growth in developing economies. On 13 May 2014, the Australian Government submitted the Australian federal budget for 2014-2015 to the Parliament.²⁴¹⁶ According to the budget Australia will contribute a one-off payment of \$5 million in 2014-15 for specific projects of the GGGI in 2014-2015.²⁴¹⁷

Australia has taken actions to encourage inclusive green growth in developing countries on its own and in partnership with the private sector. Thus, it has been awarded a score of +1.

Analyst: Ekaterina Maslovskaya

Brazil: -1

Brazil has failed to comply with the commitment on promoting green growth in developing countries, although it has continued to finance existing projects.

Since 2007, Brazil has been involved in trilateral cooperation with the United States and beneficiary countries El Salvador, Honduras, Guatemala, the Dominican Republic, Haiti, Jamaica, and Senegal to

²⁴¹¹ Five billion dollar aid budget to focus on the region, Minister for Foreign Affairs 18 January 2014. Access Date: 23 February 2014. http://foreignminister.gov.au/releases/2014/jb_mr_140118.html

²⁴¹² The 22nd Papua New Guinea–Australia Ministerial Forum (Communiqué), Minister for Foreign Affairs 11 December 2013. Access Date: 23 February 2014. http://foreignminister.gov.au/releases/2013/jb_mr_131211b.html

²⁴¹³ Australia joins push for free trade in environmental goods, Minister for Trade and Investment 25 January 2014. Access Date: 23 February 2014. http://trademinister.gov.au/releases/2014/ar_mr_140125.html

²⁴¹⁴ Environmental Goods Trade Negotiations: Call For Submissions, Australian Government department of Foreign Affairs and Trade 15 April 2014. Access Date: 25 September 2014. <http://www.dfat.gov.au/media/releases/department/2014/dfat-release-20140415.html>

²⁴¹⁵ Joint Press Conference, Seoul, South Korea, Prime Minister of Australia 8 April 2014. Access Date: 10 November 2014. <http://www.pm.gov.au/media/2014-04-08/joint-press-conference-seoul-south-korea>

²⁴¹⁶ Budget Speech 2014-15, Australian Budget 2014–15 13 May 2014. Access Date: 10 November 2014. <http://www.budget.gov.au/2014-15/content/speech/html/speech.htm>

²⁴¹⁷ Budget Paper No.2: Expense measures Foreign Affairs and Trade, Australian Government. Access Date: 10 November 2014. http://www.budget.gov.au/2014-15/content/bp2/html/bp2_expense-13.htm

support biofuel development and implementation. Brazil contributed by developing detailed feasibility studies for biofuel implementation in the abovementioned states.²⁴¹⁸

In 2010 Brazil entered into trilateral cooperation with Germany and Peru to develop a Centre for Environmental Technology in Peru. The centre will provide environmental technology companies with market-oriented training and professional skills development services. The project is to be finalized in 2014.²⁴¹⁹

Brazil is involved in a project called “Tropical Savannah Agriculture Development Program” with Japan and Mozambique. The program, launched in 2011 and expected to be finalized by 2015, is implementing environmentally and socially sustainable and competitive agricultural and rural development model in Mozambique’s tropical savannah. It provides for the utilization of both public and private finance while drawing on Brazilian knowledge and experience in tropical agriculture in order to trigger sustainable growth more in Mozambique’s rural areas.²⁴²⁰

While Brazil has been engaged in trilateral projects to promote green growth in developing countries including through attracting financing from both public and private sources, it has not taken any new action to mobilize public or private financing for inclusive green growth in developing countries during the monitoring period. Thus, it has been awarded a score of -1.

Analyst: Andrei Sakharov

Canada: +1

Canada has fully complied with the commitment on promoting green growth in developing countries.

On 28 October 2013, Joe Oliver, Canada’s Minister of Natural Resources, and Montek Singh Ahluwalia, Deputy Chair of the Indian Planning Commission, met in the Ministerial Energy Dialogue. Canada and India agreed on the terms of reference for priority areas of cooperation, as well as renewable and green energy technology, and signed a memorandum of understanding on petroleum and natural gas cooperation.²⁴²¹

On 13 November 2013, Foreign Affairs Minister John Baird met with Erlan Idrissov, Kazakhstan’s Minister of Foreign Affairs, in Astana. The two ministers reaffirmed their countries’ commitment to support and contribute to the development and deployment of clean energy technologies, the promotion of energy efficiency and energy security. The ministers welcomed initiatives to promote sustainable growth including the Kazakhstan-sponsored Green Bridge Partnership Program.²⁴²²

On 24 January 2014, Ed Fast, Minister of International Trade, announced that Canada will join 13 World Trade Organization (WTO) members in negotiations toward a new WTO plurilateral agreement on environmental goods. An ambitious agreement will significantly facilitate the achievement of the

²⁴¹⁸ The United States and Brazil: Trilateral Cooperation, US Department of State 9 April 2012. Date of Access: 11 August 2014. <http://www.state.gov/p/wha/rls/fs/2012/187613.htm>.

²⁴¹⁹ Triangular Cooperation between Brazil, Peru and Germany: Centre for Environmental Technology. Date of Access: 11 August 2014. <http://www.giz.de/en/worldwide/12952.html>.

²⁴²⁰ Tropical Savannah Agriculture Development Program, Agropolis International. Date of access: 11 August 2014. <http://www.agropolis.org/pdf/g20/session2/Triangular-Cooperation-ABC-JICA.pdf>.

²⁴²¹ Minister Yelich Promotes Nuclear Energy Cooperation with China, Foreign Affairs, Trade and Development Canada, Access Date: 20 September 2014. <http://www.international.gc.ca/media/comm/photos/2014/02/26b.aspx?lang=eng>

²⁴²² Minister Oliver and Deputy Chairman Ahluwalia Conclude a Successful First Meeting Under the Canada–India Ministerial Energy Dialogue, Natural Resources Canada/ Access Date: 20 September 2014. <http://www.nrcan.gc.ca/media-room/news-release/2013/11544>

green growth and sustainable development objectives of WTO economies by creating a win-win situation for trade and the environment.²⁴²³

On 26 February 2014, Lynne Yelich, Minister of Foreign Affairs and Consular, meets with representatives of the China General Nuclear Power Group while in Guangzhou and with Cao Shudong, Vice-President of the China National Nuclear Corporation, while in Beijing to support and advance Canadian industry's interests in the nuclear sector in China. Canada and China share an interest in promoting and facilitating mutually beneficial bilateral nuclear energy cooperation while creating jobs in Canada and clean, reliable energy in China.²⁴²⁴

On 29 January 2014, the Department of Foreign Affairs, Trade and Development proposed a project in order to promote socially and ecologically responsible mining practices in less-developed countries. The Canadian International Institute for Extractive Industries and Development launched a pilot project with CAD25 million of federal funding to train small-scale miners in better techniques.²⁴²⁵ Canada established the institute to strengthen natural resource governance and management in developing countries. The coalition members along with industry mining companies such as Stantec, Asanko Gold, and Goldcorp committed to CAD15 million.²⁴²⁶

Canada has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

China: 0

China has partially complied with the commitment on promoting green growth in developing countries.

On 28 September 2013, the governments of Nigeria and China signed USD1.293 billion agreement for the Zungeru Hydroelectric Power construction. It is a major power project in the West African country, which will create thousands of jobs, a lot of Nigerian technicians, engineers and artisans and others will be employed during the construction phase.²⁴²⁷

On 8 November 2013, Chinese Vice Premier Wang Yang announced at the second China-Pacific Island Countries Economic Development and Cooperation Forum in Guangzhou that China will provide a concessional loan of up to USD1 billion to Pacific island nations to support major project construction

²⁴²³ Joint Statement by Foreign Affairs Minister John Baird and Kazakhstan's Minister of Foreign Affairs Erlan Idrissov, Foreign Affairs, Trade and Dev Canada/ Access Date: 20 September 2014. <http://www.international.gc.ca/media/aff/news-communiqués/2013/11/14a.aspx?lang=eng>

²⁴²⁴ Canada to Join WTO Talks Toward Global Free Trade in Environmental Goods, Foreign Affairs, Trade and Dev Canada. Access Date: 20 September 2014. <http://www.international.gc.ca/media/comm/news-communiqués/2014/01/24a.aspx?lang=eng>

²⁴²⁵ New institute promotes sustainable mining in developing countries. Access Date: 20 September 2014. <http://www.ciieid.org/new-institute-promotes-sustainable-mining-in-developing-countries/>

²⁴²⁶ New institute promotes global sustainable mining. Access Date: 20 September 2014. http://www.the-peak.ca/2014/02/new-institute-promotes-global-sustainable-mining/?doing_wp_cron=1392745627.8527719974517822265625

²⁴²⁷ Nigeria, China ink agreement to fund major power project, Ministry of Foreign Affairs, the People's Republic of China 30 September 2013. Access Date: 16 February 2014. <http://www.fmprc.gov.cn/zflt/eng/zfgx/jmhzt/1083399.htm>

and the island countries' efforts on environmental protection and build them an array of green energy projects, including solar, hydropower and methane.²⁴²⁸

On 26 November 2013, the Export and Import Bank of China agreed to offer soft and commercial loans to Nepal worth USD1.6 billion for the construction of mega hydropower project.²⁴²⁹

On 4 December 2013, Zambian President Michael Sata announced that the Export and Import Bank of China has contributed about USD315 million toward construction of the second hydro power station which will be completed by March 2014 and add another 180 megawatts of electricity in the country.²⁴³⁰

On 22 December 2013, the Ghanaian President John Dramani Mahama announced that construction of the Bui hydroelectric power project at Bui in the northwestern part of Ghana is in the final phase. The China Export-Import Bank was the main financier of the project, which was constructed at a cost of USD622 million and will boost Ghana's current energy capacity by 20 per cent and enhance reliability and quality of electricity supply nationwide.²⁴³¹ A total of 6,000 employees of local workers were trained by Chinese specialists. Thus this project greatly promoted the development of Ghana's human resource for future construction projects.²⁴³²

On 9 January 2014, the Chinese Government donated solar energy kit systems to the Rwanda in a bid to enhance the East African nation's energy sector. The 416 pieces of solar equipment worth USD642,304 will be installed in the country's rural areas of the southern, northern and eastern provinces, where there is no access to the state power grid. The kits will boost rural energy accessibility and ultimately improve the well-being of the rural population.²⁴³³

On 20 January 2014, Keshav Dhoj Adhikary, Joint Secretary at Nepal's Energy Ministry said that a team of Chinese experts begun feasibility study to install solar power station in Nepal's administrative center Singha durbar to promote development of alternative green energy.²⁴³⁴

China has taken actions to mobilize public financing for inclusive green growth in developing countries, but failed to take actions to mobilize private finance to that end. Thus, it has been awarded a score of 0.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with the commitment on promoting green growth in developing countries.

²⁴²⁸ Wang Chao Attended the Ministerial Session of the 2nd China-Pacific Island Countries Economic Development and Cooperation Forum, Ministry of Commerce of People's Republic of China 8 November 2013. Access Date: 18 February 2014. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201311/20131100388707.shtml>

²⁴²⁹ Nepal lays groundwork for China-assisted mega hydropower project, Xinhua News Agency 26 November 2013. Access Date: 16 February 2014. http://news.xinhuanet.com/english/world/2013-11/26/c_132920350.htm

²⁴³⁰ Zambian leader urges power utility to expand access with help of China, Ministry of Foreign Affairs of the People's Republic of China 5 December 2013. Access Date: 16 February 2014. <http://wcm.fmprc.gov.cn/pub/zflt/eng/jlydh/mtsyt1105830.htm>

²⁴³¹ China-built hydroelectric power project inaugurated in Ghana, the Economic and Commercial Counsellor's Office of the Embassy of the People's Republic of China in the Republic of Cameroon 26 December 2013. Access Date: 15 February 2014. <http://cm2.mofcom.gov.cn/article/chinanews/201312/20131200439936.shtml>

²⁴³² Feature: Ghanaians acquire more skills from Chinese expatriates, Ministry of Foreign Affairs of the People's Republic of China 20 December 2013. Access Date: 15 February 2014. <http://wcm.fmprc.gov.cn/pub/zflt/eng/zfgx/t1110649.htm>

²⁴³³ China donates solar energy kit systems to Rwanda, Ministry of Foreign Affairs of the People's Republic of China 18 January 2014. Access Date: 15 February 2014. <http://wcm.fmprc.gov.cn/pub/zflt/eng/zfgx/jmhz/t1120281.htm>

²⁴³⁴ China to set up solar power station in Nepal's administrative centre, Hunan Provincial People's Government 25 January 2014. Access Date: 18 February 2014. http://enghunan.gov.cn/Text_News/201401/t20140124_1025904.htm

On 16 January 2014 AFD and Indonesia's Bank Mandiri collaborated to stage a green banking seminar to encourage the development of an environmentally friendly banking industry. On 8 November 2013, AFD signed a USD100 million financial commitment with Bank Mandiri to finance clean and renewable energies in Indonesia.²⁴³⁵

On the 17 January 2014, AFD and the Government of Kenya signed a loan of EUR100 million to expand Nairobi's water system. This project will contribute to a more efficient and greener regional power market in East Africa.²⁴³⁶

On 5 December 2013, the French Ministry of Foreign Affairs launched the initiative: African Forum — 100 innovations for sustainable development, under the impetus of the Minister Delegate for Development, Pascal Canfin, and in partnership with Agence française de développement (AFD). The forum was focused on supporting and promoting the dissemination of innovations for sustainable development led by African innovators.²⁴³⁷

On 14 April 2014, PROPARCO, the subsidiary of Agence Française de Développement (AFD), has allocated a loan of USD 36 million to the Zambian Itezhi Tezhi Power Corporation to finance the construction and operation of hydro power plant. The Itezhi Tezhi power plant, which is planned to be commissioned in the fourth quarter of 2015, fits in with this target. It will maintain the predominance of renewable energies in Zambia's energy mix.²⁴³⁸

France has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on promoting green growth in developing countries.

On 12 November 2013, German Environment Minister Peter Altmaier announced that the country would provide an additional EUR12 million for a program to support regions that had taken actions toward developing "sustainable land use plans and tropical forest protection plans."²⁴³⁹

On 20 January 2014, the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety announced the provision of EUR30 million as a start-up finance for the Green Climate

²⁴³⁵ Nouveau soutien à la banque Mandiri pour le financement de projets d'énergies renouvelables. Access Date: 20 September 2014. http://www.afd.fr/home/projets_afd/AFD-et-environnement/changement_climatique/ctnscroll_ActualitesList/6_6

²⁴³⁶ Plus d'eau pour la capitale Nairobi / Une énergie moins chère et plus verte pour le Kenya. Access Date: 20 September 2014. http://www.afd.fr/home/projets_afd/infrastructures_energie/Energie/ctnscroll_ActualitesList/6_6

²⁴³⁷ Forum Afrique – 100 innovations pour un développement durable. Access Date: 20 September 2014. <http://www.diplomatie.gouv.fr/fr/politique-etrangere-de-la-france/aide-au-developpement-1060/evenements-et-actualites-sur-le/forum-afrique-100-innovations-pour/>

²⁴³⁸ PROPARCO soutient l'énergie hydroélectrique en Zambie. Access Date: 20 September 2014. http://www.afd.fr/home/projets_afd/infrastructures_energie/Energie/ctnscroll_ActualitesList/6_0

²⁴³⁹ Germany increases support for forest protection, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 20 November 2013. Access Date: 19 April 2014. http://www.bmub.bund.de/en/bmub/press-and-speeches/press-releases/detailansicht-en/artikel/deutschland-baut-engagement-im-waldschutz-aus/?tx_ttnews%5BbackPid%5D=846&cHash=fe9673fa300d94bec9bb0a0e453548f0.

Fund. The funds will be used to help developing countries prepare for climate change mitigation projects and accelerate the operation of the Green Climate Fund.²⁴⁴⁰

On 24 March 2014, KfW Development Bank (German development bank acting on behalf of the German Federal Ministry for Economic Cooperation and Development) announced that in 2013 more than a half of its new financial commitments, or around EUR2.8 billion, were aimed at implementing green initiatives. According to KfW's estimations, these allocations will save more than 9 million tones of greenhouse gas emissions annually over the coming years.²⁴⁴¹

On 7 April 2014, Germany and the United Kingdom committed to continue the implementation of projects in the framework of their Nationally Appropriate Mitigation Action Facility. The facility was established in 2012 and provided support for climate change projects in Chile, Colombia, Costa Rica, Indonesia and Mexico. During the second stage of the project, around EUR50 million will be made available.²⁴⁴²

On 12 June 2014, German Environment Minister Barbara Hendricks and Romanian Environment Minister Attila Korodi signed a framework agreement on joint environmental initiatives in Romania. The main focus of the agreement is providing conditions for the implementation of eco-friendly investment projects based on economically viable green technologies.²⁴⁴³

Germany has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepon

India: 0

India has partially with the commitment on promoting green growth in developing countries.

On 18 January 2014, the Indian Ministry of New and Renewable Energy signed a memorandum of understanding on renewable energy cooperation with the Ministry of Foreign Affairs of the United Arab Emirates. The objective of this agreement is to “establish the basis for a cooperative institutional relationship to encourage and promote bilateral technical cooperation on new and renewable energy in the exchange and training of scientific and technical personnel; available scientific and technical

²⁴⁴⁰ Federal Environment Ministry contributes to start-up finance for Green Climate Fund, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 20 January 2014. Access Date: 19 April 2014. http://www.bmub.bund.de/en/bmub/press-and-speeches/press-releases/detailansicht-en/artikel/bundesumweltministerium-finanziert-starthilfe-fuer-den-gruenen-klimafonds/?tx_ttnews%5BbackPid%5D=1892&cHash=4a75f6dd80b80524170e3a861e000674.

²⁴⁴¹ Towards a low-carbon route to development, KfW Development Bank 24 March 2014. Access Date: 19 April 2014. https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/About-us/News/News-Details_193728.html.

²⁴⁴² More climate protection in developing countries, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 7 April 2014. Access Date: 19 April 2014. http://www.bmub.bund.de/en/bmub/press-and-speeches/press-releases/detailansicht-en/artikel/mehr-klimaschutz-in-entwicklungslaendern/?tx_ttnews%5BbackPid%5D=846&cHash=84055b8e4497ce711e053d026bdab344.

²⁴⁴³ Germany and Romania step up cooperation to protect the environment, Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety 12 June 2014. Access Date: 9 October 2014. http://www.bmub.bund.de/en/press/press-releases/detailansicht-en/artikel/deutschland-und-rumaenien-vertiefen-die-zusammenarbeit-im-umweltschutz/?tx_ttnews%5BbackPid%5D=1892&cHash=ea4065d195a6dfc0e7d86210748e55a5.

information and data; know-how and technology transfer in non-commercial terms, and for organization of workshops, seminars and working groups.”²⁴⁴⁴

India has taken actions to encourage inclusive green growth in developing countries during the compliance period, but has failed to cooperate with the private sector to that end. Thus, it has been awarded a score of 0.

Analyst: Alisa Prokhorova

Indonesia: 0

Indonesia has partially complied with the commitment on promoting green growth in developing countries.

On 7 September 2013, the representative of the Ministry of Foreign Affairs announced Indonesian government plan to help the island nations in the Pacific address the problem of climate change through building capacities for climate change adaptation. It will include training in the fields of fisheries, women’s empowerment, agriculture, education and health adapted to the needs of partner countries in the Pacific.²⁴⁴⁵ On 4 August 2014, the Minister of Foreign Affairs confirmed Indonesian commitment to strengthening cooperation with Pacific island countries and assisting them in handling climate change through capacity building.²⁴⁴⁶

On 31 October 2013, the Executive Secretary of Indonesian Geospatial Information Agency revealed plans to provide the exchange of research findings and geospatial data with the countries of this region, including Thailand, Malaysia and China, to address sea-level rise and coastal ecosystem changes in the South China Sea and better manage coastal resources.²⁴⁴⁷

In the first quarter of 2014, Indonesia contributed USD250,000 to the Green Climate Fund. The fund, set up by the United Nations in 2010, channels the contributions towards tackling climate change issues in developing countries.²⁴⁴⁸

No facts of Indonesian actions to mobilize private financing for inclusive green growth in developing countries have been registered during the compliance period.

Indonesia has taken actions to mobilize public financing for inclusive green growth in developing countries, however it failed to take actions to mobilize private finance to that end. Thus, it has been awarded a score of 0.

Analyst: Nadezhda Sporysheva

²⁴⁴⁴ Memorandum of understanding between the Ministry of New and Renewable Energy of the Government of the Republic of India and the Ministry of Foreign Affairs, DECC of the United Arab Emirates (DECC), Government of India 18 January 2014. Date of Access: 17 July 2014. <http://mnre.gov.in/mous/mou-uae.pdf>.

²⁴⁴⁵ Indonesia’s Commitment to Archipelago Countries in the Pacific, Embassy of Republic of Indonesia Nairobi 8 September 2013. Access Date: 27 February 2014. <http://www.kemlu.go.id/nairobi/Pages/News.aspx?IDP=6428&l=en>.

²⁴⁴⁶ Indonesia Confirms Commitment to Strengthen Cooperation with Pacific Island Countries, Ministry of Foreign Affairs 4 August 2014. Access Date: 1 October 2014. <http://www.kemlu.go.id/Pages/News.aspx?IDP=7017&l=en>.

²⁴⁴⁷ Creating Positive Synergy in the South China Sea through Research and Collaboration, Ministry of Foreign Affairs of Indonesia 31 October 2013. Access Date: 27 February 2014. http://www.kemlu.go.id/_layouts/mobile/PortalDetail-NewsLike.aspx?l=en&ItemID=5c0c6e14-167b-476c-a68f-487b70935f04.

²⁴⁴⁸ Green Climate Fund Trust Fund Financial Report – Status as at 31 March 2014, Green Climate Fund 1 May 2014. Date of Access: 11 August 2014. http://gcfund.net/fileadmin/00_customer/documents/MOB201406-7th/GCF_B07_Inf__04_Trust_Fund_Financial_Report_fin_20140501.pdf.

Italy: +1

Italy has fully complied with the commitment on green growth.

On 17 December 2013, a technical assistance program for the Lebanon Pollution Abatement Project was launched. It is a joint initiative of Lebanese Ministry of Environment, Ministry of Finance, Bank of Lebanon, World Bank and the Italian cooperation agency, which provide EUR2.3 million for the project. It will strengthen the capacity of the Lebanese Ministry of Environment and other national stakeholders to assess environmental situation. It will also provide technical assistance to the polluting enterprises for environmental audits and formulating compliance action plans.²⁴⁴⁹ Another goal is to raise environmental awareness through communication campaigns.²⁴⁵⁰

On 1 May 2014, the Italian Cooperation Agency launched a program on natural resource conservation in Gile Natural Reserve in Mozambique. The assistance program is aimed at consolidating the efforts of Management Committees and local communities in promoting responsible use of natural resources and preserving biodiversity. The program also provides for measures to promote sustainable agricultural development in the area.²⁴⁵¹

On 5 May 2014, the Italian Cooperation Agency launched a project on protection of marine and costal environment in Quirimbas National Park in Mozambique. Among other goals the program aims to promote environmental awareness and knowledge of sustainable economic practices among locals and particularly entrepreneurs active in the area. A broad goal of the project is to promote socio-economic development in the coastal areas of the national park actively involving local communities in the process.²⁴⁵²

On 1 June 2014, the Italian Cooperation Agency started a project aimed at strengthening the management of municipal waste in all the 53 municipalities of Mozambique. The stated goal of this project is to promote the environmental sustainability of the Mozambique's cities.²⁴⁵³

On 1 January 2014, the Italian Cooperation Agency in cooperation with the UNCCD commenced the project in Senegal aimed at sustainable territorial management. The project provides for the soil

²⁴⁴⁹ LIBANO - Programma di assistenza tecnica per il Lebanon Environmental Pollution Abatement Project – LEPAP, Cooperazione Italiana allo Sviluppo. Access Date 7 May 2014. http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/iniziativa/SchedaIniziativaWorld.asp?id_temi=13&id_paese=101.

²⁴⁵⁰ Environmental and Social Assessment (ESA) of the Lebanon Pollution Abatement Project (LEPAP), Government of Lebanon July 2013. [http://www.moe.gov.lb/getattachment/47ca40bc-c39e-4d2e-bb61-b76673700d42/Environmental-Social-Assessment-\(ESA\).aspx](http://www.moe.gov.lb/getattachment/47ca40bc-c39e-4d2e-bb61-b76673700d42/Environmental-Social-Assessment-(ESA).aspx).

²⁴⁵¹ Conservazione delle Risorse Naturali nella Riserva Nazionale di Gilè e nelle sue aree periferiche attraverso il rafforzamento delle attività economiche e produttive delle comunità rurali, Cooperazione Italiana allo Sviluppo. Date of Access 10 October 2014. http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/iniziativa/SchedaIniziativaTema.asp?id_temi=13&id_paese=76.

²⁴⁵² Protezione degli Habitat costieri e marini del Parco Nazionale delle Quirimbas per la sicurezza alimentare e lo sviluppo economico (PHARO), Cooperazione Italiana allo Sviluppo. Date of Access 10 October 2014. http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/iniziativa/SchedaIniziativaTema.asp?id_temi=13&id_paese=76.

²⁴⁵³ Progetto per il rafforzamento integrato della gestione dei rifiuti urbani, Cooperazione Italiana allo Sviluppo. Date of Access 10 October 2014. http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/iniziativa/SchedaIniziativaTema.asp?id_temi=13&id_paese=76.

degradation prevention and soil remediation. The project will also promote pilot projects co-financed with the use of the innovative financing mechanisms such as reallocating the emigrants' remittances.²⁴⁵⁴

Italy has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakbarov

Japan: +1

Japan has fully complied with the commitment on green growth.

On 17 September 2013, the Japan International Cooperation Agency (JICA) signed the Record of Discussion with Vietnamese officials on the Project on Strengthening the System and Operation on Standards and Conformance for Energy Efficiency. The Japanese government will supply Vietnam with necessary equipment, dispatch experts and help to improve the performance of the local energy-efficient label system.²⁴⁵⁵

On 9 October 2013, JICA signed a loan agreement for official development assistance (ODA) with Nicaragua. According to the agreement Japan is to provide a JPY1.496 billion loan for the National Sustainable Electrification and Renewable Energy Project. The project will increase the use of renewable sources of energy in remote villages across Nicaragua.²⁴⁵⁶

On 15 November 2013, an ODA agreement was signed between JICA and Mongolia. Japan will provide a loan of JPY4.201 billion for the Ulaanbaatar Thermal Power Plant No. 4 Optimization Project, that is going to improve the efficiency and power supply stability of the power plant.²⁴⁵⁷

On 20 November 2013, Japan and Costa Rica signed a cooperation agreement to help Costa Rica develop geothermal energy in Guanacaste Province. The agreement also includes a loan of up to JPY56.086 billion.²⁴⁵⁸

On 6 December 2013, a grant agreement was signed between JICA and Timor-Leste. The grant of up to JPY1.499 billion will be provided by Japan for the Project for Rehabilitation and Improvement of Buluto Irrigation Scheme, which will ensure a stable water supply for rice production in the region.²⁴⁵⁹

On 14 January 2014, an ODA agreement was signed between JICA and Mozambique. Japan will provide a loan of up to JPY17.269 billion for the Maputo Gas-Fired Combined Cycle Power Plant

²⁴⁵⁴ Africa occidentale: Gestione sostenibile del territorio in aree a rischio di migrazione ambientale attraverso meccanismi di finanziamento innovative, Cooperazione Italiana allo Sviluppo. Date of Access 10 October 2014.

http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/iniziativa/SchedaIniziativaTema.asp?id_temi=13&id_paese=85

²⁴⁵⁵ Signing of Record of Discussion on Project on Strengthening the System and Operation on Standards and Conformance for Energy Efficiency in Viet Nam, Japan International Cooperation Agency 17 September 2013. Access Date: 24 February 2014. http://www.jica.go.jp/english/news/press/2013/20130917_01.html.

²⁴⁵⁶ Signing of Japanese ODA Loan Agreement with Nicaragua, Japan International Cooperation Agency 6 October 2013. Access Date: 24 February 2014. http://www.jica.go.jp/english/news/press/2013/20131009_01.html.

²⁴⁵⁷ Signing of Japanese ODA Loan Agreement with Mongolia, Japan International Cooperation Agency 15 November 2013. Access Date: 24 February 2014. http://www.jica.go.jp/english/news/press/2013/131205_03.html.

²⁴⁵⁸ Signing of Cooperation Agreement for a Sector Loan with the Republic of Costa Rica, Japan International Cooperation Agency 20 November 2013. Access Date: 24 February 2014.

http://www.jica.go.jp/english/news/press/2013/20131120_01.html

²⁴⁵⁹ Signing of Grant Agreement with the Democratic Republic of Timor-Leste, Japan International Cooperation Agency 6 December 2013. Access Date: 24 February 2014. http://www.jica.go.jp/english/news/press/2013/20131206_01.html

Development Project, which is going to improve the stability of power supply along with lowering the environmental burden.²⁴⁶⁰

On 28 February 2014, JICA has signed an ODA Loan Agreement to finance the Da Nhim Hydropower Plant Expansion Project in Vietnam with a loan of up to JPY7.515 billion. The project will promote the use of renewable energy in the country.²⁴⁶¹

On 13 March 2014, JICA selected 10 projects for base of the pyramid (BoP) business promotion survey. These projects will be granted financial support for the feasibility studies. Among the 10 projects 1 was devoted to green growth, use of high-end technologies and promotion of energy efficiency in Kenya, titled “Preparatory Survey on BoP business on Rural Electrification Project Using Digital Grid.”²⁴⁶²

On 29 March 2014, JICA and the Inter-American Development Bank (IDB) signed an amendment to a 2011 Memorandum of Understanding and a 2012 Framework Agreement to support renewable energy and energy efficiency for the mitigation of climate change in Central America and the Caribbean. Under the amendment JICA has increased its share in Co-financing for Renewable Energy and Energy Efficiency (CORE) from USD300 million to USD1 billion.²⁴⁶³

On 11 April 2014, JICA has pledged to provide a loan of up to JPY11,390 million for “Uttarakhand Forest Resource Managements Project” in India, that will be aimed at restoring the forest in the State of Uttarakhand. It will also help the regional development and livelihood improvement.²⁴⁶⁴

On 22 April 2014, JICA has signed a grant agreement to provide JPY1,571 million for the Project for Micro-Hydropower Improvement in Western Area in Nepal. The Project will help to achieve stable power supply, reduce the barriers to using electrical appliances and improve living environment.²⁴⁶⁵

On 6 June 2014 JICA has pledged to extend loans of JPY41,498 million for MatarBari Ultra Super Coal-Fired Power Project (I) and JPY23,598 million for Natural Gas Efficiency Project in Bangladesh. These loans will allow Bangladesh to use world’s leading technologies, improve energy efficiency and reduce greenhouse gas emissions.²⁴⁶⁶

On 3 July 2014, JICA has signed an ODA Loan Agreement to finance the Laguna Colorada Geothermal Power Plant Construction Project (Phase 1 of First Stage) in Bolivia. The loan in the amount of

²⁴⁶⁰ Signing of Japanese ODA Loan Agreement with the Republic of Mozambique, Japan International Cooperation Agency 14 January 2014. Access Date: 24 February 2014. http://www.jica.go.jp/english/news/press/2013/20140114_01.html.

²⁴⁶¹ Signing of Japanese ODA Loan Agreement with the Socialistic Republic of Vietnam, Japan International Cooperation Agency 28 February 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2013/140228_01.html.

²⁴⁶² 10 Projects Selected for BoP Business Promotion Survey, Japan International Cooperation Agency 13 March 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2013/140313_01.html.

²⁴⁶³ IDB, JICA to promote renewable energy and energy efficiency in Central America and the Caribbean, Inter-American Development Bank 29 March 2014. Date Access: 29 September 2014. <http://www.iadb.org/en/news/news-releases/2014-03-29/central-american-caribbean-renewable-energy,10783.html>.

²⁴⁶⁴ Signing of Japanese ODA Loan Agreement with the Government of India, Japan International Cooperation Agency 11 April 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2014/140411_01.html.

²⁴⁶⁵ Signing of Grant Agreement with Nepal, Japan International Cooperation Agency 22 April 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2014/140422_01.html.

²⁴⁶⁶ Signing of Japanese ODA Loan Agreement with the People’s Republic of Bangladesh, Japan International Cooperation Agency 16 June 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2014/140616_02.html.

JPY2.495 billion will help to construct a 50 MW geothermal power plant, that will reduce greenhouse emissions and promote renewable energy development.²⁴⁶⁷

On 17 July 2014, an ODA agreement was signed between JICA and the Government of Tunisia to provide JPY38,075 million for the Rades Combined Cycle Power Plant Construction Project in Tunisia. Combined cycle power plant is more efficient than gas turbine or steam turbine power generation, thus it will contribute to reducing greenhouse gas emissions.²⁴⁶⁸

On 18 August 2014, Japan and Cost Rica signed an ODA Agreement to provide JPY16.81 billion of assistance for the Las Pailas II Geothermal Project in Costa Rica. This project will boost the power supply of renewable energy in the region, mitigate the effects of climate change and contribute to sustainable development of Costa Rica.²⁴⁶⁹

On 1 September 2014, ODA loan Agreements were signed between JICA and India to provide Indian Renewable Energy Development Agency Limited and Small Industries Development Bank of India with JPY60 billion to promote renewable energy development and support energy savings at micro, small and medium enterprises.²⁴⁷⁰

On 2 September 2014, JICA signed a grant agreement with Rwanda, according to which Rwanda will receive JPY1,549 million of assistance for the Project for Development of Irrigation Scheme in Ngoma District. One of the goals of the Project is to provide sustainable operation of the irrigation facilities, that is going to stabilize the lives and livelihoods of residents.²⁴⁷¹

During the compliance period Japan has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Evgeny Gushchin

Korea: 0

Korea has partially complied with the commitment on green growth.

On 3 June 2013, the government of Korea agreed to provide its official development assistance (ODA) of up to USD17,100,000 to Cambodia to contribute to the implementation of three projects.²⁴⁷²

On 4-6 November 2013, at the sixth IEA-ETSAP Workshop in Korea under the umbrella of the Green Growth Knowledge Platform, the World Bank launched a Climate-Smart Planning Platform, targeted at both tools, data, knowledge products and capacity support.²⁴⁷³

²⁴⁶⁷ Signing of Japanese ODA Loan Agreement with the Plurinational State of Bolivia for the Laguna Colorada Geothermal Power Plant Construction Project (Phase 1 of First Stage), Japan International Cooperation Agency 3 July 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2014/140703_01.html.

²⁴⁶⁸ Signing of Japanese ODA Loan Agreements with the Republic of Tunisia, Japan International Cooperation Agency 18 July 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2014/140718_02.html.

²⁴⁶⁹ Signing of Japanese ODA Loan Agreement with the Republic of Costa Rica, Japan International Cooperation Agency 18 August 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2014/140818_01.html.

²⁴⁷⁰ Signing of Japanese ODA Loan Agreements with the Government of India, Japan International Cooperation Agency 1 September 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2014/140901_01.html.

²⁴⁷¹ Signing of Grant Agreement with the Republic of Rwanda, Japan International Cooperation Agency 3 September 2014. Access Date: 29 September 2014. http://www.jica.go.jp/english/news/press/2014/140903_01.html.

²⁴⁷² South Korea to Provide US\$ 17.1 Million for Development of 3 Projects in Cambodia in 2013.

<http://www.koicacambodia.org/south-korea-to-provide-us-17-1-million-for-development-of-3-projects-in-cambodia-in-2013/>

On 7 November 2013, the United Kingdom and Korea have agreed to collaborate on tackling climate change, united by a shared belief that nuclear should play a key role in the future energy mix. The countries released a joint statement declaring their mutual commitment to low carbon development, backed up by the latest findings of the climate science report of the Intergovernmental Panel on Climate Change.²⁴⁷⁴

Korea has taken actions to mobilize public financing for inclusive green growth in developing countries; however, it failed to take actions to mobilize private finance to that end. Thus, it has been awarded a score of 0.

Analyst: Anastasia Zburavleva

Mexico: 0

Mexico has partially complied with the commitment on promoting green growth in developing countries.

On 9 September 2013, Mexico and Honduras signed a Program of Cooperation in Technologies and Science 2013-2015. It includes projects in three priority sectors: agriculture, environment and climate change, social development. Mexico would allocate to this program more than USD45,000.²⁴⁷⁵

On 5 September 2014, Mexico and the Dominican Republic signed the program for technical and scientific cooperation for 2014-2016. The program provide for the implementation of new projects in environment, energy, soil and other spheres.²⁴⁷⁶

Mexico has taken actions to mobilize public financing for inclusive green growth in developing countries, however it failed to take actions to mobilize private finance to that end. Thus, it has been awarded a score of 0.

Analyst: Elizaveta Safonkina

Russia: -1

Russia has failed to comply with the commitment on encouraging inclusive green growth in developing countries.

There is no evidence of actions taken by Russia to encourage inclusive green growth in developing countries during the compliance period. Thus, it has been awarded a score of -1.

Analyst: Mark Rakhmangulov

²⁴⁷³ Climate-smart Planning Platform. World Bank & ETSAP Collaboration [http://www.iea-etsap.org/web/Workshop/Seoul_Nov2013/16_WB-CSPP_ETSAP-Collaboration\(v05toETSAP\).pdf](http://www.iea-etsap.org/web/Workshop/Seoul_Nov2013/16_WB-CSPP_ETSAP-Collaboration(v05toETSAP).pdf)

²⁴⁷⁴ UK and South Korea agree to collaborate on tackling climate change. <http://www.rtcc.org/2013/11/07/uk-and-south-korea-agree-to-collaborate-on-tackling-climate-change/>

²⁴⁷⁵ México y Honduras suscriben el Programa de Cooperación Técnica y Científica 2013-2015 9 September 2013. Access Date: 23 February 2014. <http://amexcid.gob.mx/index.php/en/press/press-releases/1875-mexico-y-honduras-suscriben-el-programa-de-cooperacion-tecnica-y-cientifica-2013-2015>.

²⁴⁷⁶ MÉXICO Y REPÚBLICA DOMINICANA ACUERDAN EL PROGRAMA DE COOPERACIÓN TÉCNICA Y CIENTÍFICA 2014-2016 5 September 2014. Access Date: 26 September 2014. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/2099-mexico-y-republica-dominicana-acuerdan-el-programa-de-cooperacion-tecnica-y-cientifica-2014-2016>

Saudi Arabia: -1

Saudi Arabia has failed to comply with the commitment on promoting green growth in developing countries.

On 22 January 2014, King Abdullah City for Atomic and Renewable Energy (K.A.CARE), a Saudi Arabian specialized scientific body working on developing alternative energy capacity in Saudi Arabia, and the Fraunhofer Institute for Solar Energy Systems ISE (Germany) signed a collaboration framework agreement to cooperate in renewable energy research and development, testing and training. Both organizations seek to support and deploy renewable energy technologies locally, regionally and around the globe, including Saudi Arabia and the region of the Middle East and North Africa. However, there was no mention of concrete action or plans to promote green growth in developing countries.²⁴⁷⁷

Saudi Arabia is a member of the Islamic Development Bank (IDB) and at 26.57 per cent is the largest contributor of the bank's 56 members.²⁴⁷⁸ Key priorities of the bank include green energy projects and promoting of indigenous energy efficiency initiatives in member countries and Muslim communities.²⁴⁷⁹ However, Saudi Arabia's role in IDB projects and initiatives is not specified.

Saudi Arabia is also a member of the Arab Fund for Economic and Social Development (AFESD), which finances economic and social development projects in Arab countries. Currently Saudi Arabia holds 23.99 per cent shares of AFESD and is second after Kuwait, which holds 25.59 per cent of shares.²⁴⁸⁰ Among other projects, AFESD supports renewable energy capacity building in developing countries. However, no information on such projects has been found since 6 September 2013.²⁴⁸¹

There is no evidence that Saudi Arabia has contributed to stand-alone projects or mobilized private financing for inclusive green growth in developing countries. Thus, Saudi Arabia has been awarded a score of -1.

Analyst: Tatiana Lanshina

South Africa: -1

South Africa has failed to comply with the commitment on encouraging inclusive green growth in developing countries.

There is no evidence of any actions taken by South Africa to encourage inclusive green growth in developing countries during the compliance period. Thus, it has been awarded a score of -1.

Analyst: Lyudmila Tarasenko

²⁴⁷⁷ Fraunhofer ISE and K.A.CARE sign Collaboration Framework Agreement - Signing Ceremony at World Future Energy Summit in Abu Dhabi, Fraunhofer ISE 22 January 2014. Access Date: 12 February 2014.
<http://www.ise.fraunhofer.de/de/presse-und-medien/presseinformationen/presseinformationen-2014/fraunhofer-ise-and-k.a.care-sign-collaboration-framework-agreement>.

²⁴⁷⁸ Member Countries, Islamic Development Bank. Access Date: 29 September 2014.
<http://www.isdb.org/irj/portal/anonymous?NavigationTarget=navurl://750e51a0219adf78e6329e889512714e>.

²⁴⁷⁹ Annual Report 2012, Islamic Development Bank. Access Date: 12 February 2014.
http://www.isdb.org/irj/go/km/docs/documents/IDBDevelopments/Internet/English/IDB/CM/Publications/Annual_Report_s/38th/AnnualReport38.pdf.

²⁴⁸⁰ The Agreement Establishing the Arab Fund for Economic and Social Development, Arab Fund for Economic and Social Development. Access Date: 12 February 2014.
[http://www.arabfund.org/Data/site1/pdf/Agreement%20Establishing%20\(new\).pdf](http://www.arabfund.org/Data/site1/pdf/Agreement%20Establishing%20(new).pdf).

²⁴⁸¹ Activities during 2013, Arab Fund for Economic & Social Development. Access Date: 29 September 2014.
<http://www.arabfund.org/Default.aspx?pageId=442>.

Turkey: +1

Turkey has fully complied with the commitment on promoting green growth in developing countries.

On 1 October 2013, the Turkish Cooperation and Coordination Agency (TIKA) distributed 100 tons of 25 different plant seeds and agricultural equipment to farmers in the Darfur region of Sudan. This initiative provides farmers' families with food and enables them to earn their living by selling crops in the market, while also helping achieve an increase in planted land.²⁴⁸²

On 9-13 December 2013, in partnership with ISESCO and UNESCO, TIKA organized the Fourth African Solar Energy School. The school addresses French-speaking African people who have an academic background or are professionally involved in renewable energy. It will strengthen the capacities and human resources for renewable energy development.²⁴⁸³

On 3 February 2014, TIKA signed an agreement with the Government of Jordan, regulating Turkish development assistance provided to it. The agreement identified main cooperation areas where Turkey will act as a donor, with an emphasis on renewable energy development.²⁴⁸⁴

On 17 September 2013, officials from Turkey and Pakistan signed a joint declaration on strategic cooperation on different aspects of sustainable growth such as "agricultural infrastructure development, modern irrigation techniques and land improvement" and promoting geothermal and renewable energy resources, including wind and solar power. It also emphasizes that cooperation should be enhanced by encouraging private sector investment.²⁴⁸⁵

On 9-14 December 2013, the Turkish government hosted the second session of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. The meeting was attended by government officials, representatives of science organizations, civil society, business and industry, as well as people from local communities. It considered the work program for 2014-2018 in such areas as pollination and food production, land degradation and restoration and invasive alien species.²⁴⁸⁶

Turkey has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

²⁴⁸² Seed and Equipment Support for Sudanese Farmers, Turkish Cooperation and Coordination Agency 1 October 2013. Access Date: 25 February 2014. <http://www.tika.gov.tr/en/haber/seed-and-equipment-support-for-sudanese-farmers/675>.

²⁴⁸³ Fourth African Solar Energy School, UNESCO 2013. Access Date: 25 February 2014. http://www.unesco.org/new/en/unesco/events/natural-sciences-events/?tx_browser_pi1%5BshowUid%5D=27627&cHash=3cf6c0f3cb.

²⁴⁸⁴ Jordan, Turkey sign technical assistance agreement, Ministry of Planning and International Cooperation of Jordan 3 February 2014. Access Date: 25 February 2014. http://www.mop.gov.jo/pages.php?menu_id=115&local_type=1&local_id=628&local_details=1&local_details1=

²⁴⁸⁵ Joint declaration on Pak-Turkey strategic cooperation, The Nation 18 September 2013. Access Date: 25 February 2014. <http://www.nation.com.pk/national/18-Sep-2013/joint-declaration-on-pak-turkey-strategic-cooperation>.

²⁴⁸⁶ The second session of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services to be held in Antalya, UNDP in Turkey 6 December 2013. Access Date: 25 February 2014. <http://www.ge.undp.org/content/turkey/en/home/presscenter/pressreleases/2013/12/06/the-second-session-of-the-intergovernmental-science-policy-platform-on-biodiversity-and-ecosystem-services-to-be-held-in-antalya/>.

United Kingdom: +1

United Kingdom has fully complied with the commitment on promoting green growth in developing countries.

On 27 September 2013, Energy and Climate Change Minister Greg Barker and the Governor of Guangdong Zhu Xiaodan signed a joint statement in which they pledged to continue cooperation between the UK and China to promote low-carbon development and energy efficiency technologies.²⁴⁸⁷

On 27 November 2013, the Department for International Development (DFID) pledged to fund new research that will provide girls and women with clean sources of energy in developing countries. DFID will provide GBP4.5 million to the ENERGIA International Network on Gender and Sustainable Energy, for research on clean energy access for girls and women, and GBP7 million to the Global Alliance for Clean Cookstoves to help them meet the target of 100 million clean cookstoves by 2020.²⁴⁸⁸

On 22 September 2014, International Development Secretary Justine Greening announced a new initiative to address deforestation and to work with business to manage natural resources in developing countries. The new UK initiative includes GBP60 million for a new programme to encourage businesses to join the fight against deforestation and an additional GBP84 million for efforts to close the EU market to illegally-harvested timber and support to developing countries to tackle weak governance that allows illegal practice to flourish.²⁴⁸⁹

On 22 November 2013, International Development Secretary Justine Greening announced a global investment index, Climatescope, backed by Britain, the United States and the Multilateral Investment Fund, which will measure and rank the investment climate for clean energy in 55 countries across Africa, Asia and Latin America. The index is designed to both encourage governments to reform outdated regulation and boost investment from the private sector.²⁴⁹⁰

The United Kingdom has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The United States has fully complied with the commitment on promoting green growth in developing countries.

On 20 November 2013, the Overseas Private Investment Corporation (OPIC), the U.S. government's development finance institution, allocated a USD62.9 million loan to SunEdison, a solar energy services

²⁴⁸⁷ UK Pledges Low Carbon Co-operation with China, Department of Energy & Climate Change 27 September 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/uk-pledges-low-carbon-co-operation-with-china>

²⁴⁸⁸ UK to help girls and women access clean energy, Department for International Development 27 November 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/uk-to-help-girls-and-women-access-clean-energy>

²⁴⁸⁹ UK to tackle deforestation in developing countries, Department for International Development 22 September 2014. Date of Access: 27 September 2014. <https://www.gov.uk/government/news/uk-to-tackle-deforestation-in-developing-countries>

²⁴⁹⁰ Global index set to boost energy investment in developing world, Department for International Development 22 November 2013. Access Date: 20 February 2014. <https://www.gov.uk/government/news/global-index-set-to-boost-energy-investment-in-developing-world>

provider. This loan helped to begin the construction of a 50.7 megawatt-peak solar power plant in Chile in the first quarter of 2014.²⁴⁹¹

In December 2013, OPIC allocated a USD245 million loan to Alto Maipo SpA for the construction of a hydroelectric power plant east of Santiago, Chile. This project will help to reduce greenhouse gas emissions and improve system energy efficiency in Chile.²⁴⁹²

On 24 January 2014, the U.S. announced plans to eliminate tariffs on environmental goods in the World Trade Organization, together with 13 other countries including China.²⁴⁹³

On 15 February 2014, the United States and China reaffirmed their commitment to meet the challenges of climate change and air pollution from burning fossil fuels. The countries agreed to work together within the vehicle of the U.S.-China Climate Change Working Group launched in 2013.²⁴⁹⁴ However, it is not clear whether the U.S. and China intend to cooperate on the issue of climate change.

Just before the 2013 St. Petersburg Summit, on 3 September 2013, USAID, the U.S. government agency for international development, and Coca-Cola Company agreed to support new projects under their Water and Development Alliance, established in 2005 and working under a refreshed investment strategy. New projects will provide access to clean water and sanitation as well as training in the maintenance of the infrastructure for communities comprising 190,000 people in Africa until the end of 2015. The amount of new investments was not specified.²⁴⁹⁵

On 17 September 2013, the U.S. African Development Foundation, a public corporation that funds African enterprises and other organizations to expand economic activities, and GE Africa launched the Power Africa Off-Grid Energy Challenge. This three-year USD2 million initiative will award 20 or more grants to African companies and organizations to provide off-grid renewable energy solutions. The program is a part of Power Africa, the White House-led initiative to enhance growth through access to reliable, affordable, and sustainable power and responsible management of energy resources. Nigeria, Kenya, Ghana, Uganda, Tanzania and Ethiopia are expected to benefit from the initiative. The program was launched on 30 June 2013.²⁴⁹⁶

In January 2014, at the World Economic Forum at Davos, USAID and DuPont signed a memorandum of understanding to provide smallholder farmers from developing countries with access to agricultural

²⁴⁹¹ SunEdison, IFC and OPIC close US\$100.4MM Project Financing Arrangement for the Largest Merchant Solar Plant in Latin America, OPIC 20 November 2013. Access Date: 20 February. <http://www.opic.gov/press-releases/2013/sunedison-ifc-and-opic-close-us1004mm-project-financing-arrangement-largest-merchant-solar-plant-latin-ameri>.

²⁴⁹² Financing Closes for OPIC-Supported Chilean Hydroelectric Power Plant, OPIC 13 December 2013. Access Date: 20 February 2014. <http://www.opic.gov/press-releases/2013/financing-closes-opic-supported-chilean-hydroelectric-power-plant>.

²⁴⁹³ Promoting Green Goods Trade to Address Climate Change, White House 24 January 2014. Access Date: 19 February 2014. <http://www.whitehouse.gov/blog/2014/01/24/promoting-green-goods-trade-address-climate-change>.

²⁴⁹⁴ U.S.-China Joint Statement on Climate Change, U.S. Department of State 15 February 2014. Access Date: 23 February 2014. <http://www.state.gov/r/pa/prs/ps/2014/02/221686.htm>.

²⁴⁹⁵ USAID And Coca-Cola Expand Water and Development Alliance, USAID 4 September 2013. Access Date: 18 February 2014. <http://www.usaid.gov/news-information/press-releases/usaid-and-coca-cola-expand-water-and-development-alliance>.

²⁴⁹⁶ USADF and GE launch Power Africa Off-Grid Energy Challenge in Nigeria and Kenya, United States African Development Foundation 17 September 2013. Access Date: 10 February 2014. <http://us2.campaign-archive2.com/?u=385a45de153d73db770f64cc1&id=54c2165db6>.

innovations. USAID and DuPont will cooperate to introduce innovations and climate-resilient crops helping smallholders sustainably address climate change.²⁴⁹⁷

On 3-4 June 2014, the Government of the United States and the Government of Ethiopia co-hosted the U.S. — Africa Energy Ministerial (AEM) in Addis Ababa (Ethiopia). At the event the U.S. Government launched a new Power Africa initiative — “Beyond the Grid.” Under this initiative partnerships with 27 investors, including clean energy enterprises, will invest more than USD1 billion over the next 5 years to provide energy solutions to millions of African homes that are off-grid.²⁴⁹⁸

In June 2014, the U.S. Trade and Development Agency (USTDA) distributed several grants related to Power Africa private sector-led initiative. University of Dodoma (Tanzania) received one of these grants to conduct technical and feasibility evaluation of a 55 MW solar project on its campus.²⁴⁹⁹

By June 2014 (i.e. in one year) transactions to produce 2,800 MW of new generation capacity under the Power Africa initiative had been closed — more than 25 per cent of the initiative goal of 10,000 MW. This capacity will be enough to provide electricity to more than 5 million African homes, businesses, hospitals and schools. By June 2014 the U.S. Government had committed more than USD7 billion, and private sector — over USD18 billion in financial support to the program.²⁵⁰⁰

On 5 August 2014, U.S. President Barack Obama pledged USD300 million in annual assistance under Power Africa initiative. Obama also announced USD6 billion in new private sector commitments.²⁵⁰¹

The United States has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Tatiana Lanshina

European Union: +1

The European Union has fully complied with the commitment on promoting green growth in developing countries.

On 14 February 2013, EU Development Commissioner Andris Piebalgs announced EUR55 million of new support for Cape Verde during the period of 2014-2020 and took part in a seminar on renewable energy. He announced the first deployment of the EU’s Technical Assistance Facility for Sustainable Energy for All in Cape Verde, a new instrument on energy cooperation that will cover the whole of Africa. The new facility will support the Cape Verdean authorities in identifying new and innovative

²⁴⁹⁷ USAID and DuPont Announce Commitment to Increase Farmer Productivity and Food and Nutrition Security, USAID 23 January 2014. Access Date: 18 February 2014. <http://www.usaid.gov/news-information/press-releases/jan-23-2014-usaid-and-dupont-announce-commitment-increase-farmer-productivity>.

²⁴⁹⁸ Power Africa: Beyond the Grid. The White House Blog 3 June 2014. Access Date: 28 September 2014. <http://www.whitehouse.gov/blog/2014/06/03/power-africa-beyond-grid>.

²⁴⁹⁹ Letter from the Coordinator. USAID 30 June 2014. Access Date: 28 September 2014. <http://www.usaid.gov/powerafrica/newsletter/jul2014/letter-from-the-coordinator>.

²⁵⁰⁰ Power Africa Annual Report 2014. USAID July 2014. Access Date: 28 September 2014. http://www.usaid.gov/sites/default/files/documents/1860/USAID_PowerAfrica_AR_July2014.pdf.

²⁵⁰¹ FACT SHEET: Powering Africa: Increasing Access to Power in Sub-Saharan Africa. The White House 5 August 2014. Access Date: 28 September 2014. <http://www.whitehouse.gov/the-press-office/2014/08/05/fact-sheet-powering-africa-increasing-access-power-sub-saharan-africa>.

project proposals in the energy sector while the EU will provide the expertise required to achieve Cape Verde's energy target of providing 50 per cent renewable energy in the electricity mix by 2020.²⁵⁰²

On 20 November 2013, Piebalgs announced that around EUR1 billion will be available to support the development efforts of Central Asian countries between 2014 and 2020, including the region's efforts on sustainable management of natural resources.²⁵⁰³

On 21 November 2013, José Manuel Barroso, President of the European Commission, and Herman Van Rompuy, President of the European Council, met with Chinese Prime Minister Li Keqiang in Beijing for the 16th EU-China Summit. Leaders discussed how best to meet new policy challenges in a changing world, in particular the need to secure green growth and to prevent climate change.²⁵⁰⁴

On 30 September 2013, the European Union and Indonesia signed a trade agreement so that only verified legal timber and timber products will be exported to the EU. This agreement has to promote environmentally responsible business investments in the timber industry of Indonesia.²⁵⁰⁵

On 2 April 2014, EU Climate Action Commissioner Connie Hedegaard, the President of the African Ministerial Conference on Environment (AMCEN) Binilith Mahenge, and the African Union Commissioner for Rural Economy and Agriculture Rhoda Tumusiime hosted a ministerial climate seminar in Brussels on 1 April 2014. The EU and Africa reaffirmed there that scaled-up, new and additional, predictable and adequate funding shall be provided to developing countries for climate change issues. And the EU and its Member States committed to scale up the mobilisation of climate finance in order to contribute their share of developed countries' goal to jointly mobilise USD100 billion per year by 2020 from a wide variety of sources public and private, bilateral and multilateral, including alternative sources of finance.²⁵⁰⁶

The EU has taken actions to mobilize both public and private financing for inclusive green growth in developing countries. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

²⁵⁰² New EU support for renewable energy and governance in Cape Verde, European Commission 14 February 2014. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_IP-14-140_en.htm

²⁵⁰³ EU announces future commitments for development with Central Asia Region, European Commission 20 November 2013. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_IP-13-1119_en.htm

²⁵⁰⁴ 16th EU-China Summit (Beijing, 21 November 2013), European Commission 19 November 2013. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_IP-13-1099_en.htm

²⁵⁰⁵ EU and Indonesia sign historic deal to curb illegal timber, European Commission 30 September 2013. Access Date: 20 February 2014. http://europa.eu/rapid/press-release_IP-13-887_en.htm

²⁵⁰⁶ EU-Africa Ministerial Statement on Climate Change, European Commission 2 April 2014. Access Date: 20 September 2014. http://europa.eu/rapid/press-release_STATEMENT-14-97_en.htm

16. Development: Remittances

“We will consider in 2014 innovative results-based mechanisms to further reduce the cost of transferring remittances to developing countries.”

St. Petersburg Development Outlook

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia			+1
Brazil	-1		
Canada	-1		
China	-1		
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy		0	
Japan	-1		
Korea	-1		
Mexico	-1		
Russia		0	
Saudi Arabia	-1		
South Africa	-1		
Turkey	-1		
United Kingdom			+1
United States	-1		
European Union		0	
Average		-0.25	

Background

Remittance transfers are defined as “cross-border person-to person payments of relatively low value. In practice, the transfers are typically recurrent payments by migrant workers.”²⁵⁰⁷ Remittance flows reached USD401 billion in 2012, and are expected to grow at an average of 8.8 per cent annually from 2013 to 2015.²⁵⁰⁸

The G20 has reiterated commitments on remittances previously made by the G8. The first commitment was made at the 2004 G8 Sea Island Summit, where G8 leaders launched the Global Remittances Initiative with the World Bank. This initiative committed to reduce the cost of transferring remittances and facilitate transactions.²⁵⁰⁹

²⁵⁰⁷ General Principles for International Remittance Services, World Bank (Washington) January 2007. Access Date: 20 January 2014. http://siteresources.worldbank.org/INTPAYMENTREMMITTANCE/Resources/New_Remittance_Report.pdf.

²⁵⁰⁸ Migration and Remittances Brief 20, World Bank (Washington) 19 April 2013. Access Date: 20 January 2014. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationDevelopmentBrief20.pdf>.

²⁵⁰⁹ Fact Sheet: Applying the Power of Entrepreneurship to the Eradication of Poverty, G8 Information Centre (Toronto) 9 June 2004. Access Date: 20 January 2014. http://www.g8.utoronto.ca/summit/2004seaisland/fact_poverty.html.

In 2007, the G8 and Group of Five (Brazil, China, India, Mexico and South Africa) held a high-level meeting on remittances in Berlin to review the actions agreed at the Sea Island Summit. Participants underscored the need to advance the Sea Island remittance commitments. They encouraged bilateral and multilateral actions to improve financial services through innovative payment instruments, and requested that the World Bank assist in coordinating international actions. The World Bank introduced the General Principles for Remittance Services as a guide for policymakers to achieve safe and efficient international remittance transfer services. Participants also encouraged the creation of a Global Remittance Working Group to monitor the G8 and G5 progress in lowering remittance costs.²⁵¹⁰ These decisions were also supported at the 2008 G8 Hokkaido Summit.²⁵¹¹

At the L'Aquila Summit in 2009, the G8 introduced the 5x5 Objective to lower the global average cost of remittance transfers from 10 per cent to 5 per cent in five years.²⁵¹²

In 2010, the issue of remittances was for the first time discussed by the G20 at its Seoul Summit. The Seoul Development Consensus for Shared Growth declared a need to lower the average cost of remittance transfers to improve income resilience and lower poverty in developing countries.²⁵¹³ At the 2011 Cannes Summit, the G20 committed to “work to reduce the average cost of transferring remittances from 10 to 5 per cent by 2014, contributing to release an additional USD15 billion per year for recipient families.”²⁵¹⁴

Finally, at the 2012 Los Cabos the G20 Development Working Group called for “increased global efforts to reduce remittance costs in order to meet the 2014 remittances objective through targeted actions, particularly to benefit LICs [low-income countries].” It endorsed the remittances toolkit, developed in 2011 by France, Australia and Italy, and encouraged the World Bank’s reporting to the Development Working Group every six months on global progress in achieving remittance cost reduction target.²⁵¹⁵

Commitment Features

Reducing remittance costs in a particular G20 member can result from measures undertaken by the government that directly affect remittance prices and from the actions of remittance service providers stimulated by the government. Moreover, reducing average costs of remittance transfers in their countries to 5 per cent is not be the ultimate goal of G20 governments as a reduction below this level contributes to achieving the global remittance price objective.

Therefore compliance with the commitment requires G20 members to enact policies aimed directly at both reducing remittance costs and stimulating remittance service providers to do so. These policies

²⁵¹⁰ The 7 Recommendations of the G8 Outreach Meeting on “Remittances”, World Bank (Washington) 30 November 2007. Access Date: 20 January 2014.

<http://www.worldbank.org/afr/diaspora/200802hlseminar/7%20Recommendations%20G8%20Outreach.pdf>.

²⁵¹¹ Development and Africa, G8 Information Centre (Toronto) 8 July 2008. Access Date: 20 January 2014.

<http://www.g8.utoronto.ca/summit/2008hokkaido/2008-africa.html>.

²⁵¹² Responsible Leadership for a Sustainable Future, G8 Information Centre (Toronto) 8 July 2009. Access Date: 20 January 2014. <http://www.g8.utoronto.ca/summit/2009laquila/2009-declaration.html>.

²⁵¹³ Seoul Development Consensus for Shared Growth, G20 Information Centre (Toronto) 27 June 2010. Access Date: 20 January 2014. www.g20.utoronto.ca/2010/g20seoul-consensus.pdf.

²⁵¹⁴ Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access Date: 20 January 2014. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>.

²⁵¹⁵ 2012 Progress Report of the Development Working Group, G20 Information Centre (Toronto) 19 June 2012. Access Date: 20 January 2014. <http://www.g20.utoronto.ca/2012/2012-0619-dwg.html>.

should be designed in accordance with the World Bank General Principles for International Remittance Services.²⁵¹⁶ This document recommends that countries adopt general principles in five areas:

Principle 1: Transparency and consumer protection. The market for remittance services should be transparent and have adequate consumer protection.

Principle 2: Payment system infrastructure. Improvements to payment system infrastructure that have the potential to increase the efficiency of remittance services should be encouraged.

Principle 3: Legal and regulatory environment. Remittance services should be supported by a sound, predictable, nondiscriminatory and proportionate legal and regulatory framework in relevant jurisdictions.

Principle 4: Market structure and competition. Competitive market conditions, including appropriate access to domestic payment infrastructures, should be fostered in the remittance industry.

Principle 5: Governance and risk management. Remittance services should be supported by appropriate governance and risk management practices.²⁵¹⁷

Details of each principle and possible actions to implement them are provided by the World Bank.²⁵¹⁸ The World Bank provided additional guidance on implementing the principles in 2012. Concrete practical examples and actions that support the implementation of the General Principles, developed and adopted by the G20 as the G20 Remittances Toolkit, are attached in Annex B of the guidance report.²⁵¹⁹ In particular, the following actions are recommended to be implemented by the G20 members:

1. Establish a remittance price comparison website.
2. Improve remittance market access.
3. Support innovation in the payment processes through the use of technology.
4. Assess and reform national remittance markets and payment systems consistent with the General Principles.
5. Provide better coordination between government agencies in sending and receiving countries to improve the development impact of remittances.
6. Support financial inclusion mechanisms and financial education programs for migrants.
7. Ensure cooperation between the public and private sector, migrants and civil society on the development impact of remittances.²⁵²⁰

Thus, possible actions are listed in Annex 1 to the General Principles for International Remittance Services,²⁵²¹ the Guidance Report for the Implementation of the CPSS-World Bank General Principles

²⁵¹⁶ General Principles for International Remittance Services, World Bank (Washington) January 2007. Access Date: 20 January 2014. http://siteresources.worldbank.org/INTPAYMENTREMMITTANCE/Resources/New_Remittance_Report.pdf.

²⁵¹⁷ General Principles for International Remittance Services, World Bank (Washington) January 2007. Access Date: 20 January 2014. http://siteresources.worldbank.org/INTPAYMENTREMMITTANCE/Resources/New_Remittance_Report.pdf.

²⁵¹⁸ General Principles for International Remittance Services, World Bank (Washington) January 2007. Access Date: 20 January 2014. http://siteresources.worldbank.org/INTPAYMENTREMMITTANCE/Resources/New_Remittance_Report.pdf.

²⁵¹⁹ Guidance Report for the Implementation of the CPSS-World Bank General Principles for International Remittance Service, World Bank (Washington), October 2012. Access Date: 20 January 2014.

²⁵²⁰ Guidance Report for the Implementation of the CPSS-World Bank General Principles for International Remittance Services, World Bank (Washington) October 2012. Access Date: 20 January 2014. http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/282044-1360600536890/WB2012_CPSS.pdf.

²⁵²¹ General Principles for International Remittance Services, World Bank (Washington) January 2007. Access Date: 20 January 2014. http://siteresources.worldbank.org/INTPAYMENTREMMITTANCE/Resources/New_Remittance_Report.pdf.

for International Remittance Services and the G20 Remittances Toolkit annexed to the latter document.²⁵²² A member is considered partially compliant if it either implements policies directly aimed at reducing remittance costs or stimulates remittance service providers to reduce their fees. Taking actions in both areas means full compliance.

Scoring Guidelines

-1	Member does not implement policies to reduce remittance transfer costs or stimulate remittance service providers to do so.
0	Member implements policies either reduce remittance transfer costs or stimulates remittance service providers to do so.
+1	Member implements policies both to reduce remittance transfer costs and to stimulate remittance service providers to do so.

Argentina: -1

Argentina has failed to comply with the commitment on remittances.

There is no evidence of action taken by Argentina to reduce remittance prices or stimulate remittance service providers during the compliance period. Thus, it has been awarded a score of -1.

Analyst: Yana Nursubina

Australia: +1

Australia has fully complied with the commitment on remittances.

The Australian government regularly provides financial support to two remittance prices comparison websites: Send Money Pacific (since 2009)²⁵²³ and Send Money Asia (since 2012).²⁵²⁴ These websites allow comparing the cost of transferring remittances from Australia, New Zealand and the US to eight Pacific Island and five Asian countries.

On 8 September 2014, the Department of Foreign Affairs signed a Memorandum of Understanding with Westpac, one of Australia's big four banks and financial services providers. It focuses, among other, on reduction of cost and difficulty of international and domestic remittances to and within the Pacific countries of Papua New Guinea and Fiji.²⁵²⁵

During the compliance monitoring period Australia implemented policies that reduce remittance transfer costs and stimulated remittance service providers to do so. Thus it receives a score of +1.

Analyst: Ekaterina Maslovska

Brazil: -1

Brazil has failed to comply with the commitment on remittances.

²⁵²² Guidance Report for the Implementation of the CPSS-World Bank General Principles for International Remittance Services, World Bank (Washington) October 2012. Access Date: 20 January 2014. http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/282044-1360600536890/WB2012_CPSS.pdf.

²⁵²³ Send Money Pacific. Date of Access: 11 August 2014. <http://www.sendmoneypacific.org/>.

²⁵²⁴ Send Money Asia. Date of Access: 11 August 2014. <http://www.sendmoneyasia.org/>.

²⁵²⁵ Westpac and DFAT partner to improve access to finance in the Pacific, Westpac 8 September 2014. Access Date: 26 September 2014. <http://www.westpac.com.au/about-westpac/media/media-releases/2014/8-september>

There is no evidence of action taken by Brazil to reduce remittance prices or stimulate remittance service providers during the compliance period. Thus, it has been awarded a score of -1.

Analyst: Andrei Sakharov

Canada: -1

Canada has not complied with the commitment on remittances.

Canada has not implemented any policies that reduce remittance prices or stimulate remittance service providers to do so. Thus, it has been awarded a score of -1.

Analyst: Vitaly Nagornov

China: -1

China has not complied with the commitment on remittances.

There is no evidence of action taken by China to reduce remittance prices or stimulate remittance service providers during the compliance period. Thus, it has been awarded a score of -1.

Analyst:

France: +1

France has fully complied with the commitment on remittances.

On 11 December 2013, Pascal Canfin, Deputy Minister of Development, presented in the National Assembly a draft law on the orientation and programming of development policy and international solidarity. This draft law also reduced the cost of sending money to developing countries.²⁵²⁶

The Agence française du développement has implemented an online instrument to stimulate remittance service providers to reduce remittance transfer costs.²⁵²⁷ The total average cost of French remittances decreased in fourth quarter from third quarter of 2013 due to World Bank.²⁵²⁸

France has implemented policies that reduce remittance transfer costs and stimulate remittance service providers to do so. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on remittances.

Germany has comprehensive legislation in force regulating remittance services. Since 1 January 1998 remittance services have been considered as financial services subject to the regulatory framework. As a result, all remittance services providers are supervised by BaFin (the Federal Financial Supervisory Authority) and must obtain a written licence from this regulator before performing their services. BaFin

²⁵²⁶ Projet de loi d'orientation et de programmation relative à la politique de développement et de solidarité internationale. <http://www.assemblee-nationale.fr/14/projets/pl1627.asp>

²⁵²⁷ Envoi d'argent. <http://www.voidargent.fr/content/acteurs-cles>

²⁵²⁸ Sending money from FRANCE. <http://remittanceprices.worldbank.org/en/corridor/France/>

grants a licence only if various mandatory conditions are fulfilled by institutions, including those related to the combating of money laundering, the financing of terrorism and other fraudulent activities.²⁵²⁹

In March 2014, Germany updated the remittance price comparison website www.geldtransfair.de. The website was created in 2007, in accordance with the World Bank standards.^{2530,2531}

Facilitating remittances is considered to be one of the action areas of the Federal Ministry for Economic Cooperation and Development.²⁵³² In particular, within financial cooperation to promote good governance, the Ministry supports building and strengthening national remittance systems in developing countries, providing opportunities to transfer and save remittances safely.²⁵³³ In particular, the Ministry developed a checklist to analyse national remittance markets and to identify bottlenecks which need to be addressed. Based on this checklist, it prepared a report on difficulties migrants from several countries face when using remittance services.²⁵³⁴ It also produced a brochure to inform Serbs living in Germany about recent changes in the Serbian banking system, provisions for customer protection and migrant-friendly financial services available.²⁵³⁵

In 2009-2013, the German Society for International Cooperation implemented the Rural Financial Institutions Programme in India, providing for, inter alia, measures to help Indian commercial banks develop and institutionalize “a business correspondent model through which migrants can access money transfer services.”²⁵³⁶ On 30 June 2014, a seminar in the framework of this program devoted to mobile banking services was organized in India.²⁵³⁷

Germany has implemented policies and adopted legislation in accordance with the World Bank’s General Principles for International Remittance Services and has taken actions to stimulate remittance service providers, including those working in developing countries, to further reduce their fees during the compliance period. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

India: +1

India has fully complied with the commitment on remittances.

²⁵²⁹ The German remittance market – an overview, Deutsche Bundesbank November 2007. Access Date: 19 April 2014. http://www.bundesbank.de/Redaktion/EN/Downloads/Tasks/Payment_systems/The_german_remittance_market.pdf?__blob=publicationFile

²⁵³⁰ Weltbank Zertifikat, Geldtransfair.de. Access Date: 19 April 2014. <http://www.geldtransfair.de/?q=weltbank-zertifikat>.

²⁵³¹ Akzente (The GIZ Magazine), the Deutsche Gesellschaft für Internationale Zusammenarbeit 2014. Access Date: 1 July 2014. <http://www.giz.de/en/downloads/giz2014-en-akzente-2-digital-change-complete.pdf>.

²⁵³² Benefiting from migration: Development policy approaches, Federal Ministry for Economic Cooperation and Development. Access Date: 19 April 2014. http://www.bmz.de/en/what_we_do/issues/migration/Benefiting-from-migration-Development-policy-approaches/index.html.

²⁵³³ Good governance, Federal Ministry for Economic Cooperation and Development. Access Date: 19 April 2014. http://www.bmz.de/en/what_we_do/countries_regions/subsahara/good_governance/index.html.

²⁵³⁴ Remittances from Germany and their Routes to Migrants' Origin Countries, Federal Ministry for Economic Cooperation and Development. Access Date: 9 October 2014. <http://www2.gtz.de/dokumente/bib/07-1374.pdf>.

²⁵³⁵ Report on the Remittance Agenda of the G20, World Bank 2014. Access Date: 9 October 2014.

http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/282884-1400093105293/GPFI_Remittances_Report_Final072014.pdf.

²⁵³⁶ Rural Financial Institutions Programme, German Society for International Cooperation. Access Date: 9 October 2014. <http://www.giz.de/en/worldwide/16012.html>.

²⁵³⁷ State-level Seminar on Mobile Banking organised by GIZ's Rural Financial Institutions Programme and NABARD, German Society for International Cooperation 2014. Access Date: 9 October 2014. <http://www.giz.de/en/worldwide/26417.html>.

On 4 March 2014, the Reserve Bank of India (RBI) allowed the receipt of foreign inward remittances directly into bank account of the beneficiary under the Money Transfer Service Scheme (MTSS), an official channel for private remittances in India. The foreign inward remittances can now be electronically credited directly to the account of the beneficiary. The cap on the number of remittances per beneficiary in a calendar year under the MTSS was increased from 12 to 30.²⁵³⁸ On 10 April 2014, the same mechanism was adopted for the Rupee Drawing Arrangement (RDA), a cross-border remittance service where remittances are received in India through exchange houses situated in gulf countries, Hong Kong, Singapore and Malaysia.²⁵³⁹

On 13 March 2014, the RBI decided to increase the limit of trade transactions within RDA from the existing INR200,000 per transaction to INR500,000 per transaction.²⁵⁴⁰

On 3 June 2014, the RBI enhanced the existing limit of USD75,000 per financial year allowed under its Liberalized Remittance Scheme to USD125,000. The scheme had been announced in February 2004 as a step towards simplifying and liberalizing the foreign exchange facilities available to residents. Accordingly, banks may now allow remittances of up to USD125,000 per financial year for any permitted current or capital account transaction or a combination of both.²⁵⁴¹

On 22 September 2014, the Union Bank of India (UBI; 60.13% of its share capital is owned by the Government of India), enrolled 9,500 villagers who did not possess a bank account as customers in 44 villages in Rajkot, Bhavnagar and Junagadh districts of Gujarat, as part of the Pradhan Mantri Jandhan Yojana (PMJDY) program. UBI partnering with the payments technology firm and business correspondent (BC) network operator FINO PayTech plan to extend the project to 400 more villages in Rajkot, Ahmedabad, Mehsana, Surat and Vadodara districts. Besides enrolling new bank accounts, the BCs will provide access to various banking products, such as savings, credit, insurance and remittance transfer.²⁵⁴²

India has implemented policies that reduce remittance transfer costs and stimulate remittance service providers to do so through increased competition. Thus, it has been awarded a score of +1.

Analyst: Alisa Prokhorova

Indonesia: +1

Indonesia has fully complied with the commitment on remittances.

Several important initiatives aimed at lowering remittance costs were implemented by Indonesian government before the compliance period. The Indonesian Fund Transfer Act enacted in 2011 improved the protection of remittance services consumers and strengthened the legal framework through facilitating the strengthened licensing regime for non-bank remittance service providers.

²⁵³⁸ Money Transfer Service Scheme – ‘Direct to Account’ facility, Reserve Bank of India 4 March 2014. Access Date: 19 April 2014. <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=8763&Mode=0>.

²⁵³⁹ Rupee Drawing Arrangement – ‘Direct to Account’ Facility, Reserve Bank of India 10 April 2014. Access Date: 19 April 2014. <http://rbi.org.in/scripts/NotificationUser.aspx?Id=8832&Mode=0>

²⁵⁴⁰ Rupee Drawing Arrangement - Increase in trade related remittance limit, Reserve Bank of India 13 March 2014. Access Date: 19 April 2014. <http://rbi.org.in/scripts/NotificationUser.aspx?Id=8768&Mode=0>.

²⁵⁴¹ Liberalised Remittance Scheme (LRS) for resident individuals-Increase in the limit from USD 75,000 to USD 125,000, Reserve Bank of India 3 June 2014. Access Date: 21 June 2014. <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=8918&Mode=0>.

²⁵⁴² Union Bank of India enrolls 9,500 villagers in Gujarat under financial inclusion plan, The financial express, 23 September 2014. Access Date: 26 September 2014. <http://www.financialexpress.com/news/union-bank-of-india-enrols-9500-villagers-in-gujarat-under-financial-inclusion-plan/1291720>

Indonesia has also prohibited exclusivity agreements, increasing the level of competition in the remittance market. Indonesia's National Strategy for Financial Inclusion adopted in 2012 stimulated promotion of different remittance distribution channels, including innovative payments mechanisms.²⁵⁴³

On 15 January 2014, the Agency for the Placement and Protection of Indonesian Migrant Workers announced that the volume of overseas remittances by Indonesian migrant workers amounted to USD7.35 billion in 2013. To optimize and improve the use of remittances, the head of the Agency Jumhur Hidayatsaid pledged to empower the “foreign exchange earners” through the launch of various financial education entrepreneurship programs.²⁵⁴⁴

On 13 January 2014, the head of the National Labor Placement and Protection Agency Jumhur Hidayat announced governmental plans to optimize the use of high amount of Indonesian remittances. Jumhur mentioned that the National Agency is going to empower the “foreign exchange earners” by initiating various financial education entrepreneurship programs.²⁵⁴⁵

On 29 January 2014, the state-owned Bank Negara Indonesia (BNI) announced plans to strengthen and expand its BNI Smart Remittance service, a network of offices inside and outside the country, including more than 60 virtual offices. BNI Smart Remittance also serves through overseas branches in New York, London, Tokyo, Hong Kong and Singapore.²⁵⁴⁶ BNI representatives said that the expansion of their services contributes to stronger competition among remittance service providers and reduces average remittance costs.²⁵⁴⁷

Indonesia has implemented policies that reduce remittance transfer costs and stimulate remittance service providers to do so. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

Italy: 0

Italy has partially complied with the commitment on remittances.

On 1 March 2010, Italy adopted the Payment Services Directive, a regulatory framework that covers the international money transfer and remittances market in the European Economic Area. The remittances market is regulated by the Bank of Italy (Banca d'Italia).²⁵⁴⁸

In 2009 a remittance price comparison website (www.mandasoldiacasa.it) was launched with support from the Italian Ministry of Foreign Affairs in accordance with the methodology adopted by the World Bank. The website will provide comparative information on remittances costs and to ensure “greater

²⁵⁴³ Report on the Remittance Agenda of the G20, the World Bank 2014. . Access Date: 2 October 2014. http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/282884-1400093105293/GPFI_Remittances_Report_Final072014.pdf

²⁵⁴⁴ Migrant workers sent home Rp 88.6t in 2013, The Jakarta Post 27 January 2014. Access Date: 25 February 2014. <http://www.thejakartapost.com/news/2014/01/15/migrant-workers-sent-home-rp-886t-2013.html>.

²⁵⁴⁵ RI migrant workers' remittances amounted to Rp 88.6t in 2013, The Jakarta Post 13 January 2014. Access Date: 27 September 2014. <http://www.thejakartapost.com/news/2014/01/13/ri-migrant-workers-remittances-amounted-rp-886t-2013.html>.

²⁵⁴⁶ BNI remittance service rises 14.3 percent, Republika online 29 January 2014. Access Date: 27 February 2014. <http://www.republika.co.id/berita/en/jakarta-region-others/14/01/28/n04c2a-bni-remittance-service-rises-143-percent>.

²⁵⁴⁷ Indonesian remittances on the rise, The Gulf Today 8 November 2013. Access Date: 27 February 2014. <http://gulftoday.ae/portal/601b2313-7b58-4a55-8778-3c8826facd88.aspx>.

²⁵⁴⁸ EU Remittances for Developing Countries, Remaining Barriers, Challenges and Recommendations, European Commission 30 July 2012. Access Date: 7 May 2014. http://ec.europa.eu/europeaid/what/migration-asylum/documents/eu_remittances_for_developing_countries_final_19-11-2012.pdf.

transparency and clarity of information and encouraging those operating in the market to improve the products and services offered to migrants.”²⁵⁴⁹ The site has received the World Bank certification that it is compliant with the global standards for price databases.²⁵⁵⁰

Italy has policies that reduce remittance transfer costs in place. However, Italy has not taken any action to stimulate remittance service providers to reduce their fees during the compliance period. Thus, it is awarded a score of 0.

Analyst: Andrei Sakharov

Japan: -1

Japan has not complied with the commitment on remittances.

In the first quarter of 2014, the average total cost of sending remittances from Japan declined from 15.73% in the fourth quarter of 2013 to 14.36%. This cost is the lowest ever recorded for Japan, but still is the highest among G7 countries, and there is no evidence that the decline was caused by the government policy.²⁵⁵¹

Japan has not implemented any policies to reduce remittance transfer costs or stimulate remittance service providers to do so during the compliance period. Thus, it has been awarded a score of -1.

Analyst: Evgeny Gushchin

Korea: -1

Korea has not complied with the commitment on remittances.

Korea has not implemented any policies to reduce remittance transfer costs or stimulate remittance service providers to do so. Thus, it has been awarded a score of -1.

Analyst: Anastasia Zburavleva

Mexico: -1

Mexico has not complied with the commitment on remittances.

Mexico has not implemented any policies to reduce remittance transfer costs and stimulate remittance service providers to do so. Thus, it has been awarded a score of -1.

Analyst: Elizaveta Safonkina

Russia: 0

Russia has partially complied with the commitment on remittances.

According to the World Bank, Russia’s average remittance cost of 1.83 per cent in the third quarter of 2014 was the lowest among all G20 members. It had decreased from the average of 2.44 per cent in the

²⁵⁴⁹ About us, Manda Soldi a Casa. Access Date: 7 May 2014. <http://www.mandasoldiacasa.it/en/about-us>.

²⁵⁵⁰ EU Remittances for Developing Countries, Remaining Barriers, Challenges and Recommendations, European Commission 30 July 2012. Access Date: 7 May 2014. http://ec.europa.eu/europeaid/what/migration-asylum/documents/eu_remittances_for_developing_countries_final_19-11-2012.pdf.

²⁵⁵¹ An Analysis of Trends in the Average Total Cost of Migrant Remittance Service, The World Bank issue #9 March 2014, p. 5. Access Date: 29 September 2014. https://remittanceprices.worldbank.org/sites/default/files/RPW_Report_Mar2014.pdf.

fourth quarter of 2013.²⁵⁵² The report of the World Bank's Remittance Price Worldwide Project of March 2014 notes that "Russia has a unique environment where cross border remittances are mostly conducted in the same currency and possible additional costs associated with a currency exchange are not known. The Russian market also benefits from relatively low fees charged by the providers when compared to the other G8 countries."²⁵⁵³

Russia has maintained the lowest remittance cost among the G20 members. However, there is no evidence of any action taken by Russia to reduce remittance transfer costs or stimulate remittance service providers to do so during the compliance period.

Thus, it has been awarded a score of 0.

Analyst: Mark Rakbmangulov

Saudi Arabia: -1

Saudi Arabia has not complied with the commitment on remittances.

Saudi Arabia's average outgoing transfer cost for the second quarter of 2014 is valued below the G20 target at 4.41 per cent for a transfer amount of USD200 and at 2.75 per cent for a transfer amount of USD500. For comparison, in the second quarter of 2013, costs amounted to 4.42 per cent and 2.78 per cent accordingly. Saudi Arabia–Pakistan (USD200 and USD500 for a transfer amount) and Saudi Arabia–Yemen (USD500) are among the five least expensive corridors in the world.²⁵⁵⁴

In 2013-14 Saudi Arabia has taken measures to close down black market businesses, which employ many illegal foreign workers who transfer money to their home countries.²⁵⁵⁵ The illegal worker amnesty expired in November 2013. These actions are estimated to have decreased the number of foreign workers in Saudi Arabia by 1 million people (from 9 million).²⁵⁵⁶ As a result, the amount of transfers is expected to decrease.²⁵⁵⁷ This could make it more expensive to remit from Saudi Arabia.

Because Saudi Arabia has not implemented any policies to reduce remittance transfer costs or stimulate remittance service providers to do so, it has been awarded a score of -1.

Analyst: Tatiana Lanshina

South Africa: -1

South Africa has failed to comply with the commitment on remittances.

According to the World Bank, South Africa's average cost of 19.54 per cent for sending remittances was the highest among all G20 members in the third quarter of 2014. There was an increase from the

²⁵⁵² Remittance Prices Worldwide report Issue n. 11, World Bank September 2014.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_september_2014.pdf.

²⁵⁵³ Remittance Prices Worldwide report Issue n. 9, World Bank March 2014.

https://remittanceprices.worldbank.org/sites/default/files/RPW_Report_Mar2014.pdf.

²⁵⁵⁴ Remittance Prices Worldwide, World Bank (Washington) 2014. Access Date: 22 September 2014.

<http://remittanceprices.worldbank.org/>.

²⁵⁵⁵ Saudi remittances to fall \$6.7bn after expat crackdown, Arabian Business 6 November 2013. Access Date: 9 February 2014. <http://www.arabianbusiness.com/saudi-remittances-fall-6-7bn-after-expat-crackdown-525402.html>.

²⁵⁵⁶ Saudi Arabia rounds up migrant workers as amnesty ends, BBC 4 November 2013. Access Date: 9 February 2014. <http://www.bbc.co.uk/news/world-asia-24810033>.

²⁵⁵⁷ Saudi Arabia loses \$59bn due to remittances, Arabian Business 29 December 2013. Access Date: 9 February 2014. <http://www.arabianbusiness.com/saudi-arabia-loses-59bn-due-remittances-532628.html>.

average of 18.16 per cent in the fourth quarter of 2013. South Africa also ranked second after China in the list of G20 remittance-receiving countries, with 9.27 per cent in the third quarter of 2014.²⁵⁵⁸

Although South Africa's average remittance costs exceed those of all G20 members, it has not taken any action to reduce remittance transfer costs or stimulate remittance service providers to do so during the compliance period. Thus, it has been awarded a score of -1.

Analyst: Lyudmila Tarasenko

Turkey: -1

Turkey has not complied with the commitment on remittances.

Turkey has not implemented any policies to reduce remittance transfer costs or stimulate remittance service providers to do so during the compliance period. Thus, it has been awarded a score of -1.

Analyst: Nadezhda Sporysheva

United Kingdom: +1

The United Kingdom has fully complied with the commitment on remittances.

On 27 September 2013, the UK government hosted a Roundtable on Securing the Future of the UK Remittances Market, which agreed a set of relevant measures. The first of these was to establish an Action Group on Cross-Border Remittances that will provide a forum for industry, government, supervisors, law enforcement and civil society to maintain continued cross-sector, public-private dialogue on remittances.²⁵⁵⁹

On 2 October 2013, Azimo, a digital service to reduce the cost of international money transfers, was set for expansion after closing a USD1 million seed-funding round from global technology investment firm, e.ventures. This deal was backed by UK Trade & Investment and Tech City UK. To mark the occasion, and as a thank you to customers on its first birthday, Azimo made all transfers (already up to 85 per cent lower than high street banks) totally free in October 2013.²⁵⁶⁰

On 6 December 2013, Small World FS, the largest European trusted payment services provider, announced that it had been accepted onto the Future Fifty program. The program is run by Tech City UK, in association with the UK government, and helps high-growth companies to scale rapidly and reach their full potential, as well as access to services and schemes from Future Fifty private and public sector partners.²⁵⁶¹

The UK has implemented policies to reduce remittance transfer costs and stimulate remittance service providers to do so. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

²⁵⁵⁸ Remittance Prices Worldwide report Issue n. 11, World Bank September 2014.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_september_2014.pdf

²⁵⁵⁹ Action Group on Cross Border Remittances, IAMTN 27 September 2013. Access Date: 20 February 2014.

<http://www.iamtn.org/international-money-transfers-news/312-guidance>

²⁵⁶⁰ Online money transfer service Azimo banks \$1 million + seed funding for European expansion, IAMTN 2 October 2013. Access Date: 20 February 2014. <http://www.iamtn.org/international-money-transfers-news/295-online-money-transfer-service-azimo-banks-1-million-seed-funding-for-european-expansion>

²⁵⁶¹ Small World FS is chosen by Tech City's Future Fifty, IAMTN 10 December 2013. Access Date: 20 February 2014. <http://www.iamtn.org/international-money-transfers-news/304-small-world-fs-is-chosen-by-tech-city-s-future-fifty>

United States: -1

The United States has not complied with the commitment on remittances.

The U.S. average outgoing transfer cost for the second quarter of 2014 is higher than the G20 target at 6.15 per cent for a transfer amount of USD200 and below the target at 3.95 per cent for a transfer amount of USD500. For comparison, in the second quarter of 2013, costs amounted to 6.74 per cent and 4.52 per cent accordingly.²⁵⁶²

The U.S. has recently intensified its fight against financing of terrorists and drug traffickers, which leads to exit of big banks from money remittance business. As a result, remittance transfer costs may increase.²⁵⁶³

The United States has not implemented policies to reduce remittance transfer costs or stimulate remittance service providers to do so. Thus, it has been awarded a score of -1.

Analyst: Tatiana Lanshina

European Union: 0

European Union has partially complied with the commitment on remittances.

On 3 February 2014, European Commission became a partner of the African Institute of Remittances scheduled to be hosted by Kenya and be fully operational by 2015. It improve the market for remittances to stimulate the development of the continent.²⁵⁶⁴

The EU has implemented policies that reduce remittance transfer costs but failed to take actions to stimulate remittance service providers to do so. Thus, it has been awarded a score of 0.

Analyst: Natalia Churkina

²⁵⁶² Remittance Prices Worldwide, World Bank (Washington) 2014. Access Date: 22 September 2014.

<http://remittanceprices.worldbank.org/>.

²⁵⁶³ Corkery M. Immigrants From Latin America and Africa Squeezed as Banks Curtail International Money Transfers. New York Times 6 July 2014. Access Date 22 September 2014. http://dealbook.nytimes.com/2014/07/06/immigrants-from-latin-america-and-africa-squeezed-as-banks-curtail-international-money-transfers/?_php=true&_type=blogs&_r=0.

²⁵⁶⁴ Kenya to host continental remittances institute, Capital FM Kenya 3 February 2014. Access Date: 20 February 2014. <http://www.capitalfm.co.ke/business/2014/02/kenya-to-host-continental-remittances-institute/>