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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 Interim Compliance Report

7 September 2013 to 16 June 2014

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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. 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 <http://www.g20.utoronto.ca/analysis> and the IORI HSE at http://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 interim report covers only the period of 7 September 2013 to 16 June 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.

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Introduction and Summary

The G20 2014 St. Petersburg Interim 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 relevant actions taken by the G20 members between 7 September 2013 to 16 June 2014. This timeframe allows for an assessment of compliance approximately at the midpoint between the 2013 St. Petersburg Summit and the Brisbane Summit, which will be hosted by Australia on 15-16 November 2014. A final report assessing compliance for the full period between the two summits will be published on the eve of the Brisbane Summit.

Methodology and Scoring System

This report draws on the methodology developed by the G8 Research Group, which has been monitoring G8 compliance since 1996 (IORI HSE joined this multiyear project in 2005). 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, the St. Petersburg Action Plan and the St. Petersburg Development Outlook.

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

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.

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

For the 2014 G20 St. Petersburg Interim Compliance Report, 16 priority commitments were selected from the 281 commitments made at the St. Petersburg Summit (see Table 1).

Interim Compliance Scores

The assessment is based on relevant, publicly available information relating to new initiatives taken from 7 September 2013 to 16 June 2014. The interim 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 interim compliance scores with the final scores of previous G20 summits.

For the period from 7 September 2013 to 16 June 2014, G20 members achieved an average final compliance score of +0.39, which translates to 69 per cent. This interim compliance score surpasses the final compliance scores for London, Pittsburgh and Toronto summits.

Interim Compliance by Member

For compliance with the St. Petersburg Summit's priority commitments, the United Kingdom is in first place with a score of +0.88 (94 per cent), followed by France at +0.81 (91 per cent), the European Union at +0.69 (84 per cent) and the United States at +0.63 (81 per cent). The lowest scoring member is Saudi Arabia in last place with a score of -0.06 (47 per cent). The difference between the highest and lowest G20 member compliance scores is +0.94, which is the highest gap after Washington and Pittsburgh summits (1 and 1.63 respectively). For more detailed information about compliance by G20 members, see Table 3.

Interim Compliance by Commitment

Many G20 members are engaged in ongoing, multiyear activities that support their commitments, but this assessment applies only to actions taken during this compliance monitoring period that would result in changes to such initiatives. Employment and labour scored among the highest level of compliance: job creation in first place at +0.85 (93 per cent) and education — are tied with the macroeconomic commitment on small and medium-sized enterprises — in second place at +0.80 (90 per cent). The third employment-related commitment on labour activation is in third place at +0.70 (85 per cent). Three commitments scored at or below 0 (50 per cent): crime and corruption at 0 (50 per cent), climate change at -0.20 (40 per cent) and remittances at -0.35 (33 per cent). For more information on scoring by commitment, see Table 4.

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 Interim 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	Macroeconomics: Investment	0	0	+1	+1	0	+1	0	+1	+1	0	+1	+1	0	+1	-1	0	+1	+1	+1	+1	+0.55	78%
2	Macroeconomics: Credit Access	0	0	0	0	0	0	-1	0	0	0	0	0	+1	0	0	0	+1	+1	0	+0.10	55%	
3	Trade	-1	+1	+1	0	-1	+1	0	-1	+1	0	+1	-1	+1	-1	0	-1	0	+1	+1	-1	+0.05	53%
4	Financial Regulation: Tax Avoidance	0	+1	-1	0	0	0	+1	+1	+1	0	+1	0	+1	+1	-1	+1	-1	0	0	+1	+0.30	65%
5	Food and Agriculture: Food Price Volatility and Sustainable Agriculture	+1	0	+1	+1	0	+1	0	+1	+1	+1	0	+1	+1	0	0	0	+1	+1	+1	+1	+0.65	83%
6	Climate Change	-1	-1	-1	-1	-1	+1	+1	-1	+1	+1	+1	-1	-1	-1	0	-1	0	0	0	0	-0.20	40%
7	Energy: Clean Technology	+1	0	+1	0	+1	+1	+1	+1	+1	0	0	0	+1	+1	+1	+1	0	+1	+1	+1	+0.70	85%
8	Labour and Employment	+1	+1	+1	+1	-1	+1	+1	0	0	0	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+0.75	88%
9	Labour and Employment: Vocational Training Programs	+1	0	+1	+1	0	+1	+1	+1	0	+1	0	0	0	+1	+1	+1	0	+1	0	+1	+0.60	80%
10	Crime and Corruption	0	0	+1	0	0	0	0	+1	0	-1	-1	-1	0	+1	-1	0	-1	+1	0	+1	0.00	50%
11	Development: Tax Administration	+1	+1	0	0	+1	+1	+1	0	0	0	+1	0	0	0	0	0	0	+1	+1	+1	+0.45	73%
12	Employment: Job Creation	0	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	-1	+1	+1	+1	+1	+1	+0.85	93%
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	0	+1	0	+1	+1	+1	+1	0	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+0.80	90%
15	Development: Green Growth	-1	0	-1	+1	0	+1	+1	0	0	0	0	0	-1	0	-1	+1	+1	+1	+1	+1	+0.15	58%
16	Development: Remittances	-1	0	-1	-1	-1	+1	0	+1	+1	0	-1	-1	-1	0	-1	-1	-1	+1	-1	0	-0.35	33%
	Average	+0.06	+0.38	+0.31	+0.38	0.00	+0.81	+0.56	+0.50	+0.31	+0.31	+0.19	+0.38	+0.50	-0.06	+0.25	+0.13	+0.88	+0.63	+0.69	+0.39	69%	
		53%	69%	66%	69%	50%	91%	78%	75%	78%	66%	66%	59%	69%	75%	47%	63%	56%	94%	81%	84%	69%	

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

Rank	Member	Average	
1	United Kingdom	+0.88	94%
2	France	+0.81	91%
3	European Union	+0.69	84%
4	United States	+0.63	81%
5	Germany	+0.56	78%
	Indonesia	+0.56	78%
6	Russia	+0.50	75%
	India	+0.50	75%
7	Australia	+0.38	69%
	Canada	+0.38	69%
	Mexico	+0.38	69%
8	Brazil	+0.31	66%
	Japan	+0.31	66%
	Italy	+0.31	66%
9	South Africa	+0.25	63%
10	Korea	+0.19	59%
11	Turkey	+0.13	56%
12	Argentina	+0.06	53%
13	China	0.00	50%
14	Saudi Arabia	-0.06	47%

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

Rank	Commitment	Average	
1	Employment: Job Creation	+0.85	93%
2	Employment: Education	+0.80	90%
	Macroeconomic Policy: SMEs	+0.80	90%
3	Labour and Employment	+0.75	88%
4	Energy: Clean Technology	+0.70	85%
5	Food and Agriculture: Food Price Volatility and Sustainable Agriculture	+0.65	83%
6	Labour and Employment: Vocational Training Programs	+0.60	80%
7	Macroeconomics: Investment	+0.55	78%
8	Development: Tax Administration	+0.45	73%
9	Financial Regulation: Tax Avoidance	+0.30	65%
10	Development: Green Growth	+0.15	58%
11	Macroeconomics: Credit Access	+0.10	55%
12	Trade	+0.05	53%
13	Crime and Corruption	0.00	50%
14	Climate Change	-0.20	40%
15	Development: Remittances	-0.35	33%

Table 5: G20 Compliance by Member, 2008-2013

	Final		Final		Final		Final		Final		Final		Interim			
Member	Washington		London		Pittsburgh		Toronto		Seoul		Cannes		Los Cabos		St. Petersburg	
Argentina	0	50%	-0.60	20%	-0.13	44%	0	50%	-0.08	46%	0	50%	+0.31	66%	+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%
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%
Canada	+1.00	100%	+0.60	80%	+0.63	82%	+0.78	89%	+0.69	85%	+0.73	87%	+0.75	88%	+0.38	69%
China	0	50%	-0.40	30%	+0.13	57%	+0.38	69%	+0.42	71%	+0.53	77%	+0.38	69%	0	50%
France	+1.00	100%	+0.80	90%	+0.63	82%	+0.56	78%	+0.77	89%	+0.60	80%	+0.69	85%	+0.81	91%
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%
India	0	50%	-0.40	30%	-0.38	31%	-0.29	36%	+0.42	71%	+0.60	80%	+0.50	75%	+0.50	75%
Indonesia	n/a	–	-0.40	30%	-0.63	19%	-0.13	44%	+0.36	68%	+0.14	57%	+0.47	74%	+0.56	78%
Italy	+1.00	100%	0	50%	+0.13	57%	+0.56	78%	+0.77	89%	+0.80	90%	+0.19	60%	+0.31	66%
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%
Korea	n/a	–	0	50%	+0.75	88%	+0.56	78%	+0.46	73%	+0.60	80%	+0.63	82%	+0.19	59%
Mexico	+1.00	100%	0	50%	+0.25	63%	-0.14	43%	+0.58	79%	+0.67	84%	+0.69	85%	+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%
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%
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%
Turkey	n/a	–	+0.20	60%	-0.25	38%	-0.14	43%	+0.17	59%	+0.20	60%	+0.25	63%	+0.13	56%
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%
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%
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%
Average	+0.67	83%	+0.23	62%	+0.24	62%	+0.28	64%	+0.50	75%	+0.54	77%	+0.57	79%	+0.39	69%
	Final		Final		Final		Final		Final		Final		Final		Interim	

n/a = not available

Conclusions

G20 compliance performance for the chosen priority commitments, measured as a country average, has improved incrementally from the April 2009 London Summit (61.5%) through the September 2009 Pittsburgh Summit (62%) to the June 2010 Toronto Summit (64%) to the November 2010 Seoul Summit (75%) and the November 2011 Cannes Summit (77%), which it maintained with the June 2012 Los Cabos Summit (79%). G20 interim compliance with the St. Petersburg commitments stands at +0.38 or 69%. 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		0	
Australia		0	
Brazil			+1
Canada			+1
China		0	
France			+1
Germany		0	
India			+1
Indonesia			+1
Italy		0	
Japan			+1
Korea			+1
Mexico		0	
Russia			+1
Saudi Arabia	-1		
South Africa		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.55	

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: 0

Argentina has partially complied with its commitment to take action to improve investment conditions through macroeconomic 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. On 27 March 2014, Argentina’s Senate approved the government’s proposal to provide

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/>.

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 27 March 2014, Minister of the Economy Axel Kicillof, announced that government subsidies on natural gas and water could be reduced by up to 20 per cent.²⁰ 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, Economy Minister Alex 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 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.²¹ As part of the agreement. Swiss banks and the AFIP will implement a cooperative 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.²²

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.²³ This comes after subsection K was established in 2012 obligating insurance companies to invest some of their funds in the public sector.

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 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>.

²¹ 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>.

²² 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>.

²³ 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/>.

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 17 January 2014, a Chinese supermarket chain signed an agreement with the Argentine government to freeze prices on more than 180 products.²⁴ 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.

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.²⁵ 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 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.²⁶ 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 18 December 2013, in a report released by the OECD and the UNCTAD, Argentina had not taken or implemented any investment or investment-related measures between 16 May 2013 and 15 November 2013.²⁷

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 fifteen strategic infrastructure projects to Chinese investors and entrepreneurs.²⁸ Among the strategic projects presented included hydro dams, water works, and communications projects that would require approximately

²⁴ 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>.

²⁵ 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>.

²⁶ 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>.

²⁷ 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.

²⁸ Kicillof y De Vido presentaron quince obras de infraestructura a inversores chinos, Ministerio de Economia y Finanzas Publicas de la Nacion (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 Economia y Finanzas Publicas de la Nacion (Buenos Aires) 9 December 2013. Access Date: 1 April 2014. <http://www.mecon.gov.ar/wp-content/uploads/2013/12/Gacetilla-3.pdf>.

USD20 billion worth of investment.²⁹ Argentina's bilateral trade relationship with China has grown by 367 per cent since 2003.³⁰

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, 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.

However, Argentina has not taken any measures to implement regulatory policies to ensure its investment regulations are in line with international standards — i.e., Agreement on Trade-Related Investment Measures. Moreover, Argentina has not supported measures that encourage diversification in financial and real investment or measures to establish greater rigour in its competition laws.

Thus, Argentina has received a score of 0 for partial compliance.

Analyst: Antonia Tsapralis

Australia: 0

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

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 Australia — in the period between November 2013 and February 2014.³¹ No measures were reported for Australia.

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.³²

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.³³ 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

²⁹ Los ministros Kicillof y De Vido mantuvieron reuniones con empresarios chinos, Ministerio de Economía y Finanzas Públicas 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>.

³⁰ Kicillof y De Vido presentaron quince obras de infraestructura a inversores chinos, Ministerio de Economía y Finanzas Públicas 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>.

³¹ 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

³² 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.

³³ 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

tariffs on 99.8 per cent of Australian exports. Apart from trade, this agreement also encourages bilateral investment.³⁴

On 18 December 2013, the OECD and 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

During the compliance period Australia has only taken actions to address the impediments to improving underlying investment conditions from a macroeconomic approach. Thus, it has been awarded a score of 0 for this commitment.

Analyst: Eden Cai

Brazil: +1

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

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.³⁶

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.³⁷

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 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.³⁸

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 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.

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

³⁷ 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>.

³⁸ 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

including Brazil — in the period between November 2013 and February 2014.³⁹ No measures were reported for Brazil.

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.

On 5 November 2013, a free trade agreement was signed between Canada and Honduras.⁴⁰

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.⁴¹

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.⁴²

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,

³⁹ 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

⁴⁰ 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

⁴¹ 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>.

⁴² 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>.

came in effect prior to the St. Petersburg Summit and, therefore, does not count towards compliance in the present report.⁴³

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: Monica Layarda

China: 0

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

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.⁴⁴

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.⁴⁵

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.⁴⁶ The report stated that China would relax investment access and accelerate free-trade area development.⁴⁷

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 optimize the investment environment and enhance the level of bringing in and going out.”⁴⁸ 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.

⁴³ 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

⁴⁴ Framework Plan for the China (Shanghai) Pilot Free Trade Zone, China (Shanghai) Pilot Free Trade Zone (Shanghai) 29 September 2013. Access Date: 22 March 2014. <http://en.shftz.gov.cn/FrameworkPlan.html>.

⁴⁵ China encourages private capital, Xinhua (Beijing) 15 November 2013. Access Date: 28 February 2014. http://news.xinhuanet.com/english/china/2013-11/15/c_132891965.htm.

⁴⁶ China to open up further to the world, CCTV Live (Beijing) 14 November 2013. Access Date: 28 February 2014. <http://english.cntv.cn/program/china24/20131114/101072.shtml>.

⁴⁷ China to open up further to the world, CCTV Live (Beijing) 14 November 2013. Access Date: 28 February 2014. <http://english.cntv.cn/program/china24/20131114/101072.shtml>.

⁴⁸ 2014 foreign investment promotion agencies week held in Beijing, People’s Republic of China Ministry of Commerce Investment Promotion Agency (Beijing) 15 January 2014. Access Date: 28 February 2014. http://www.cipa.gov.cn/1800000346_3_1110_0_7.html.

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.⁴⁹

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 2014.⁵⁰ No measures were reported for China.

China has taken some 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: Alissa Xinbe Wang

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.⁵¹

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.⁵²

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 rules simplify customs procedures for imports and exports and introduce a tax break for foreign start-ups.⁵³

On 19 December 2013, the French Parliament adopted the Finance Act 2014.⁵⁴ The act imposes a corporate tax increase from 5 per cent to 10.7 per cent upon companies with an annual turnover above

⁴⁹ 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

⁵⁰ 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

⁵¹ 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

⁵² 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>.

⁵³ 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.

⁵⁴ 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.

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.

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 and Vera V. Gavrilova

Germany: 0

Germany has partially 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 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.⁵⁵

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 2014.⁵⁶ 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.⁵⁷

During the compliance period Germany has taken some 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: Monica Layarda

India: +1

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

⁵⁵ 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.

⁵⁶ 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

⁵⁷ 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>.

On 4 September 2013, the Reserve Bank of India relaxed “use limitations” for funds in foreign currency borrowed under ECB rules.⁵⁸

On 18 September 2013, the Reserve Bank of India expanded the definition of “infrastructure sector” so as to facilitate public investment.⁵⁹

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.⁶⁰

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.⁶¹

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.⁶²

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.⁶³

On 4 December 2013, the Indian government had agreed to withdraw a notification that suspended tax benefits on investments from Cyprus.⁶⁴

On 12 December 2013, India signed a bilateral investment treaty with the United Arab Emirates.⁶⁵

On 17 January 2014, the Reserve Bank of India officially allowed foreign investors to acquire shares in the South Indian Bank.⁶⁶

⁵⁸ 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.

⁵⁹ 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.

⁶⁰ 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/>.

⁶¹ 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.

⁶² 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.

⁶³ 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>.

⁶⁴ 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>.

⁶⁵ 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 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.”⁶⁷

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 2014/15⁶⁸

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.⁶⁹

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 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 KRW10.7 trillion/IDR115 trillion (equivalent to USD10 billion). The extension of the effective period of this facility will be subject to future agreement.⁷⁰

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”⁷¹ 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 95per cent in seaports and toll roads.⁷² 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

⁶⁶ 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

⁶⁷ 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>.

⁶⁸ 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>.

⁶⁹ 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.

⁷⁰ Bilateral Currency Swap Arrangements, Indonesia-Investments (Jakarta) 13 October 2013. Access Date: 21 February 2014. <http://www.indonesia-investments.com/finance/financial-columns/bilateral-currency-swap-arrangement-bcsa-indonesia-and-korea/item1209>.

⁷¹ Indonesia Ease Curbs Foreign Investment. Industry Week (Jakarta) 24 December 2013. Access Date: 20 February 2014. <http://www.industryweek.com/global-economy/indonesia-ease-curbs-foreign-investment>.

⁷² Indonesia Pushes Pro-Investment Reform, Oxford Business Group (Oxford) 19 December 2013. Access Date: 20 February 2014. http://www.oxfordbusinessgroup.com/economic_updates/indonesia-pushes-pro-investment-reform.

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 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.⁷³

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.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 Indonesia — in the period between November 2013 and February 2014.⁷⁵ No measures were reported for Indonesia.

During the compliance period Indonesia 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: Monica Layarda

Italy: 0

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

On 21 November 2014, the government of Italy approved plans to sell some EUR12 billion in assets.⁷⁶

On 4 February 2014, it was declared that Kuwait's sovereign fund would invest EUR500 million in Italian companies.⁷⁷ 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"⁷⁸ 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

⁷³ Indonesia to set up Morotai economic zone: envoy, China Post (Taiwan) 20 February 2014. Access Date: 20 February 2014. <http://www.chinapost.com.tw/taiwan/foreign-affairs/2014/02/20/401018/Indonesia-to.htm>.

⁷⁴ 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

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 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

⁷⁷ 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>.

⁷⁸ 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-idIN16NOLB01420140214>.

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.⁷⁹

Italy has taken actions to address the impediments to improving underlying investment conditions from a macroeconomic approach. Thus, it has been awarded a score of 0 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.⁸⁰ 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.⁸¹ 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.⁸²

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.⁸³ In response to threats of war and terrorist attacks, the purpose of the Bill was to protect and support Japanese enterprises' development abroad.

⁷⁹ 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

⁸⁰ 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>

⁸¹ 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

⁸² 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

⁸³ 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

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.⁸⁴

On 22-23 February 2014, Government of Japan attended Meeting of Ministers and Central Governors in Sydney, Australia.⁸⁵ The meeting reinforced its commitments to continue implementing sustainable measures to attract long-term investments in response to global economic crisis in 2014.

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.⁸⁶

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

Korea: +1

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

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.⁸⁷

On 17 December 2014, 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.⁸⁸

On 10 January 2014, Government of Korea amended the Foreign Investment Promotion Act. The act came into effect on 11 March 2014.⁸⁹

On 21 February 2013, Korea and Colombia signed a bilateral free trade agreement to abolish tariffs on 96 per cent of imports and exports. Korea hopes this agreement will help to facilitate cross-boarder trade. In addition, the Korean government is also in an effort to negotiate free trade and investment

⁸⁴ 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.

⁸⁵ 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.

⁸⁶ 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

⁸⁷ 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>.

⁸⁸ \$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/>

⁸⁹ 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

agreements with Canada, Mexico, Australia, New Zealand, Indonesia, China, and the Gulf Cooperation Council.⁹⁰

On 27 February 2014, during the state visit to Indonesia, Korean president Park Geun-Hye and Indonesian officials reached agreement on bilateral economic cooperation. As President Park declares, “we have agreed to make joint efforts to reach a bilateral trade volume worth USD100 billion by 2020.” This is considered as a significant step towards future cooperation on trade and investment between Indonesia and Korea.⁹¹

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.⁹²

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

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.⁹³

On 11 January 2014, the Senate agreed to a comprehensive set of reforms of the banking sector.⁹⁴ 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

⁹⁰ Korea, Colombia officially sign FTA, Gateway to Korea (Seoul) 27 February 2013. Access Date: 27 February 2014. <http://www.korea.net/NewsFocus/Business/view?articleId=105874>.

⁹¹ Indonesian media spotlights Korea-Indonesia cooperation, Gateway to Korea (Seoul) 15 October 2013. Access Date: 27 February 2014. <http://www.korea.net/NewsFocus/Business/view?articleId=113706>.

⁹² 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

⁹³ 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

⁹⁴ 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

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.⁹⁵

Mexico 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: Chris D'Souza

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.⁹⁶

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.⁹⁷

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.^{98,99} The government also amended the roadmaps Improving Customs Administration on 26 September 2013 and Improving Access to Energy Infrastructure on 9 August 2013.^{100,101} 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 Shelepon

⁹⁵ 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.

⁹⁶ Instructions on implementing Address to Federal Assembly. President of Russia 27 December 2013. Access Date: 20 April 2014. <http://eng.kremlin.ru/misc/6529>.

⁹⁷ 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>.

⁹⁸ 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>.

⁹⁹ On approving the roadmap Improving Tax Administration, Government of Russia 10 February 2014. Access Date: 20 April 2014. <http://government.ru/en/docs/10362>.

¹⁰⁰ On amending the roadmap Improving Customs Administration, Government of Russia 1 October 2013. Access Date: 20 April 2014. <http://government.ru/en/docs/6382>.

¹⁰¹ 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>.

Saudi Arabia: -1

Saudi Arabia has failed to comply with its commitment to improve its investment climate conditions. The government of Saudi Arabia has not taken any 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 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.¹⁰²

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 2014.¹⁰³ 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.¹⁰⁴ 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.¹⁰⁵

Thus, for the lack of action to improve the country's investment conditions Saudi Arabia is awarded a score of -1.

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).¹⁰⁶

¹⁰² 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.

¹⁰³ 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.

¹⁰⁴ 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>.

¹⁰⁵ 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>

¹⁰⁶ 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/>.

On 23 December 2013, the termination of the bilateral investment treaty between South Africa and Spain came in effect.¹⁰⁷

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.¹⁰⁸

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.¹⁰⁹

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.¹¹⁰

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.¹¹¹

On 30 September 2013, the Ministry of Economy has approved 5,567 incentive documents.¹¹² Within the structure of the new incentive system introduced in June 2012, the Ministry expects TRY84 billion in revenue from these new investments.

¹⁰⁷ 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

¹⁰⁸ 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>.

¹⁰⁹ 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/>.

¹¹⁰ 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

¹¹¹ 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

¹¹² 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=ulusticgundem&icerik=8B40324D-0611-8A2A-FF87DCE293821F2A>.

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).¹¹³ 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.¹¹⁴ Both countries hope to conduct 10 per cent of their bilateral trade through these simplified customs routes.

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.¹¹⁵

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 2014.¹¹⁶ 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.

On 11 October 2013, HM Treasury updated their policy to make corporate taxes more competitive.¹¹⁷ 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

¹¹³ 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=ulusticgundem&icerik=62EF647D-E53E-D6A5-3F2C70F376DD1FCC>.

¹¹⁴ 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=ulusticgundem&icerik=B50A0510-B51B-EF6E-6E2757365E2A2369>.

¹¹⁵ 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.

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

the government will cap inflationary increase in business rates at 2 per cent in 2014 and 2015.¹¹⁸ 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.¹¹⁹ 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.¹²⁰

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 2014.¹²¹ No measures were reported for the United Kingdom.

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 for this commitment.

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.¹²² 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,

¹¹⁸ Making it easier to set up and grow a business, Department for business, Innovation & Skills and HM Treasury (London) 3 February 2014. Access Date: 28 February 2014 <https://www.gov.uk/government/policies/making-it-easier-to-set-up-and-grow-a-business--6>.

¹¹⁹ 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. Access Date: 28 February 2014. http://www.ukti.gov.uk/pt_pt/export/howwehelp/tradefairsexhibitions.html.

¹²⁰ 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

¹²¹ 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

¹²² 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. Access Date: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/02/07/fact-sheet-opportunity-all-establishing-new-made-rural-america-export-an>.

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.”¹²³

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.¹²⁴ 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.”¹²⁵ 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.

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.¹²⁶

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 2014.¹²⁷ No measures were reported for the United States.

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 for this commitment.

Analyst: Alissa Xinbe Wang

European Union: +1

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

¹²³ 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. Access Date: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/02/07/fact-sheet-opportunity-all-establishing-new-made-rural-america-export-an>.

¹²⁴ FACT SHEET: United States-France Economic and Commercial Partnership, The White House Office of the Press Secretary (Washington) 11 February 2014. Access Date: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/02/11/fact-sheet-united-states-france-economic-and-commercial-partnership>.

¹²⁵ 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. Access Date: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/02/19/joint-statement-north-american-leaders-21st-century-north-america-buildi>.

¹²⁶ 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

¹²⁷ 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 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.¹²⁸

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 2014-2020, 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.¹²⁹ *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.¹³⁰

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 competitiveness. By committing to broaden the capacity of product and service development, the Regulation favours national, regional and international SME growth.¹³¹

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.¹³²

¹²⁸ 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.

¹²⁹ 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>.

¹³⁰ 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>.

¹³¹ 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>.

¹³² 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 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.¹³³

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: Darnya Kutsyna

¹³³ 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

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		0	
Australia		0	
Brazil		0	
Canada		0	
China		0	
France		0	
Germany	-1		
India		0	
Indonesia		0	
Italy		0	
Japan		0	
Korea		0	
Mexico		0	
Russia			+1
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom			+1
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.”¹³⁴ They created the Financial Inclusion Experts Group (FIEG) to increase access to financial services, such as credit, to the poor¹³⁵ and scaling-up models of small and medium enterprises financing.¹³⁶

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).¹³⁷ Moreover, following the 2010 Seoul

¹³⁴ Leaders' Statement, the Pittsburgh Summit (Pittsburgh). 24-25 September 2009. Access Date: 3 February 2014.

¹³⁵ G-20 Financial Inclusion Initiative: SME Finance Challenge. US Department of the Treasury website (Washington). 2009. Access Date: 2 February 2014. <http://www.treasury.gov/resource-center/international/g7-g20/Documents/G20%20Financial%20Inclusion%20Fact%20Sheet%20for%20posting.pdf>

¹³⁶ Scaling-Up SME Access to Financial Services in the Developing World, FIEG, SME Finance Sub-Group. GPFI Website. Access Date: 5 February 2014. http://www.gpfi.org/sites/default/files/documents/G20_Stocktaking_Report_0.pdf

¹³⁷ G20 Principles for Innovative Financial Inclusion. GPFI. GPFI Website. Access Date: 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.¹³⁸ 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.¹³⁹

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.¹⁴⁰

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.”¹⁴¹

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.”¹⁴²

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.¹⁴³

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.¹⁴⁴

¹³⁸ About GPFI, GPFI website. Date of Access: 2 February 2014. <http://www.gpfi.org/about>.

¹³⁹ Why Financial Inclusion? GPFI. GPFI website. Access Date: 2 February 2014. <http://www.gpfi.org/about/why-financial-inclusion>

¹⁴⁰ A Joint OECD / G20 GPFI Special Event on SME Finance. (Paris) 19 April 2012. OECD website. Access Date: 4 February 2014. <http://www.oecd.org/cfe/smes/50105000.pdf>

¹⁴¹ G20 Leaders Declaration, St Petersburg Summit (St. Petersburg). 5-6 September 2013. Access Date: 3 February 2014.

¹⁴² Finance for All?: Policies and Pitfalls in Expanding Access. Demirgüç-Kunt, Beck and Honohan. (Washington DC) 2008. The World Bank website. Access Date: 5 February 2014

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

¹⁴³ Finance for All?: Policies and Pitfalls in Expanding Access. Demirgüç-Kunt, Beck and Honohan. (Washington DC) 2008. The World Bank website. Access Date: 5 February 2014

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

¹⁴⁴ Finance for All?: Policies and Pitfalls in Expanding Access. Demirgüç-Kunt, Beck and Honohan. (Washington DC) 2008. The World Bank website. Access Date: 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.¹⁴⁵

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: Jessica Cooper

Argentina: 0

Argentina has partially 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 has increased. From September 2012 to September 2013 instant transactions increased by 47 per cent in frequency and 78.5 per cent in total amount.¹⁴⁶

On 24 January 2014 a report by the Wall Street Journal outlined Argentina’s measures to ease limits on the purchase of dollars after restricting the sales of dollars to businesses since October 2011. The measures are an attempt to stabilize a loose money policy that has caused one of the world’s highest rates of inflation. Large inflationary pressures have influenced the development of a large black market for currency. The lack of regulation and controls over the black market may impede the transparency and overall competitiveness of Argentina’s Financial Infrastructure.¹⁴⁷

Argentina has taken the regulatory steps to improve credit access through technological advances in developing financial infrastructure to lower transaction costs while addressing the need for expanded

¹⁴⁵ Finance for All?: Policies and Pitfalls in Expanding Access. Demirgüç-Kunt, Beck and Honohan. (Washington DC) 2008. The World Bank website. Access Date: 5 February 2014
http://siteresources.worldbank.org/INTFINFORALL/Resources/4099583-1194373512632/FFA_book.pdf

¹⁴⁶ Financial Stability Report, Central Bank of Argentina September 2013. Access Date: 1 March 2014.
<http://www.bcra.gov.ar/pdfs/polmon/bef0213i.pdf>

¹⁴⁷ Argentina Eases Restrictions on Dollar Purchases, After Devaluation, Wall Street Journal, 24 January 2014. Access Date: 17 June 2014. <http://online.wsj.com/news/articles/SB10001424052702303448204579340283199790264>

service coverage of financial institutions. The Central Bank of Argentina has introduced several new measures to increase credit access, some of which have yet to come into force. Argentina has therefore been awarded a score of 0.

Analyst: Jonathan Francis Rybicki

Australia: 0

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

A broad range of programs provide credit access in Australia. They often involve partnerships between banks and non-profits. The Commonwealth and state governments provide a mix of financial support as well.¹⁴⁸

On 12 March 2014, Australia implemented the new Part IIIA of the Privacy Act 1988, which allows for more comprehensive (or “positive”) credit reporting.¹⁴⁹ “With positive information now available, consumers will be empowered with a clearer picture of their ability to borrow, manage and repay credit.”¹⁵⁰

For these reasons, Australia has been awarded a score of 0.

Analyst: Jessica Coper

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, noting that these steps are necessary in order to facilitate long-term investment by the private sector in the country.¹⁵¹

On 11 December 2013, Mantega announced that the Investment Support Programme (PSI) will be 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 very attractive. He explained that the line rate of the PSI for capital goods will go from 4 per cent to 6 per cent, and the rate of export financing line goes from 5.5 per cent to 8 per cent.¹⁵²

On 4 June 2014, finance minister Guido Mantega announced that the government has decided to reduce Tax on Financial Transactions (IOF) levied on foreign loans taken by companies and banks.

¹⁴⁸ Measuring Financial Exclusion in Australia, The Centre for Social Impact for National Australia Bank (Sydney) June 2013. Access Date: 22 March 2014.

http://www.financialliteracy.gov.au/media/465159/nab_csi_measuring_financial_exclusion_in_australia_2013.pdf

¹⁴⁹ Credit Reporting Reform, Office of the Australian Information Commissioner (Sydney) 12 March 2014. Access Date: 22 March 2014. <http://www.oaic.gov.au/privacy/privacy-law-reform/credit-reporting-reform>

¹⁵⁰ Financial inclusion to improve with new laws, Dun & Bradstreet (Sydney) 12 March 2014. Access Date: 22 March 2014. http://dnb.com.au/Header/News/Financial_inclusion_to_improve_with_new_laws/indexdl_10767.aspx

¹⁵¹ “Modelo de Concessões é Atrativo e Lucrativo”, Diz Mantega, Ministerio da Fazenda (New York) 24 September 2014. Access Date: 10 June 2014. <http://www.fazenda.gov.br/divulgacao/noticias/2013/setembro/201cmodelo-de-concessoes-e-atrativo-e-lucrativo201d-diz-mantega>.

¹⁵² Mantega Announces Extension of the Investment Support Program for 2014, Ministerio de Fazenda (Brasilia) 4 June 2014. Access Date: 10 June 2014. <http://www.fazenda.gov.br/divulgacao/noticias/2013/dezembro/mantega-anuncia-prorrogaao-do-programa-de-sustentacao-do-investimento-para-2014>.

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% according to Decree No. 8263. In his announcement the minister stated “the measure is an additional credit opportunity” as it will help smaller banks and businesses with immediate liquidity problem by allowing them to access credit abroad with stabilized rates.¹⁵³

On 5 June 2014, finance minister, Guido Mantega, defended the government’s decision to increase the share of public banks on credit. “Public banks are profitable, efficient, and have lower default levels than private banks [and] have quite reasonable yields,” said the minister during the meeting of Council for Economic and Social Development (CDES). 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, 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.¹⁵⁴

On 9 June 2014, representatives of the Bank of Brazil, Caixa Econômica Federal, Eletrobras and Itaipu, signed a term of commitment to the guidelines of business conduct for multinationals recommended by the Organisation for Economic Co-operation and Development (OECD). Implementing and promoting the OECD Guidelines was aimed at multinational companies to establish basic parameters for multinationals in areas such as labour, environment, tax and human rights, among others.¹⁵⁵

Although Brazil has undertaken several measures to improve credit access, it has not fulfilled all three requirements for this commitment. Brazil has not taken advantage of technological advances in developing financial infrastructure to lower transaction costs or enforce prudential regulations. Brazil has therefore been awarded a score of 0.

Analyst: Antonia Tsapralis

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 2014 budget included several measures designed to expand the financial services and credit access available to Canadians.¹⁵⁶

As part of the 2014 Budget, the Canadian government announced that it would be increasing the support it provided to smaller banks by improving their access to funding and appointing advisors to

¹⁵³ Government reduces IOF External Lending, Ministerio de Fazenda (Brasilia) 4 June 2014. Access Date: 10 June 2014. <http://translate.google.fr/translate?hl=en&sl=pt&u=http://www.fazenda.gov.br/&prev=/search%3Fq%3Dbrazil%2Bministr+y%2Bof%2Bfinance%26espv%3D2%26biw%3D1280%26bih%3D899>.

¹⁵⁴ Mantega Highlights the Performance of Public Banks In Developing, Ministerio de Fazenda (Brasilia) 5 June 2014. Access Date: 10 June 2014.

<http://translate.google.fr/translate?hl=en&sl=pt&u=http://www.fazenda.gov.br/&prev=/search%3Fq%3Dbrazil%2Bministr+y%2Bof%2Bfinance%26espv%3D2%26biw%3D1280%26bih%3D899>.

¹⁵⁵ State Sign an Undertaking Responsible Business Conduct, Ministerio de Fazenda (Brasilia) 9 June 2014. Access Date: 10 June 2014. <http://www.fazenda.gov.br/divulgacao/noticias/2014-1/junho/estatais-assinam-termo-de-compromisso-de-conduta-empresarial-responsavel>.

¹⁵⁶ Federal Budget 2014: Ottawa Plans Boost for Small Banks, Financial Post (Ottawa) 11 February 2014. Access Date: 18 February 2014. <http://business.financialpost.com/2014/02/11/federal-budget-2014-ottawa-plans-boost-for-small-banks/>.

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.¹⁵⁷

The government of Canada also announced that it would provide greater support for provincial credit unions, in order to expand or merge, to enter nationwide credit markets. The government expects that the creation of several credit providers on a federal level would further improve Canadians' access to credit.¹⁵⁸

As a part of the 2014 Budget, the government of Canada also strengthened consumer protection regulations in regards to credit cards. New protections include a mandatory 21-day interest free grace period for credit card charges consent for any credit limit increases.¹⁵⁹

Canada has announced measures to increase the opportunities open to Canadians seeking access to credit and increasing the competitiveness of the financial services market by helping support smaller firms.

Canada therefore receives a score of 0.

Analyst: D. Reid Dobell

China: 0

China has partially complied with its commitment to a wide range of reforms to strengthen the foundations for 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.¹⁶⁰

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." This change 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 their own risks. The change includes more number of recognized shareholder's types; less restriction on geographic regions of operations (10 additional cities such as Shenyang, Nanjing, and Wuhan are able to launch the pilot program of consumer finance companies. Additionally, according to CEPA relevant

¹⁵⁷ Federal Budget 2014: Ottawa Plans Boost for Small Banks, Financial Post (Ottawa) 11 February 2014. Access Date: 18 February 2014. <http://business.financialpost.com/2014/02/11/federal-budget-2014-ottawa-plans-boost-for-small-banks/>.

¹⁵⁸ Federal Budget 2014: Ottawa Plans Boost for Small Banks, Financial Post (Ottawa) 11 February 2014. Access Date: 18 February 2014. <http://business.financialpost.com/2014/02/11/federal-budget-2014-ottawa-plans-boost-for-small-banks/>.

¹⁵⁹ Chapter 3.4: Supporting Families and Communities, Office of the Minister of Finance (Ottawa) 11 February 2014. Access Date: 18 February 2014. <http://www.budget.gc.ca/2014/docs/plan/ch3-4-eng.html>

¹⁶⁰ PBC Hosted the Finance IC Card Public Services Application Experience Exchange and Enhancement Symposium, the People's Bank of China (Beijing) 22 November 2013. Access Date: 27 February 2014. http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2013/20131122171309070533896/20131122171309070533896_.html

regulation, qualified Hong Kong and Macau financial institutions could establish pilot consumer finance company in Guangdong Province including Shenzhen.); acceptance of increased shareholders deposit based on business development needs; an increase in the consumer credit limit from “five times the debtor’s monthly income” to “200,000 RMB”; an increased responsibility for the companies on the risk management operations; and enhanced customer protection regulations. Those measures are considered part of the financial structure reform program that enables greater credit access.¹⁶¹

On 28 November 2013, the People’s Bank of China 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 encourages and guides private capital to enter financial services area in order to encourage open and transparent market system. He also announced several measures taken to improve the modern financial enterprise mechanism through fewer restrictions on private capital and foreign capital into the financial services sector (more qualified private and foreign institutions investors and higher investment limit), encouragement on market-oriented delegation methods rather than government appointment of management. He also encouraged financial innovation to enrich the financial products offering and financial market depth.¹⁶²

On 4 December 2013, the Payment and Clearing Associate 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.¹⁶³

China has taken some steps toward improving credit access and is therefore awarded a score of 0.

Analyst: Xue (Snow) Yuan

France: 0

France has partially complied with the commitment to improve access to finance.

On 13 February 2014, the Ministry of Economics and Finances has adopted the “Loi Consommation” (Consumption Law).¹⁶⁴ It improves the quality of life and thus supports better growth. Regarding credit

¹⁶¹ CBRC Issued A Presidential Decree of Revision On the “Pilot Administrative Measures for Consumer Finance Companies”, China Banking Regulatory Commission (Beijing) 22 November 2013. Access Date: 26 February 2014. <http://www.cbrc.gov.cn/chinese/home/docView/6527B19E3ABF49D4861BFA1A3DACE04C.html>

¹⁶² Zhou Xiaochuan: Enhance Financial Reform and Openness to Accelerate the Comprehensiveness of the Financial Market System, People’s Bank of China, 28 November 2013. Access Date: 28 February 2014. http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2013/20131128174634334873326/20131128174634334873326_.html

¹⁶³ Innovation and Risk Management: Promoting the Healthy Sustainable Development of Internet Finance, the People’s Bank of China (Beijing) 5 December 2013. Access Date: 27 February 2014. http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2013/20131205162227322135899/20131205162227322135899_.html

¹⁶⁴ La loi relative à la consommation : un objectif, améliorer le quotidien des Français, Ministry of Economics and Finance (Paris) 19 March 2014. Access Date: 20 March 2014. <http://www.gouvernement.fr/gouvernement/la-loi-relative-a-la-consommation-un-objectif-ameliorer-le-quotidien-des-francais>

access and use, the law balances the relationship between borrowers and lenders through different new opportunities, such as increasing the competition between financial institutions.¹⁶⁵

French businesses, small or corporate, can already choose among a diverse set of financial institutions, private or public, to access credit.¹⁶⁶

On 5 March 2013, the Minister of Finance Pierre Moscovici, the Minister Productive Recovery Arnaud Montebourg, and Fleur Pellerin, minister of Small and Medium-Sized Enterprise, Innovation and Numeric Economy signed the renewal of the institution Mediation du Credit (Credit Mediation). This institution, created in 2008, provides free and confidential advices to the businesses to find financing help or to solve issues with their financial partners.¹⁶⁷

On 30 April 2014 the Euro Private Placements was launched to support financing medium-sized companies.¹⁶⁸ It provides medium- and long-term financing that involves institutional investors. This initiative is part of a collaboration among business, banking intermediaries, investors, and governments.

France already has a strong culture of credit access. Yet, despite the increase of credit accessible, the poor level of information prevents businesses, whose demand in credit is higher than ever, to finance themselves.¹⁶⁹

France has therefore been awarded a score of 0.

Analyst: Jessica Coper

Germany: -1

Germany has not complied with its commitment to improve credit access.

On 28 February 2014, a recent survey showed German firms to have better access to credit than those in other Eurozone economies.¹⁷⁰ 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,”

¹⁶⁵ Press Release about the Law Consumption, Ministry of Economics and Finance (Paris) 13 March 2014. Access Date: 20 March 2014. http://www.economie.gouv.fr/files/files/directions_services/dgccrf/presse/communiqué/2014/validation_loi_conso1145.pdf.

¹⁶⁶ 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>.

¹⁶⁷ La médiation du crédit aux entreprises prolongée de deux ans, Trésor – Direction Générale (Paris) 5 March 2014. Access Date: 15 March 2014. https://www.tresor.economie.gouv.fr/6930_la-mediation-du-credit-aux-entreprises-prolongee-de-deux-ans.

¹⁶⁸ 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>.

¹⁶⁹ SMEs face difficulties to finance themselves, Le Figaro (Paris) 10 October 2013. Access Date: 15 March 2014. <http://www.lefigaro.fr/entrepreneur/2013/10/10/09007-20131010ARTFIG00463-les-pme-eprouvent-des-difficultes-croissantes-a-se-financer.php>.

¹⁷⁰ 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-idUKL6NOLX2MT20140228?feedType=RSS&feedName=rbsFinancialServicesAndRealEstateNews>.

although the report also acknowledged Germany's aging population as a threat to the future of German competitiveness.¹⁷¹

On 17 April 2014 the regulations for the Investment Grant for Business Angels (Invest Zuschuss für Wagniskapital) were changed to meet the requirements of both private investors (business angels) and young and innovative companies.¹⁷² This will help improve access to finance small technology companies seeking equity.

On 29 April 2014 the ERP-Wirtschaftsplangestz (KfW) 2014 (plan to support SME and start-up financing) was passed.¹⁷³ 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.

In "Doing Business 2014," the most recent such report from the World Bank, Germany was found to have implemented 0 reforms recommended by the organization in the 2013 report.¹⁷⁴

A recent report found that credit constraints on German firms were slightly tighter in the beginning of 2014.¹⁷⁵

This country continues to have a record of being one of the least corrupt of the G8 nations, maintaining a transparent, responsible and accountable government.¹⁷⁶

Germany has been awarded a score of -1 for failing to take steps to improve credit access.

Analyst: Liam Moloney

India: 0

India has partially 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 He stated that "to continue the process of ensuring access to banking services to the excluded, banks are to draw up a 3-year FIP for the period 2013-2016. Banks have now been advised that their FIPs

¹⁷¹Enterprise 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

¹⁷² 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.

¹⁷³ERP-Wirtschaftsplangestz 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.

¹⁷⁴ Doing Business 2014, World Bank/IFC (Washington DC) Access Date: 2 March 2014. <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-reports/English/DB14-Full-Report.pdf>

¹⁷⁵ Credit Constraints rose slightly in Germany, Market Business News (Munich) 2 February 2014. Access Date: 2 March 2014. <https://www.marketbusinessnews.com/credit-constraints-rose-slightly-germany/11346>

¹⁷⁶ Germany, Transparency International (Berlin) Access Date: 2 March 2014. <http://www.transparency.org/country#DEU>

should be disaggregated to the branch level. The disaggregation of the plans is being done to ensure the involvement of all stakeholders in the financial inclusion efforts.”¹⁷⁷

On 6 December 2013, the Finance Ministry requested that the country’s financial institutions extend a greater amount of credit to the nation’s farmers. Minister of State for Finance JD Seelam specifically requested that “at least 1% of the lending should go to the poorest of the poor.”¹⁷⁸

On 7 January 2014, India’s Committee on Comprehensive Financial Services for Small Businesses and Low Income Households released a report that outlined its plans to increase the financial inclusivity for all Indians. The report addressed the expanded financial services the government hoped would be available to Indians in the coming years.¹⁷⁹

The report stated that the government, harnessing the technology behind India’s new identification registry, would ensure that all Indians had an electronic bank account by 1 January 2016. The personal identification number of every Indian will be associated with his or her personal account number.¹⁸⁰

The government also stated that by 1 January 2016, all Indian households would have access to sufficient affordable, formal credit. More specifically, the government promised to make a suitable range of credit products available to meet the needs of all Indians. The government’s stated goal is to have a credit to GDP ratio of 10 percent by 1 January 2016 for all significant sectors of the economy. The government also expressed its hope that this rate would be increased to 50 percent by 1 January 2020.¹⁸¹

In a speech delivered on 29 January 2014, RBI Executive Director Joshi discussed the second phase of providing banking services in all unbanked villages in the country.¹⁸² Under the second FIP, the RBI has identified the remaining 490,000 unbanked villages (with less than 2,000 population), which have been allocated to banks for opening outlets by March 2016. Under the roadmap for providing banking facilities in villages with less than 2,000 population, SLBC Madhya Pradesh has identified 47,660 unbanked villages, of which 18,986 unbanked villages are required to be covered by March 2014.

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.¹⁸³ 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

¹⁷⁷ 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.

¹⁷⁸ Finance ministry asks FIs to provide more credit to farmers, Hindustan Times (New Delhi) 16 February 2014. Access Date: 17 February 2014. <http://www.hindustantimes.com/business-news/finance-ministry-asks-fis-to-provide-more-credit-to-farmers/article1-1159699.aspx>.

¹⁷⁹ India’s Unique ID Could Generate Big Boost in Financial Access, Consultative Group to Assist the Poor (Washington) 30 January 2014. Access Date: 17 February 2014. <http://www.cgap.org/blog/indias-unique-id-could-be-about-generate-big-boost-access>.

¹⁸⁰ Report, Committee on Comprehensive Financial Services for Small Businesses and Low Income Households, (India) 7 January 2014. Access Date: 17 February 2014. <http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CFS070114RFL.pdf>.

¹⁸¹ Report, Committee on Comprehensive Financial Services for Small Businesses and Low Income Households, (India) 7 January 2014. Access Date: 17 February 2014. <http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CFS070114RFL.pdf>.

¹⁸² 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.

¹⁸³ 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.

pool of 25 applicants including large corporations such as ADAG Group, Aditya Birla, and Bajaj Group.¹⁸⁴

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.”¹⁸⁵

On 9 June 2014, the RBI announced further simplification of Know Your Customer (KYC) Norms for bank accounts.¹⁸⁶ 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.

India has expressed a desire to increase credit access and financial inclusion at all levels of Indian society and has taken steps to encourage transparency, openness and competition to incentivize current institutions to expand service coverage. However, India has not taken any measures to take advantage of technological advances or enforce prudential regulation. India therefore receives a score of 0.

Analyst: D. Reid Dobell

Indonesia: 0

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

In its report “Doing Business 2014,” the World Bank ranked Indonesia 120th out of 189 economies studied, rewarding the country’s efforts to improve credit information system and regulatory reforms making it easier for individuals and SMEs to access finance and therefore to do business.¹⁸⁷

In 2013, the People Business Credit has seen its distribution target increased. The Minister of Cooperatives and SMEs hoped to incentivize the banks to enhance their reach to fishermen especially, who lack access to credit.¹⁸⁸

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 increase the efficiency of security technology and electronic money.¹⁸⁹ This initiative is intended to promote Indonesia’s Digital Financial Services Program, which enables customers to access financial services and payment systems via

¹⁸⁴ 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-shekhar-ghosh-banking-licence.

¹⁸⁵ First Bi-monthly Monetary Policy Statement, 2014-2015 By Dr. Raghuram G. Rajan, Governor, 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.

¹⁸⁶ 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>.

¹⁸⁷ Doing Business, Getting Credit #Indonesia. World Bank (Washington) 2014. Access Date: 29 April 2014. <http://www.doingbusiness.org/reforms/overview/topic/getting-credit#indonesia>

¹⁸⁸ KUR Distribution Target 2013 of IDR37 Trillion, Ministry of Finance website (Jakarta) 11 January 2013. Access Date: 29 April 2014. <http://www.kemenkeu.go.id/en/node/28731>

¹⁸⁹ 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.

technological means, such as mobile-based devices or web-based tools. The objective of the program is to promote secure and affordable transaction payments.

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.¹⁹⁰ 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.

Indonesia has taken some steps toward the improvement of credit access and therefore receives a score of 0.

Analyst: Jessica Coper

Italy: 0

Italy partially complied with the commitment to improve credit access.

On 31 January 2014, the European Investment Fund and ICCREA Bancalmpresa signed a guarantee agreement to support lending to innovative SMEs as well as Small Mid-caps under an initiative funded by the European Commission.¹⁹¹

Italy, via the European Commission, has made some progress toward improving credit access for SMEs and is thus awarded a score of 0.

Analyst: Justice Durland

Japan: 0

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

On November 29, 2013, FSA updated the documents related to money lending business.¹⁹²

On 7 November 2013, the Japan Financial Services Agency (FSA) announced a request for enhancement of bridge loans in relation to the support program for small and medium enterprises and small business owners.¹⁹³

On 26 November 2013, the FSA requested facilitation of financing for small and medium enterprises and small business owners for the year-end.¹⁹⁴

¹⁹⁰ 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>.

¹⁹¹ Additional RSI guarantee agreement in Italy for innovative businesses, European Investment Fund (Luxembourg) 31 January 2014. Accessed 26 February 2014. http://www.eif.org/what_we_do/guarantees/RSI/news/2014/iccrea.htm

¹⁹² Documents Related to Money Lending Business Updated, Japan Financial Services Agency (Tokyo) 29 November 2013. Access Date: 28 February 2014. <http://www.fsa.go.jp/status/kasikin/20131129/index.html>

¹⁹³ 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. Access Date: 28 February 2014. <http://www.fsa.go.jp/news/25/ginkou/20131107-1.html>

On 25 December 2013, the FSA announced the notice of International Conference on Financial System Stability, Regulation and Financial Inclusion on 27 January 2014. The conference would be co-hosted with the Asian Development Bank Institute (ADBI) and the International Monetary Fund (IMF) to examine challenges for financial authorities to balance policy goals such as financial stability and competitiveness of financial industry and measures to ensure smooth financing for SME and improve financial inclusion.¹⁹⁵

Japan has taken some actions to encourage transparency, openness and competition to incentivize current institutions and enforce prudential regulations, however, failed to take actions in utilizing technological advances in developing financial infrastructure to lower transaction costs. Therefore, Japan receives a score of 0.

Analyst: Xue (Snow) Yuan

Korea: 0

Korea has partially complied with its commitment to a wide range of reforms to strengthen the foundations for strong, sustainable and balanced growth over the long term by improving 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.¹⁹⁶

On 27 November 2013, Korea's Financial Services Commission announced a plan to strengthen competitiveness of Korea's Financial Industry or so-called "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.¹⁹⁷

On 15 January 2014, the Korean government announced directions for the three-year Plan for Economic Innovation, which covers reforming the public sector, promoting a creative economy and overseas market exploration, boosting domestic demand, and fostering small business.¹⁹⁸ The action plan intends to have an improvement on the real economy through economic innovation and domestic demand stimulation.¹⁹⁹

¹⁹⁴ 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. Access Date: 28 February 2014. <http://www.fsa.go.jp/news/25/ginkou/20131126-3.html>

¹⁹⁵ 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. Access Date: 28 February 2014. <http://www.fsa.go.jp/en/news/2013/20131225.html>

¹⁹⁶ Government to Ease Foreign Exchange Transaction Regulations, Korean Ministry of Strategy and Finance (Seoul) 11 November 2013. Access Date: 28 February 2014. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3434&bPage=6>

¹⁹⁷ Plan to Strengthen Competitiveness of Korea's Financial Industry, Korean Financial Services Commission (Seoul) 27 November 2013. Access Date: 28 February 2014. <http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=87518>

¹⁹⁸ 3-Year Plan for Economic Innovation Directed Towards Reform, Growth and Balance, Korean Ministry of Strategy and Finance (Seoul) 15 January 2014. Access Date: 28 February 2014. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3502&bPage=3>

¹⁹⁹ 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. Access Date: 28 February 2014. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3535&bPage=1>

On 22 January 2014, the Korean government unveiled measures to prevent data theft recurrence. The Korean government indicated its plans to prevent the recurrence of data theft and build an efficient technology evaluation system to promote technology financing through building an independent and specialized technology database through joint investment by prospective users (i.e., quasi-public financial institutions and commercial banks); allow qualified private entities, such as credit rating agencies and accounting firms to participate as evaluators in technology evaluation; and offer incentives in terms of credit lines and interest rates depending on technology financing track records and degree of evaluation infrastructure available to enhance financial institutions' technology evaluation capabilities.²⁰⁰

On 20 February 2014, the Korean Financial Services Commission published the Financial Policy Direction for the Year of 2014, which specified the Korean government's intention to establish a specialized IT security agency for the financial sector and a technology credit bureau to monitor and regulate the use of technology in the areas of finance and its security issues.²⁰¹

Korea partially complied with the commitment to improve credit access, and received a score of 0.

Analyst: Xue (Snow) Yuan

Mexico: 0

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

On 31 October 2013, FIRA launched an online web tool that would allow producers to simply and quickly establish if your credit application is viable and the financial intermediaries that are able to provide the credit. Director General of FIRA, Rafael Gamboa Gonzalez, noted that the purpose of this tool is to better link the demand of credit needs by producers to finance their services, to the financial intermediaries that have the resources to meet the demands in the event that the applicant complies with the credit policies of the intermediaries.²⁰²

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. The signed agreement will formalize coordination actions that 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, which involves lending.²⁰³

On 4 June 2014, the 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.²⁰⁴ The agreement will allow FIRA to focus and expands their coverage of financial services for technological medium enterprises and the rural agri-food sector. The Director General of FIRA noted that signing this agreement with INEGI to facilitate timely and quality

²⁰⁰ Government to Unveil Measures to Prevent Data Theft Recurrence, Korean Ministry of Strategy and Finance (Seoul) 22 January 2014. Access Date: 28 February 2014. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3506&bPage=2>

²⁰¹ Financial Policy Direction for the Year of 2014, Korean Financial Services Commission (Seoul) 20 February 2014. Access Date: 28 February 2014. <http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=89223>

²⁰² Podran identificar productores oportunidades de acceso al credito a traves de portal de FIRA en internet, FIRA (Mexico) 31 October 2013. Access Date : 11 June 2014. <http://www.fira.gob.mx/SalaPrensaXml/Pdf?pdfNum=178>.

²⁰³ Firman BANSEFI y FIRA Convenio para Fortalecer Cooperativas de Ahorro y Prestamo, FIRA (Mexico) 30 May 2014. Access Date: 11 June 2014. <http://www.fira.gob.mx/SalaPrensaXml/Pdf?pdfNum=189>.

²⁰⁴ Impulsara FIRA cobertura y acceso al credito para Pymes Rurales con herramientas y sistemas digitales del INEGI, FIRA (Mexico) 4 June 2014. Access Date : 11 June 2014. <http://www.fira.gob.mx/SalaPrensaXml/Pdf?pdfNum=190>.

information on the rural sector will no doubt help promote access to finance in the field, which is the main objective of FIRA.²⁰⁵

Mexico has only complied with two of three requirements for this commitment. Mexico has taken advantage of the technological advances in developing financial infrastructure to lower transaction costs and encouraged transparency, openness and competition to incentivize current institutions to expand service coverage, but it has not enforced prudential regulations in order to provide the private sector with the right incentives. Mexico therefore receives as score of 0.

Analyst: Antonia Tsapralis

Russia: +1

Russia has fully complied with the commitment on improving 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 agreement, measures to protect creditors' and borrowers' interests, introduces methods to calculate the total cost of a loan and procedures for the recovery of arrears.²⁰⁶

On 3 February 2014, Russian Prime Minister Dmitry Medvedev revealed plans to establish the Loan Guarantee Agency in Russia. The new agency is supposed to act as a coordination centre for national guarantee institutions. It will 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).²⁰⁷

Russia has taken measures to improve credit access for individuals and SMEs during the compliance period. Thus, it receives a score of +1.

Analyst: Andrey Shelepov

Saudi Arabia: 0

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

On 5 February 2014, SME financing guarantee program Kafala — a development initiative between the Ministry of Finance and Saudi banks- announced that they would be launching their sixth promotional campaign for SME financing. The program is set to increase transparency by training individuals and launching awareness campaigns for young entrepreneurs in cooperation with the World Bank, the Institute of Banking, and the Media and Banking Awareness Committee. It will also broaden the base of program beneficiaries and enlighten owners of SME's about conditions they must fulfill to obtain funding²⁰⁸.

On 23 February 2014, data was released showing the success and expansion of SME loan program Kafala in driving SME lending. Under the Kafala program, the Saudi Arabian government acts as a guarantor to banks providing credit to SMEs. This reduces the risk incurred by the banks, and therefore

²⁰⁵ Impulsara FIRA cobertura y acceso al credito para Pymes Rurales con herramientas y sistemas digitales del INEGI, FIRA (Mexico) 4 June 2014. Access Date : 11 June 2014. <http://www.fira.gob.mx/SalaPrensaXml/Pdf?pdfNum=190>.

²⁰⁶ The Law on Consumer Credit is Signed, President of Russia 23 December 2013. Access Date: 18 April 2014. <http://kremlin.ru/news/19875>.

²⁰⁷ Meeting on measures to support small and medium-sized business, Government of Russia 3 February 2014. Access Date: 18 April 2014. <http://government.ru/en/news/10207>.

²⁰⁸ Kafalah loans to Saudi SME's total SR7.2b, Saudi Gazette (Jeddah) 5 February 2014. Access Date: 26 February 2014. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20140206194904>

encourages them to loan more to entrepreneurs. The head of The head of Kafala's research unit, Ahmed Yehya, has stated that "the plan focuses on the importance of removing the barriers limiting the development of SME's and intensifying the government and private initiatives to support it."²⁰⁹

Saudi Arabia has increased transparency in Saudi banks and decreased the risks and costs associated with SME loans. Thus, Saudi Arabia has been awarded a score of 0.

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 Bill.²¹⁰ 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.²¹¹

The government of South Africa'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.²¹²

South Africa has increased the clarity of the regulations that govern the credit market. It also increased poorer South Africans' access to credit but did so by denying lenders important information on borrowers' credit histories. South African therefore receives a score of 0.

Analyst: D. Reid Dobell

Turkey: 0

Turkey has partially 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

²⁰⁹ Saudi Arabia sees potential in SME growth, Zawya (Dubai) 23 February 2014. Access Date: 26 February 2014. http://www.zawya.com/story/Saudi_Arabia_sees_potential_in_SME_growth-ZAWYA20140223050551/

²¹⁰ Presentation on the National Credit Amendment Bill, Department of Trade and Industry, Republic of South Africa (Johannesburg) 10 October 2013. Access Date: 17 February 2014. http://www.thedti.gov.za/parliament/NCA_Policy_Presentation10102013.pdf.

²¹¹ Presentation on the National Credit Amendment Bill, Department of Trade and Industry, Republic of South Africa (Johannesburg) 10 October 2013. Access Date: 17 February 2014. http://www.thedti.gov.za/parliament/NCA_Policy_Presentation10102013.pdf.

²¹² Who Needs Credit Amnesty?, iafrica.com (Cape Town) 5 November 2013. Access Date: 17 February 2014. <http://business.iafrica.com/personal-finance/885917.html>.

loans are, in part, a result of increases in lira-denominated SME loans and foreign-exchange denominated corporate loans.²¹³

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 28 October 2013 report on the implementation status and results of the program, USD383.6 million has been successfully distributed to 518 beneficiary enterprises.²¹⁴

In a 7 January 2014 press release from the Turkish Banking Regulation and Supervision Agency, 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.²¹⁵

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. As a destination for emerging market capital, Turkey has been using the influx 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 will slow the economy.²¹⁶

Turkey has failed to undertake the technological advantages in developing financial infrastructure and regulatory measures to ensure the stability of its credit markets. It has thus been awarded a score of 0.

Analyst: Jonathan Francis Rybicki

United Kingdom: +1

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

On 20 December 2013, the British government published a consultation entitled “Competition in banking: improving access to SME credit data” to “make it easier for newer lenders to assess applications for loans to smaller businesses,” in an attempt to improve access to credit for British firms.²¹⁷

²¹³ Financial Stability Report, Central Bank of the Republic of Turkey November 2013. Access Date: 2 March 2014.

<http://www.tcmb.gov.tr/yeni/eng/>

²¹⁴ Implementation Status and Results for the Second Turkey Access to Finance for Small and Medium Enterprises Project, The World Bank 28 October 2013. Access Date: 2 March 2014. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/ECA/2013/10/28/090224b081fef44a/1_0/Rendered/PDF/Turkey000Secon0Report000Sequenc e005.pdf

²¹⁵ Turkish Banking Sector Non-Consolidated Main Indicators, Banking Regulation and Supervision Agency November 2013. Access Date: 2 March 2014.

http://www.bddk.org.tr/websitesi/english/Announcements/Press_Releases/1277711_basin_aciklamasi__kasim_2013_.pdf

²¹⁶ Credit Card Debt Threatens Turkey’s Economy, The New York Times, 27 February 2014. Access Date: 2 March 2014.

http://www.nytimes.com/2014/02/28/business/international/credit-card-debt-threatens-turkeys-economy.html?_r=0

²¹⁷ Competition in Banking Improving Access to SME credit data, gov.uk (London) 20 December 2013. Access Date: 2 March 2014. <https://www.gov.uk/government/consultations/competition-in-banking-improving-access-to-sme-credit-data>

The most recent “Doing Business” report from the World Bank found the British government to have implemented 2 of its recommended reforms to make doing business easier in the UK.²¹⁸

In October 2013, the British government “announced a range of ... new commitments to bring more of the benefits of transparency into people’s everyday lives,” in a report on gov.uk concerning the “Open Government Partnership.”²¹⁹

The UK was found to have implemented regulation enabling P2P lending platforms, making it easier for individuals to gain access to credit.²²⁰

The Bank of England has announced its intention to “offer greater protection to the economy and public finances from foreign banks operating in Britain.”²²¹

For these reasons, the UK has been awarded a score of +1 in its compliance with its commitment to improve access to credit for firms and individuals.

Analyst: Liam Maloney

United States: +1

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

On 25 September 2013, Overseas Private Investment Corporation (OPIC), a governmental finance institution, announced a collaboration with Citi Financing to fund greater transactions with small businesses in Africa, Middle East, Asia, Eastern Europe, and Latin America. The expansion of microfinance will connect small and medium-sized enterprises (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. This collaboration will broaden the service coverage of Citi Financing, but also stimulate competition amongst foreign banking institutions by encouraging new entrants (such as Citi) into the market.²²²

On 14 November 2013, Small Business Administration (SBA) signed a strategic alliance memorandum with America’s first non-profit social investment bank named Operation HOPE, Inc. This collaboration

²¹⁸ Doing Business 2014, World Bank/IFC (Washington DC) Access Date: 2 March 2014.

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

²¹⁹ Uk uses open government partnership summit to make transparency a reality for citizens, gov.uk (London) 31 October 2013. Access Date: 2 March 2014. <https://www.gov.uk/government/news/uk-uses-open-government-partnership-summit-to-make-transparency-a-reality-for-citizens>

²²⁰ Banking Without banks, The Economist (London) 1 March 2014. Access Date: 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>

²²¹ The Island Defence, The Economist (London) 1 March 2014. Access Date: 2 March 2014.

<http://www.economist.com/news/finance-and-economics/21597952-bank-england-gets-strictier-island-defence?zid=310&ah=4326ea44f22236ea534e2010ccce1932>

²²² 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. Access Date: 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>

will increase transparency for SME entrepreneurs by providing greater financial education and access to capital. It will also make necessary resources available to entrepreneurs across the US.²²³

On 27 January 2014, SBA amended its policies to lower barriers for SME owners to access credit by changing program eligibility and administration criteria. It has also increased transparency by taking steps to ensure that participants thoroughly understand program requirements before and after acquiring funding.²²⁴

On 6 February 2014, BusinessUSA — an organization managed by the US Department of Commerce and Small Business Administration — was recognized for its IT products that increase the efficiency of operations for small businesses. Their services and systems allow small businesses to locate, access and utilize resources more quickly through websites, and eases access to information through customer service channels. This platform will be a major ongoing part of the “Made in Rural America” initiative, which connects rural businesses with investment resources through coordinated support by the government.²²⁵

On 24 February 2014, the US Secretary of Commerce Penny Pritzker made a trip to Silicon Valley to advance efforts of technological innovation targeted towards strengthening digital infrastructure and increasing access to federal data for American businesses and SMEs.²²⁶

The United States has increased transparency and substantial investments in financial collaborations that decrease barriers to financing for SME owners both domestically and internationally, and individuals. Thus, the United States has been awarded a score of +1.

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 2020.²²⁷ 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.

²²³ SBA Signs Strategic Alliance with Operation HOPE to Foster Entrepreneurship and Economic Empowerment, US Small Business Administration (Washington) 14 November 2013. Access Date: 26 February 2014. <http://www.sba.gov/content/sba-signs-strategic-alliance-with-operation-hope-foster-entrepreneurship-and-economic-empowerment>

²²⁴ SBA Amends Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program Policy Directives, US Small Business Administration (Washington) 27 January 2014. Access Date: 26 February 2014. <http://www.sba.gov/content/sba-amends-small-business-innovation-research-sbir-and-small-business-technology-transfer-sttr-program-policy-directives>

²²⁵ BusinessUSA Recognized for Leading Innovative Collaboration to Support Businesses, US Department of Commerce (Washington) 7 February 2014. Access Date: 27 February 2014. <http://www.commerce.gov/blog/2014/02/07/businessusa-recognized-leading-innovative-collaboration-support-businesses>

²²⁶ US Secretary of Commerce Penny Pritzker Visits Silicon Valley to Highlight Administration Support for Innovation Economy, US Department of Commerce (Washington) 25 February 2014. Access Date: 26 February 2014. <http://www.commerce.gov/blog/2014/02/25/us-secretary-commerce-penny-pritzker-visits-silicon-valley-highlight-administration>

²²⁷ EU Access to Finance Days – helping to shape an SME-friendly financing market, European Commission (Brussels) 18 October 2013. Access Date: 26 February 2014. http://europa.eu/rapid/press-release_MEMO-13-909_en.htm

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.²²⁸

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.²²⁹

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 140 billion over seven years.²³⁰ 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.²³¹

The European Union obtained a score of 0 for increasing credit access for the private sector.

Analyst: Justice Durland

²²⁸ Horizon 2020 launched with €15 billion over first two years, European Commission (Brussels) 11 December 2013. Access Date: 28 February 2014. http://europa.eu/rapid/press-release_IP-13-1232_en.htm

²²⁹ BILAT USA 2.0, SME opportunities in Horizon 2020, 25 November 2013. Accessed 26 February 2014. <http://www.euussciencetechnology.eu/sites/default/files/SME%20opportunities%20in%20H2020.pdf>

²³⁰ 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

²³¹ EU Access to Finance Days – helping to shape an SME-friendly financing market, European Commission (Brussels) 18 October 2013. Access Date: 26 February 2014. http://europa.eu/rapid/press-release_MEMO-13-909_en.htm

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			+1
Canada		0	
China	-1		
France			+1
Germany		0	
India	-1		
Indonesia			+1
Italy		0	
Japan			+1
Korea	-1		
Mexico			+1
Russia	-1		
Saudi Arabia		0	
South Africa	-1		
Turkey		0	
United Kingdom			+1
United States			+1
European Union	-1		
Average		+0.05	

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.²³²

²³² 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.²³³

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.²³⁴

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.²³⁵

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

²³³ 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

²³⁴ 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

²³⁵ 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 their number is above policy the median of measures imposed by all G20 members.
0	G20 member imposes one new protectionist measures and their number, is below or equal to the median of measures imposed by 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	4	-1
Australia	0	+1
Brazil	0	+1
Canada	1	0
China	3	-1
France	0	+1
Germany	1	0
India	2	-1
Indonesia	0	+1
Italy	1	0
Japan	0	+1
Korea	2	-1
Mexico	0	+1
Russia	4	-1
Saudi Arabia	1	0
South Africa	2	-1
Turkey	1	0
United Kingdom	0	+1
United States	0	+1
European Union	10	-1
Total	32	
Median	1	0.05

Lead Analyst: David Gelles

Argentina: -1

Argentina has been awarded a score of -1 for failure to comply with the standstill commitment.

On 12 September 2013, 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.²³⁶

On 20 November 2013, 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.²³⁷

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 price will be subject to the new price, with importers having to cover the difference.²³⁸

On 21 November 2013, Argentina implemented reference prices applicable to the importation of computer keyboards and mice from China, Korea, Taiwan, India, and other countries. The new policy will establish reference prices subjecting lower priced goods to the new price, as well as holding that importers guarantee the price difference between reference and the price declared at customs.²³⁹

Having imposed four protectionist policies compared to the G20 median of one, Argentina has thus been awarded a score of -1 for failing to comply with the standstill trade commitment.

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 policies with various states to stimulate trade.

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.²⁴⁰

On 7 December 2013, Australia welcomed the historic trade reform packaged 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

²³⁶ 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>

²³⁷ 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>

²³⁸ 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>

²³⁹ 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-and-mice-certain-asian-countries>

²⁴⁰ 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

end, the members agreed to streamline international trade by reducing the cost of engaging in trade and by removing barriers such as agricultural subsidies.²⁴¹

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.²⁴²

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.²⁴³

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: +1

Brazil has fully complied with the standstill commitment to refrain from implementing new protectionist policies.

Although Brazil's protectionist policies, mainly its taxes on imported cars, continue to draw the ire of foreign trading partners, the country has moved forward on its trade talks with the EU and has taken a softer stance on protectionist policies.²⁴⁴

Thus, having not introduced any new protectionist policies during the compliance-monitoring period, Brazil has been assigned a score of +1 for refraining from implementing new protectionist measures.

Analyst: Justice Durland

Canada: 0

Canada has partially complied with the standstill commitment to refrain from implementing new protectionist policies inconsistent with the World Trade Organization.

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

²⁴¹ 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

²⁴² 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

²⁴³ 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

²⁴⁴ 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>

hundreds of millions in private investment meant for the Ford plant in Oakville, Ontario.²⁴⁵ As defined by the standstill commitment, the subsidy is harmful to other car manufacturers as it favours Canadian manufacturing.

Thus, having implemented one protectionist policy, equal to the G20 median, Canada receives a score of 0.

Analyst: Ifath Fatim

China: -1

China has not complied with its commitment to refrain from imposing new protectionist policies inconsistent with the World Trade Organization (WTO).

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.²⁴⁶ It was revealed that the tariffs could reach as high as 57 per cent for US suppliers and as high as 48.7 per cent for Korean suppliers.²⁴⁷

Since 18 February 2014, European Union and American companies exporting perchlorethylene to China must 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.²⁴⁸

On 26 February 2014, China's government pledged subsidies for the sale of BYD Auto's e6 electric cars of up to RMB60,000 (USD9,790) each while municipal governments provided subsidies to green car makers with local production facilities.²⁴⁹ The American electric car maker Tesla Motors did not qualify as a US import.²⁵⁰ China's electric car subsidy will receive a cut of 5 per cent in 2014, and a 10 per cent cut in 2015 — less than previously announced.²⁵¹

Thus, having implemented three antiprotectionist policies, more than the median of one, China receives a score of -1.

Analyst: Chan Park

France: +1

France has fully complied with its commitment not to implement new barriers to trade or investment.

²⁴⁵ 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>

²⁴⁶ China Levies 6.5% 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>

²⁴⁷ 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>

²⁴⁸ 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>

²⁴⁹ 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>

²⁵⁰ 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>

²⁵¹ 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>

Although France has implemented the European Commission's antidumping safeguard measures, many of these measures have been referred to the dispute settlement body of the World Trade Organization (WTO) and so cannot be considered violation of its guidelines.²⁵²

France thus receives a score of +1 for complying with the trade guidelines by not implementing any WTO-inconsistent trade policies.

Analyst: Hayden Rodenkirchen

Germany: 0

Germany has partially complied with its commitment to refrain from implementing new barriers to trade or investment in goods and services as well as with its commitment to refrain from imposing new export stimulating measures inconsistent with the World Trade Organization (WTO).

On 1 January 2014, a new Generalized Scheme of Preferences (GSP) entered into force. The new GSP allows 89 countries to benefit from reduced custom duties. While this new scheme decreases the number of eligible countries by excluding, among others, Brazil, Russia, Saudi Arabia and Malaysia, the number of goods eligible for the tariff reduction will increase.²⁵³

On 1 January 2014, Germany decided to support firms in the agricultural sector in the form of tax benefits: EUR214.8 per 1,000 litres of diesel or a total of approximately EUR400 million per year. The eligible quantity per producer is limited to 10,000 litres per year. The measure expires on 31 December 2016.²⁵⁴

Having implemented one policy that has no net benefit in terms of antiprotectionism and one antiprotectionist policy, Germany has matched the G20 median of one. It has therefore been awarded a score of 0 for partially complying with the standstill commitment.

Analyst: Chan Park

India: -1

India has been assigned a score of -1 for not complying 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.²⁵⁵

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

²⁵² Trade Disputes by country/territory, World Trade Organization (Geneva) 2014. Date of Access: 28 February 2014. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm

²⁵³ E-Trade Flash: New Generalised Scheme of Preferences (GSP) as of 2014 (Brussels) November 2012. <http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Documents/ec-dec3-2012.pdf>

²⁵⁴ 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

²⁵⁵ 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.²⁵⁶ The amended rule constitutes a barrier to foreign investment, which is against the standstill trade commitment.

Having implemented two protectionist policies, which is higher than the G20 median of one, India thus receives a score of -1.

Analyst: Jose Isla

Indonesia: +1

Indonesia receives a score of +1 for fully complying with standstill commitment to refrain from implementing new protectionist measures. It introduced no new barriers to trade during the compliance monitoring period.

Analyst: Hayden Rodenkirchen

Italy: 0

Italy has received a score of 0 for partially complying with the commitment to refrain from implementing new trade barriers.

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.²⁵⁷

Thus, having implemented one new protectionist policy, equal to the G20 median of one, Italy receives a score of 0.

Analyst: Ifath Fatima

Japan: +1

Japan has been awarded a score of +1 for fully complying with the standstill trade commitment to refrain from establishing new 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.²⁵⁸

²⁵⁶ 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>

²⁵⁷ 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>

²⁵⁸ 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>

Thus, Japan has fully complied with the trade commitment by not implementing any new barriers to trade since the St. Petersburg Summit. It thus receives a score of +1.

Analyst: Jose Isla

Korea: -1

Korea has not complied with its commitment to refrain from imposing any new barriers on trade or investment in goods and services and to refrain from imposing new export stimulating measures inconsistent with the World Trade Organization (WTO).

On 30 October 2013, the Korea Trade Commission announced that it would impose antidumping duties on oriented polypropylene 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 3.48 per cent to 10.55 per cent on Thai products. In addition, the tariff increase 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.²⁵⁹

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.²⁶⁰ 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 chipping 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 such as pharmaceuticals, car engines and gearboxes, crude petroleum, natural gas and unwrought aluminium will be eliminated.²⁶¹

On 18 February 2014, Korea's customs agency announced that it would aim to collect KRW2.6 trillion (USD2.4 billion) more in taxes this year to help the government secure more revenue. This includes KRW10.6 trillion in tariffs, and KRW51.3 trillion in added taxes on imports. The customs agency had no other specific details.²⁶²

The Ministry of Strategy and Finance will cut 100 per cent of the corporate income tax for five years and 50 per cent for 20 years, and issue tariff cuts for the introduction of new and used capital goods. 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 between 3 per cent and 22 per cent of equipment investment. The Ministry of Employment and Labour will provide preferential treatment for foreign

²⁵⁹ 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>

²⁶⁰ 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>

²⁶¹ 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#>

²⁶² Customs agency aims to collect 2.6 tln won more in taxes this year, Yonhap News Agency (Seoul) 18 February 2014. Date of Access: 21 May 2014. <http://english.yonhapnews.co.kr/news/2014/02/18/47/0200000000AEN20140218001900320F.html?b315d048>

employees and an employment subsidy of KRW7,200,000 per person within one year (up to 20 people).²⁶³

The Korea Credit Guarantee Fund will provide financial support by increasing the guarantee ratio (85 per cent to 90 per cent) and discount on guarantee fees (from 1.2 per cent to 1 per cent). The Korea Customs Service will provide customs-clearing support such as rate reduction when importing raw materials, simplification of procedures for issuing the certificate of origin and free consulting provisions.²⁶⁴

Having implemented two protectionist policies, more than the G20 median of one, Korea receives a score of -1.

Analyst: Chan Park

Mexico: +1

Mexico has fully complied with its commitment to not impose any new barriers to trade since 6 September 2013.

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, indicating that no new barriers to trade have been implemented.²⁶⁵

On 23 December 2013, Mexico's Secretary of Economy stated: "The FDI [foreign direct investment] in the fourth quarter of 2013 amounted to 5419.4 million dollars, an amount 138 per cent higher than the average of the figures originally reported for the fourth quarter in the last 10 years [USD2,281.5 million]."²⁶⁶ The increase in FDI indicates Mexico has not put any protectionist policies in place.

Thus, Mexico has fulfilled its trade commitment by implementing no new protectionist measures and instigating trade liberalization policies. Thus Mexico has been awarded a score of +1.

Analyst: Akshay Sharma

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 2013.²⁶⁷

²⁶³ 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>

²⁶⁴ Tax Exemption Criteria Apply to the Income Generated by Foreign Invested Companies (Seoul) 19 February 2014. Date of Access: 26 February 2014. <http://www.jjn.co.kr/news/articleView.html?idxno=612741>

²⁶⁵ The tariff benefit for the border region and the northern border is extended, Secreteria 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>

²⁶⁶ In 2013, Mexico recorded 35,188.4 million dollars in Foreign Direct Investment, Secreteria de Economia (Mexico City) 23 December 2013. Date of Access: 31 March 2014. <http://www.economia.gob.mx/news-and-events/press-room/headlines/10154-boletin14-021-en>

²⁶⁷ The Decision of the Eurasian Economic Commission No. 70, Eurasian Commission 9 October 2013. Date of access: 17 April 2014. <http://www.eurasiancommission.org/docs/Download.aspx?IsDlg=0&ID=4960&print=1>.

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).²⁶⁸

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 2015.²⁶⁹

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.²⁷⁰

Having announced four protectionist policies compared to the G20 median of one, Russia receives a score of -1.

Analyst: Andrei Sakharov

Saudi Arabia: 0

Saudi Arabia has received a score of 0 for partially complying with the standstill trade commitment to refrain from imposing new trade barriers.

On 14 January, 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.^{271,272}

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.²⁷³ 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.^{274,275}

Thus, having implemented one protectionist policy, equal to the G20 of one, Saudi Arabia receives a score of 0.

Analyst: Theodora Mladenova

²⁶⁸ The Decision of the Eurasian Economic Commission No. 60, Eurasian Commission 9 October 2013. Date of access: 17 April 2014. <http://www.eurasiancommission.org/docs/Download.aspx?IsDlg=0&ID=4777&print=1>.

²⁶⁹ The Decision of the Eurasian Economic Commission No. 222, Eurasian Commission 15 October 2013. Date of access: 17 April 2014. <http://www.eurasiancommission.org/ru/Lists/EECDocs/635175435106457870.pdf>.

²⁷⁰ The Decision of the Eurasian Economic Commission № 233, Eurasian Commission 22 October 2013. Date of access: 17 April 2014. <http://www.eurasiancommission.org/ru/Lists/EECDocs/635180583807897603.pdf>.

²⁷¹ 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>

²⁷² 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>

²⁷³ 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>

²⁷⁴ Saudi Arabia: Gaslands, Emerging Markets (London) 11 October 2013. Date of access: 21 march 2014. <http://www.emergingmarkets.org/Article/3266173/SAUDIARABIA-Gaslands.html>

²⁷⁵ 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>

South Africa: -1

South Africa failed to comply with its commitment to refrain from imposing new barriers to investment or trade in goods and services. It introduced new export restrictions and also implemented measures to stimulate certain exports inconsistent with the World Trade Organization (WTO).

As of 16 February 2014, South Africa's International Trade Administration Commission (ITAC), which raised import tariffs on a range of chicken products in 2013, is considering imposing antidumping duties on chicken from certain European Union members. The EU has a free trade agreement with South Africa and normal import duties do not apply on their poultry products.²⁷⁶

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.²⁷⁷

The South African Customs Union (SACU), a coalition of Botswana, Lesotho, Namibia, South Africa and Swaziland, 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.²⁷⁸

On 27 November 2013, 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.²⁷⁹

On 30 September 2013, SACU increased import tariffs on poultry meat and edible offal, except for from the EU, and the South African Development Community.²⁸⁰

Although Africa has taken some measures to liberalize trade, it has introduced two new protectionist policies, higher than the G20 median of one. South Africa thus receives a score of -1.

Analyst: Justice Durland

Turkey: 0

Turkey has been assigned a score of 0 for partially complying with the standstill commitment.

²⁷⁶ Free-trade deal on the line, Business Day Live (Johannesburg) 16 February 2014. Accessed 26 February 2014.
<http://www.bdlive.co.za/business/trade/2014/02/16/free-trade-deal-on-the-line>

²⁷⁷ 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>

²⁷⁸ 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>

²⁷⁹ 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>

²⁸⁰ 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 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.²⁸¹

Thus, having implemented one protectionist policy, equal to the G20 median of one, Turkey has been awarded as score of 0.

Analyst: Justice Durland

United Kingdom: +1

The United Kingdom has been awarded a score of +1 for being in full compliance with its commitment to refrain from implementing new barriers to trade. It introduced no new barriers to trade during the compliance-monitoring period.

Analyst: Ifath Fatima

United States: +1

The United States has been awarded a score of +1 for fully complying with the standstill trade commitment to refrain from imposing new protectionist policies.

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.²⁸²

While some progress has been made on this front, the White House has had to slow down its trade agenda in the face of domestic resistance. Nonetheless, the trade agenda's inclination toward free trade deals shadows the current situation vis-à-vis protectionist policies, insofar as no new measures have been taken.²⁸³

Thus, the US has received a score of +1 for adhering to the standstill commitment regarding protectionist trade policies made at the St. Petersburg Summit.

Analyst: Jose Isla

European Union: -1

The European Union has not complied with the standstill commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions, or measures to stimulate exports inconsistent with the World Trade Organization (WTO). Although the EU has implemented various antidumping measures and other regulations, the WTO has yet to rule on any of the contested measures and as such they currently do not count against compliance.²⁸⁴

Since the St. Petersburg Summit, the European Commission imposed antidumping duties and registration requirements. In two instances, affected exporting countries filed complaints to the World

²⁸¹ 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>

²⁸² 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>

²⁸³ Joe Biden Admits Vast Obama Trade Deals Are On Hold, The Huffington Post (US Edition) 14 February 2014. Date of Access: 30 March 2014. http://www.huffingtonpost.com/2014/02/14/white-house-trade-deal_n_4790338.html

²⁸⁴ European Union news archive, World Trade Organization (Geneva) 14 May 2014. Date of Access: 14 May 2014. http://www.wto.org/english/news_e/archive_e/country_arc_e.htm?country1=EEC

Trade Organization Dispute Settlement Body. However, because no ruling has been made, these new measures do not count against compliance.

On 22 October 2013, under Implementing Regulation (EU) No 1026/2013, the European Commission terminated the partial interim review concerning the antidumping measures applicable to imports of certain iron or steel fasteners originating in the People's Republic of China, as extended to imports consigned from Malaysia, whether declared as originating in Malaysia or not.²⁸⁵

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.²⁸⁶

On 19 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 rate ranges from EUR76,94 tons to EUR245,67 tons. 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.²⁸⁷

On 25 November 2013, under Commission Regulation (EU) No 1198/2013, the European Commission terminated the anti-subsidy proceeding concerning imports of biodiesel originating in Argentina and Indonesia and repealed Regulation (EU) No 330/2013 making such imports subject to registration.²⁸⁸ 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, Indonesia also requested to join the consultations.²⁸⁹

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.²⁹⁰

On 5 December 2013, the European Commission decided to impose a 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

²⁸⁵ Council Implementing Regulation (EU) No 1026/2013. Official Journal of the European Union (Brussels) 22 October 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:283:0007:0008:EN:PDF>

²⁸⁶ Council Implementing Regulation (EU) No 1106/2013. Official Journal of the European Union (Brussels) 5 November 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:298:0001:0016:EN:PDF>

²⁸⁷ Council Implementing Regulation (EU) No 1194/2013. Official Journal of the European Union (Brussels) 19 November 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:315:0002:0026:EN:PDF>

²⁸⁸ Commission Regulation (EU) No 1198/2013. Official Journal of the European Union (Brussels) 25 November 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:315:0067:0068:EN:PDF>

²⁸⁹ DISPUTE SETTLEMENT: DISPUTE DS473, World Trade Organization, (Geneva) 2013. Date Accessed 14 May 2014. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds473_e.htm

²⁹⁰ Commission Regulation (EU) No 1205/2013. Official Journal of the European Union (Brussels) 26 November 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:316:0008:0028:EN:PDF>

company. The definitive duty entered into force on 6 December 2013 and will expire on 7 December 2015.²⁹¹

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 1225/2009.²⁹²

On 12 December 2013, under Implementing Regulation (EU) No 1342/2013, the European Commission repealed antidumping measures on imports of certain iron or steel ropes and cables originating in Russia following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009.²⁹³ In response, on 23 December 2013, Russia filed a complaint to the WTO regarding the EU's cost adjustment methodologies and certain antidumping measures on imports from Russia. On 14 January 2014, China asked to join the consultations. On 14 January 2014, Indonesia asked to join the consultations as well.²⁹⁴

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 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.²⁹⁵

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.²⁹⁶

On 14 January 2014, the European Commission amended an antidumping duty of 70.8 per cent applied to imports of hand pallet trucks and their essential parts originating in China. The amendment created a "new exporter" exemption for suppliers uninvolved in the dumping that prompted initial measures.²⁹⁷

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

²⁹¹ Commission Regulation (EU) No 1238/2013, Official Journal of the European Union (Brussels) 2 December 2013. Date of Access: 25 February 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:325:0001:0065:EN:PDF>.

²⁹² Council Implementing Regulation (EU) No 1343/2013. Official Journal of the European Union (Brussels) 12 December 2013. Date of Access: 4 March 2014 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:338:0011:0022:EN:PDF>

²⁹³ Council Implementing Regulation (EU) No 1342/2013. Official Journal of the European Union (Brussels) 12 December 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:338:0001:0010:EN:PDF>

²⁹⁴ DISPUTE SETTLEMENT: DISPUTE DS474, World Trade Organization, (Geneva) 2013. Date Accessed 4 March 2014. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds474_e.htm

²⁹⁵ Council Implementing Regulation (EU) No 1371/2013. Official Journal of the European Union (Brussels) 16 December 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:346:0020:0026:EN:PDF>

²⁹⁶ Council Implementing Regulation (EU) No 1371/2013. Official Journal of the European Union (Brussels) 17 December 2013. Date of Access: 14 May 2014. http://trade.ec.europa.eu/doclib/docs/2013/december/tradoc_152025.extension.en.L346-2013.pdf

²⁹⁷ Commission Regulation (EU) No 32/2014, Official Journal of the European Union (Brussels). 14 January 2014. Date of Access: 26 February 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:010:0011:0014:EN:PDF>

certification requirements for imports of meat of farmed raptines for human consumption and the entries for Israel and South Africa in the list of third countries or territories.²⁹⁸

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 1225/2009.²⁹⁹

The European Union received a score of -1 for not complying with the standstill commitment by engaging in at least 10 protectionist policies, higher than the G20 mean of one.

Analyst: Madeleine Wood

²⁹⁸ 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>

²⁹⁹ Council Implementing Regulation (EU) No 191/2014. Official Journal of the European Union (Brussels) 24 February 2014. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:059:0007:0019:EN:PDF>

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		0	
China		0	
France		0	
Germany			+1
India			+1
Indonesia			+1
Italy		0	
Japan			+1
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia	-1		
South Africa			+1
Turkey	-1		
United Kingdom		0	
United States		0	
European Union			+1
Average		+0.30	

Background

The G20 has consistently demonstrated its support for transparency and a general information exchange of tax systems, 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.³⁰⁰

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.”³⁰¹

³⁰⁰ 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>

³⁰¹ 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.³⁰² The support was re-emphasized in the 2010 Toronto Summit.³⁰³

In the 2011 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.³⁰⁴

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.”³⁰⁵ 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.³⁰⁶

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.”³⁰⁷

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 of tackling tax evasion was specified to include “the need to prevent base erosion and profit shifting.”³⁰⁸ 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.³⁰⁹

³⁰² 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>

³⁰³ The G20 Toronto Summit Declaration, G20 Information center 27 June 2010. Access Date: 1 March 2014. <http://www.g20.utoronto.ca/2010/to-communique.html>

³⁰⁴ 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>

³⁰⁵ Base erosion and profit shifting, World Commerce Review, June 2012. Access Date: 1 March 2014. http://www.oecd.org/ctp/WCRVol6Issue2_BEPS.pdf

³⁰⁶ 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>

³⁰⁷ 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>

³⁰⁸ G20 Leaders Declaration Los Cabos, G20 Information Centre 19 June 2012. Access Date: 1 March 2014. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

³⁰⁹ 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.³¹⁰

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).³¹¹

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.³¹²

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.³¹³

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.

³¹⁰ Base erosion and profit shifting, World Commerce Review June 2012. Access Date: 2 February 2014. http://www.oecd.org/ctp/WCRVol6Issue2_BEPS.pdf

³¹¹ 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>

³¹² 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>

³¹³ 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. Although 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.³¹⁴ It has also cooperated with other governments to terminate tax treaties.³¹⁵

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.³¹⁶ Countries not on the list would receive undesirable tax treatment under Argentinian domestic law.³¹⁷ The main purpose of the white list is to encourage effective exchange of tax information.

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.³¹⁸

Thus, Argentina was awarded a score of 0 for partially complying with its commitment.

Analyst: Pei Zhao

³¹⁴ Tax Management International Forum, Bloomberg BNA (London) September 2013. Access Date: April 7 2014.

http://www.pbklaw.ch/files/TAX_FORUM_0913.pdf

³¹⁵ Argentina terminates three tax treaties, EY T Magazine 2 January 2013. Access Date: April 8 2014.

<http://tmagazine.ey.com/insights/argentina-terminates-three-tax-treaties/>

³¹⁶ Argentina - "White list" is published; transfer pricing implications, KPMG Global 10 January 2014. Access Date: April 7 2014. <http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Pages/2014-1/argentina-white-list-is-published-transfer-pricing-implications.aspx>

³¹⁷ Argentina's White List Now Available, Tax News 17 January 2014. Access Date: April 8 2014. http://www.tax-news.com/news/Argentinas_White_List_Now_Available___63370.html

³¹⁸ Argentina terminates tax treaties with Chile and Spain, PwC 16 July 2012. Access Date: April 8 2014.

<http://www.pwc.com/us/en/tax-services-multinationals/newsletters/latin-american-tax/argentina-tax-treaties-with-chile-spain.jhtml>

Australia: +1

Australia has fully complied with its commitment. Being the chair of the G20 in 2014, Australia is the pioneer in tackling tax avoidance. The Australian Taxation Office coordinates international efforts to tackle local and multinational tax evasion. It also investigates corporate tax avoidance issues at local companies.³¹⁹

In September 2013, Australia declared that taxation of profits should be done by the jurisdictions where the economic activities deriving those profits take place. It endorsed the action plan of the Organisation for Economic Co-operation and Development (OECD), which outlines 15 issues to be dealt with by individual jurisdictions, as well as by collective action and regular reporting of progress made. The declaration endorsed the OECD proposal for a global model for multilateral and bilateral automatic exchange of information between jurisdictions by end 2015. Australia is also making an effort to assist developing countries enhance revenue capacity through a more transparent international tax system.³²⁰

Over the past three years, the Australian Parliament has passed legislation to tighten rules relating to cross-border transfer pricing. Australian operations properly adopted the arm's length principle rule with the OECD guidelines.³²¹

Australia has shown its dedication and efforts through a series of actions to fight tax evasion. Therefore, Australia has been awarded a score of +1 for its commitment.

Analyst: Pei Zhao

Brazil: -1

Brazil has not complied 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 does not apply the tax policies recommended by the report.³²² It has its own transfer pricing methods, different from the internationally accepted arm's-length principle.^{323,324}

There is no indication that Brazil has taken steps to reform its own tax rules to be align with standards set by other countries to improve coordinating efforts. Thus Brazil has been awarded a score of -1.

Analyst: Pei Zhao

³¹⁹ Australia targets tax avoidance by multinational tech groups, Financial Times 5 May 2014. Access Date: May 8 2014. <http://www.ft.com/cms/s/0/acf60e02-d42e-11e3-a122-00144feabdc0.html#axzz31bdRqBe8>

³²⁰ Tax avoidance by multinational enterprises - Australian Government initiatives to avoid erosion of corporate base, Parliament of Australia (Australia) 2014. Access Date: May 8 2014. http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/TaxAvoidance

³²¹ Tax avoidance by multinational enterprises - Australian Government initiatives to avoid erosion of corporate base, Parliament of Australia (Australia) 2014. Access Date: May 8 2014. http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/TaxAvoidance

³²² Tax Management International Forum, Bloomberg BNA (London) September 2013. Access Date: 19 April 2014. http://www.pbklaw.ch/files/TAX_FORUM_0913.pdf

³²³ Brazil Highlights 2014, Deloitte 2014. Access Date: 19 April 2014. <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-brazilhighlights-2014.pdf>

³²⁴ Brazil clarifies its position on transfer pricing, World Finance 15 January 2014. Access Date: 19 April 2014. <http://www.worldfinance.com/markets/brazil-transfer-pricing>

Canada: 0

Canada has partially complied with its commitment to take steps to change its rules to tackle tax avoidance, harmful practices, and aggressive tax planning.

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.³²⁵

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.^{326,327} The government 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.³²⁸

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.³²⁹ 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.^{330,331,332}

Canada has taken steps to address the issues outlined in the BEPS Action Plan and has cooperated with other states to fight tax avoidance. However, the 2014 Federal budget endorsed the OECD's BEPS action plan, but at the same time proposed a unilateral amendment to domestic law, which could undermine the multilateral BEPS initiative. Canada is, therefore, awarded a score of 0.

Analyst: Theodora Mladenova

China: 0

China has partially complied with its commitment to tackle tax avoidance.

³²⁵ Canada and US reach agreement on Foreign Account Tax Compliance Act, Department of Finance (Ottawa) 5 February 2014. Access Date: 23 March 2014. <http://www.fin.gc.ca/n14/14-018-eng.asp>

³²⁶ Economic Action Plan 2014, Department of Finance (Ottawa) 11 February 2014. Access Date: 23 March 2014. <http://actionplan.gc.ca/sites/default/files/pdfs/budget2014-eng.pdf>

³²⁷ Budget injects a (small) dose of 'integrity' in closing tax loopholes, The Globe and Mail (Toronto) 11 February 2014. Access Date: 23 March 2014. <http://www.theglobeandmail.com/report-on-business/economy/economy-lab/budget-injects-a-small-dose-of-integrity-in-closing-tax-loopholes/article16810059/>

³²⁸ Canada Deepens Commitment to BEPS Action Plan, KPMG LLP (Toronto) 14 February 2014. Access Date: 23 March 2014. <http://www.kpmg.com/ca/en/issuesandinsights/articlespublications/tnf/pages/tnf-beps.pdf>

³²⁹ Consultation Paper on Treaty Shopping – The Problem and Possible Solutions, Department of Finance (Ottawa) 12 August 2013. Access Date: 23 March 2014. <http://www.fin.gc.ca/activty/consult/ts-cf-eng.asp>

³³⁰ Canada to Unilaterally Override Tax Treaties With Proposed New Anti-Treaty-Shopping Rule, Tax Notes International (Falls Church) 3 March 2014. Access Date: 23 March 2014. <http://miningtaxcanada.com/wp-content/uploads/2010/07/73ti0797-Suarez.pdf>

³³¹ Live Webcast - BEPS Action Plan: Update on 2014 Deliverables, OECD (Paris) 23 January 2014. 23 March 2014. <http://www.oecd.org/tax/OECD-BEPS-Webcast-23Jan.pdf>

³³² Live Webcast: Update on BEPS Project, OECD (Paris) 23 January 2014. 23 March 2014. <http://oecd.streamakaci.com/beps/vod/>

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 2008.³³³

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.³³⁴

China has been awarded a score of 0 for cooperating with foreign governments to fight tax avoidance.

Analyst: Jose Isla

France: 0

France has partially complied with its commitment to fight tax avoidance.

On 10 February 2014, President François Hollande indicated that France would try to harmonize taxes with the United States. He further stated that tax optimisation, especially by multinational internet giants, must be called into question on both a European and global level.³³⁵

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 also encouraged both countries to tackle base erosion and profit shifting (BEPS), as well as to promptly adopt and implement the future standard on automatic exchange of information in order to increase transparency and fight tax fraud and tax evasion.³³⁶

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.

Analyst: Jose Isla

Germany: +1

Germany has fully complied with its commitment on tax avoidance. It 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.

³³³ Tax commissioner announced international cooperation against tax avoidance, South China Morning Post 25 January 2014. Access Date: 21 February 2014. <http://www.scmp.com/business/economy/article/1412890/china-step-international-co-operation-fight-against-tax-evasion>

³³⁴ Russian government confirmed cooperation between countries to share information on tax avoidance 15 February 2014. Access Date: 21 February 2014. http://government.ru/en/dep_news/10531

³³⁵ Francois Hollande, French president opinion on tax avoidance, The Telegraph 6 February 2014. Access Date: 18 March 2014. <http://www.telegraph.co.uk/finance/personalfinance/consumertips/tax/10622933/France-will-not-tolerate-tax-avoidance-says-Francois-Hollande.html>

³³⁶ Statement by the French-German Economic and Financial Council, Federal Ministry of Finance (Europe) 27 January 2014. Access Date: 26 February 2014. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-01-27-PM-4-DFFWR-ENG.html>

On 27 November 2013 the coalition German government formed between the Christian-Democrats and the Social Democrats agreed upon new tax policies. These policies focused 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 Action Plan. 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.”³³⁷ Furthermore, the coalition agreement also mentions that Germany would support an initiative for the “introduction of common corporate taxation within the EU, based on proposal to CCTB [common consolidated corporate tax base] project.”³³⁸

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 encouraged 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 tax fraud and tax evasion.³³⁹ 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.”³⁴⁰

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: +1

India has fully complied with its commitment to take steps to change its rules to tackle tax avoidance, harmful practices, and aggressive tax planning.

In September 2013, India participated in a training seminar organized by the Global Forum, designed to provide “technical assistance in order to help members quickly implement the international standards of

³³⁷ New government coalition agreement describes tax policy, Deloitte Tax-News (London) 28 November 2013. Access Date: February 26 2014. <http://www.deloitte-tax-news.de/german-tax-legal-news/new-government-coalition-agreement-describes-tax-policy.html>

³³⁸ New government coalition agreement describes tax policy, Deloitte Tax-News (London) 28 November 2013. Access Date: February 26 2014. <http://www.deloitte-tax-news.de/german-tax-legal-news/new-government-coalition-agreement-describes-tax-policy.html>

³³⁹ Statement by the French-German Economic and Financial Council, Federal Ministry of Finance (Europe) 27 January 2014. Access Date: 26 February 2014. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-01-27-PM-4-DFFWR-ENG.html>

³⁴⁰ Statement by the French-German Economic and Financial Council, Federal Ministry of Finance (Europe) 27 January 2014. Access Date: 26 February 2014. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-01-27-PM-4-DFFWR-ENG.html>

transparency and exchange of information.”³⁴¹ In addition, India assisted in the development of a seminar, which was intended “to sensitise tax auditors to the potential of international tax cooperation.”

On 18 September 2013, India signed a double taxation avoidance agreement with Latvia to prevent income tax evasion by entities in both countries.³⁴² The agreement entails that business profits will be taxable in the source country if the activities of an enterprise constitute a permanent establishment there.

On 22 December 2014, 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 blackmoney flowing from the island nation.³⁴³ 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 economic affairs 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.”³⁴⁴ Mayaram also emphasised the need to perceive automatic exchange of information as a mean to combat 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.”

Hence, India has been awarded a score of +1 for taking steps toward combatting tax avoidance.

Analyst: Luciano Xavier

Indonesia: +1

Indonesia has fully complied with its commitment to tackle tax evasion through domestic reforms and international cooperation.

On 25 September 2013, Indonesia signed a tax information exchange agreement with San Marino.³⁴⁵ However, it has not yet come into effect. This is the fifth such agreement that Indonesia has signed.

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.” As a result, a compliance rating was released. A new Automatic Exchange of Information Group was also established, and agreement was reached that the

³⁴¹ OECD Secretary-General Report to the G20 Finance Ministers and Central Bank Governors: Part I – Base Erosion and Profit Shifting and Automatic Exchange of Information and Part II – Global Forum and Transparency and Exchange of Information for Tax Purposes, p.61. February 2014. Access Date: 1 March 2014. <http://www.g20.utoronto.ca/2014/2014-0223-finance.html>

³⁴² 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.

³⁴³ 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.

³⁴⁴ India seeks automatic exchange of key financial info at G20, The Economic Times (Mumbai) 21 February 2014. Access Date: 2 March 2014. http://articles.economictimes.indiatimes.com/2014-02-21/news/47559636_1_tax-avoidance-automatic-exchange-tax-evasion

³⁴⁵ Exchange of tax information agreements, OECD (Paris). Date of Access: 7 August 2014. <http://www.oecd.org/tax/transparency/exchangeoftaxinformationagreements.htm>.

Forum will continue to monitor implementation of the transparency and exchange of information standards. The Minister of Finance of Indonesia praised the progress to date.³⁴⁶

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.³⁴⁷ 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).

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 should be completed by the end of 2015.³⁴⁸

Indonesia has been awarded a score of +1 for taking some steps to tackle tax avoidance.

Analyst: Pei Zhao

Italy: 0

Italy has partially complied with its commitment to fight tax avoidance.

On 18 September 2013 the Italian Revenue Agency issued its annual guidelines for revenue auditors, which set the fight against tax evasion and tax avoidance as one of its main pillars.³⁴⁹

On 24 January 2014, the Italian government approved a new decree to institute a legal framework that would regularize undeclared capital held abroad by Italian residents.³⁵⁰

Italy has taken steps to tackle tax avoidance within its own laws, however, there is no evidence that Italy has engaged in multilateral efforts to address the problems of tax avoidance. Thus, Italy has been awarded a score of 0.

Analyst: Jose Isla

Japan: +1

Japan has fully complied with its commitment. It 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.

³⁴⁶ Global Forum moves towards automatic exchange of tax information and transparency, OECD 22 November 2013. Access Date: 20 April 2014. <http://www.oecd.org/indonesia/global-forum-moves-towards-automatic-exchange-of-tax-information-and-transparency.htm>

³⁴⁷ 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.

³⁴⁸ Project for Indonesian Tax Administration Reform (PINTAR), The World Bank 11 April 2014. Access Date: April 20 2014. <http://www.worldbank.org/projects/P100740/project-indonesian-tax-administration-reform-pintar?lang=en>

³⁴⁹ Guidelines on tax avoidance by Italian revenue agency, T Magazine of Ernst & Young Global Limited, 18 September 2013. Access Date: 18 March 2014. <http://tmagazine.ey.com/news/tax-alert/italy-issues-operative-guidelines-tax-audits-2013-tax-alert/>

³⁵⁰ Italy to Regularize Undeclared Foreign Capital, Tax News 29 January 2014. Access Date: 21 February 2014. http://www.tax-news.com/news/Italy_To_Regularize_Undeclared_Foreign_Capital____63510.html

On 21 April 2014, Japan demonstrated effort to improve taxation issues in developing countries by hosting and participating 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.”³⁵¹

In late April 2014, Japanese Tax Commission identified double non-taxation resulting from certain redeemable preference shares. This review was conducted by using the BEPS Action 2. Japanese Cabinet Office posted a discussion paper and outlined certain tax issues for consultation.³⁵² Japan has followed the OECD Guidelines in structuring transfer pricing policy. The changes made to the Japanese transfer pricing rules were similar to changes in the OECD Guidelines in 2011.³⁵³

Therefore, Japan is awarded a score of +1 for complying with its commitment.

Analyst: Pei Zhao

Korea: 0

Korea has partially complied with its commitment. It has cooperated with other governments to prevent double non-taxation due to gaps that exist between countries’ tax rules.

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 Hong Kong residents in Korea. To prevent double taxation, Hong Kong’s Inland Revenue Department will then deduct the amount of income tax the investors paid in Korea.”³⁵⁴

As of 18 February 2014, the National Tax Agency has investigated 61 cases of offshore tax evasion and has collected KRW135 billion in fines.³⁵⁵

Thus, Korea has been awarded a score of 0 for its commitment to tackling tax avoidance.

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,

³⁵¹ 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. Access Date May 8 2014.

<http://www.imf.org/external/np/speeches/2014/042114.htm>

³⁵² Japan - Possible BEPS-related implications under foreign dividend exclusion rule, KPMG Global 5 May 2014. Access Date: 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>

³⁵³ 2013 Transfer pricing global reference guide, EY Global 2014. Access Date: May 8 2014.

<http://www.ey.com/GL/en/Services/Tax/International-Tax/Transfer-Pricing-and-Tax-Effective-Supply-Chain-Management/2013-Transfer-pricing-global-reference-guide---Japan>

³⁵⁴ Hong Kong and South Korea sign tentative deal to fight tax cheats, South China Morning Post (Hong Kong) 17 September 2013. Access Date: 26 February 2014. <http://www.scmp.com/news/hong-kong/article/1311580/hong-kong-and-south-korea-sign-tentative-deal-fight-tax-cheats>

³⁵⁵ Money from tax evasion fines exceeds W 1 trillion, Korea Joongang Daily (Seoul) 18 February 2014. Access Date: 26 February 2014. <http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=2985097>

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.^{356, 357, 358, 359} The Mexican government has been working anti-avoidance measures concerning supply chain conversions at least since September 2012.³⁶⁰

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.³⁶¹

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.^{362,363}

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.

Analyst: Theodora Mladenova

Russia: +1

Russia has fully complied with the commitment to tackle tax avoidance, harmful practices, and aggressive tax planning.

Russia has taken measures to address base erosion and profit shifting (BEPS) in the framework of its domestic tax laws.

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

³⁵⁶ Mexico - Proposed transfer pricing changes for related-party transactions, maquiladoras. KPMG (Washington) 21 October 2013. Access Date: 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>

³⁵⁷ Mexico – Tax reform update concerning foreign investment, related-party transactions. KPMG (Washington) 21 October 2013. Access Date: 9 May 2014. <https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Documents/mexico-oct21-2013.pdf>

³⁵⁸ Mexico - Tax reform laws are published; effective date 2014. KPMG. (Washington) 11 December 2013. Access Date: 9 May 2014. <http://www.kpmg.com/global/en/issuesandinsights/articlespublications/taxnewsflash/pages/mexico-tax-reform-laws-are-published-effective-date-2014.aspx>

³⁵⁹ Tax Reform 2014. KPMG (Mexico) November 2013. Access Date: 9 May 2014. <https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Documents/mexico-nov13-2013.pdf>

³⁶⁰ Domestic Maquila conversions with lack of substance under scrutiny.... PwC Tax Insights. 5 September 2013. Access Date: 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

³⁶¹ Mexican tax authorities host base erosion and profit shifting seminar. International Bureau of Fiscal Documentation (Amsterdam) 4 March 2014. Access Date: 9 May 2014. http://www.deloitte.com/assets/Dcom-Korea/Local%20Assets/Documents/Tax%20Newsletter/2014/kr_Tax_Global-Tax-Alerts_Mexico_02_20140304.pdf.pdf

³⁶² FATCA e-alert Issue 2014-14. KPMG (Luxembourg) 6 May 2014. Access Date: 9 May 2014.

<http://www.kpmg.com/LU/en/IssuesAndInsights/ArticlesPublications/Pages/FATCAe-alertIssue2014-14.aspx>

³⁶³ 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. Access Date: 9 May 2014. <http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/FATCA-Agreement-Mexico-4-17-2014.pdf>

that companies registered in foreign jurisdictions should not be allowed to use government support measures and state guarantees as well as fulfil government contracts.³⁶⁴ 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.³⁶⁵

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. Draft amendments are expected to be presented to the Government by 19 May 2014.³⁶⁶

Russia has cooperated with other governments to address BEPS-related issues.

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.³⁶⁷

Russia has taken measures to tackle BEPS within the framework of its domestic legislation and cooperate with other governments in this sphere. Thus, it receives a score of +1.

Analyst: Andrey Shelepov

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 participate in Action Plan on Base Erosion and Profit Shifting (BEPS) produced by the Organisation for Economic Co-operation and Development to tackle tax avoidance as an associate.³⁶⁸

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 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.³⁶⁹

³⁶⁴ Presidential Address to the Federal Assembly, President of Russia 12 December 2013. Access Date: 18 April 2014. <http://eng.kremlin.ru/news/6402>.

³⁶⁵ List of instructions following the Address to the Federal Assembly, President of Russia 27 December 2013. Access Date: 18 April 2014. <http://kremlin.ru/assignments/20004>.

³⁶⁶ On implementing the instructions following the Address of the President to the Federal Assembly on 12 December 2013, Government of Russia 9 January 2014. Access Date: 18 April 2014. <http://government.ru/orders/9591>.

³⁶⁷ 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: 18 April 2014. http://www.minfin.ru/ru/press/speech/index.php?id_4=21235.

³⁶⁸ G20: World leaders back international action against tax avoidance and evasion, HM Treasury (London) 6 September 2013. Access Date: 27 February 2014. <https://www.gov.uk/government/news/g20-world-leaders-back-international-action-against-tax-avoidance-and-evasion>

³⁶⁹ Financial Secrecy Index Report on Saudi Arabia, Tax Justice Network, November 7 2013. Access Date: 27 February 2014. <http://www.financialsecrecyindex.com/PDF/SaudiArabia.pdf>

There is no evidence that Saudi Arabia plans to reform its domestic tax policy or fully comply with international agreements. Thus, Saudi Arabia has been awarded a score of -1.

Analyst: Madeline Torrie

South Africa: +1

South Africa has fully complied with its commitment to take steps 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.”³⁷⁰

On 11 November 2013, Minister of Finance Pravin Gordhan 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.”³⁷¹

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.”³⁷² 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.”³⁷³

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

Turkey: -1

Turkey has not complied with its commitment. Since September 2013, Turkey has not taken individual 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). There is also no evidence that it has taken steps to cooperate with other countries to address double non-taxation due to gaps that exist between countries’ tax rules.

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

³⁷⁰ South Africa and UK agree to work together to tackle offshore tax evasion, UK Government 12 October 2013. Access Date: 8 March 2014. <https://www.gov.uk/government/news/south-africa-and-uk-agree-to-work-together-to-tackle-offshore-tax-evasion>

³⁷¹ South Africa Government Online, University of Pretoria Conference on the G20 and Africa’s Economic Growth and Transformation: Keynote address by Minister of Finance, Pravin Gordhan (Pretoria) 11 November 2013. Access Date: 10 March 2014. <http://www.gov.za/speeches/view.php?sid=41750&tid=131952>

³⁷² South Africa Government Online, 2014 Budget Speech by Minister of Finance Pravin Gordhan (Pretoria) 26 February 2014. Access Date 10 March 2014. <http://www.gov.za/speeches/view.php?sid=43936&tid=141185>

³⁷³ The Davis Tax Committee. Access Date: 12 March 2014. <http://www.taxcom.org.za/>

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.³⁷⁴

Thus, Turkey has been awarded a score of -1 for failure to comply with its commitment to tackle tax avoidance, harmful practices, and aggressive tax planning.

Analyst: Pei Zhao

United Kingdom: 0

The United Kingdom has partially complied with its commitment. It has taken 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). The UK, as an avid supporter of the OECD's Action Plan, has worked closely with the OECD and the European Union to reform the taxation of the digital economy.³⁷⁵

On 26 February 2014, the UK set light conditions for branches of Chinese and other non-European investment banks, despite officially supporting the BEPS Action Plan and working closely with the OECD to reform taxation of the digital economy.³⁷⁶

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: 0

The United States has partially complied with its commitment to take steps to change its rules to tackle tax avoidance, harmful practices, and aggressive tax planning. The US government has signed exchange of information agreements with other governments. Nonetheless, there is no evidence that the United States has taken steps to work in conjunction with the Action Plan on Base Erosion and Profit Shifting (BEPS) produced by the Organisation for Economic Co-operation and Development (OECD).

On 29 November 2013, the United States signed an exchange of information relating to taxes agreement with the Cayman Islands. 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.³⁷⁷

In November 2013, the United States signed three bilateral agreements regarding Foreign Account Tax Compliance Act (FACTA). On 14 November 2013, United States signed a bilateral agreement with

³⁷⁴ Turkey accuses Twitter of 'tax evasion', calls for local office, Reuters 14 April 2014. Access Date: April 20 2014. <http://www.reuters.com/article/2014/04/14/us-turkey-twitter-idUSBREA3D0TY20140414>

³⁷⁵ "Base Erosion and Profit Shifting: Key UK Issues", Skadden 16 January 2014. Access Date: 26 February 2014. <http://www.skadden.com/insights/base-erosion-and-profit-shifting-key-uk-issues>

³⁷⁶ Britain sets lighter conditions for foreign investment bank branches, Reuters UK (London) 26 February 2014. Access Date: 26 February 2014. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2014/2014-01-27-PM-4-DFFWR-ENG.html>

³⁷⁷ 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. Access Date: 10 March 2014. <http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/Treaty-Cayman-Islands-11-29-2013.pdf>

France.³⁷⁸ On 26 November 2013, United States signed a bilateral agreement with Costa Rica.³⁷⁹ On 29 November 2013, United States signed a bilateral agreement with Cayman Islands.³⁸⁰ FATCA introduced “a reporting regime for foreign financial institutions, non-financial foreign entities and certain US persons holding financial assets outside of the United States. According to the three signed agreements, a US person is defined as a US citizen or resident, partnership or corporation organized in the United States or trusts under specific conditions. The definition does not include multinational corporations. Therefore these agreements will only peripherally affect the multinational enterprises through a general increase in tax information sharing.

On 4 March 2014, President Barack Obama released the budget 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.”³⁸¹ The changes would particularly affect companies in the digital market, levying immediate taxes on corporate income from the sales of digital items or services.³⁸² However, as the budget has not been approved by Congress, none of the proposed measures has been implemented. Therefore, this current item does not count towards US commitment.

Thus, the United States has been awarded a score of 0 for partially complying with its commitment.

Analyst: Grace Gao

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 Organisation 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

³⁷⁸ Agreement between the government of the United States of America and the government of the French Republic to Improve International Tax Compliance and to Implement FACTA, US Department of the Treasury 14 November 2013. Access Date: 11 March 2014. <http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/BilateralAgreementUSFranceImplementFATCA.pdf>

³⁷⁹ Agreement between the government of the United States of America and the government of the Republic of Costa Rica to improve international tax compliance and to implement FACTA, US Department of the Treasury 26 November 2013. Access Date: 11 March 2014. <http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/FATCA-Agreement-Costa-Rica-11-26-2013.pdf>

³⁸⁰ Agreement between the government of the Cayman Islands and the government of the United States of America to improve international tax compliance and to implement FACTA, US Department of the Treasury 29 November 2013. Access Date: 11 March 2014. <http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/FINAL%20US%20-%20Cayman%20Islands%20-%20Cayman%20alternat.pdf>

³⁸¹ Fiscal Year 2015 Budget of the U.S. Government (page 21), The White House 4 March 2014. Access Date: 10 March 2014. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/budget.pdf>

³⁸² Obama Seeks \$100 Billion Taxes on Multinationals, Bloomberg 4 March 2014. Access Date: 10 March 2014. <http://www.bloomberg.com/news/2014-03-04/obama-seeks-100-billion-in-new-taxes-on-multinationals.html>

tax matters and automatic exchange of information internationally.³⁸³ 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.³⁸⁴ The EU's structure, however, may impose a legislative impediment on the implementation of the Action Plan.³⁸⁵

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 digital economy."³⁸⁶ Its first report is due in May 2014.³⁸⁷

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.^{388,389}

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.³⁹⁰ On 2 April 2014, the European Parliament voted to support the proposed revision; however, the parliament's vote is not binding.³⁹¹

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.^{392,393}

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

³⁸³ Convention on Mutual Administrative Assistance in Tax Matters, OECD (Paris) April 2014. Access Date: 30 March 2014. <http://www.oecd.org/tax/exchange-of-tax-information/conventiononmutualadministrativeassistanceintaxmatters.htm>

³⁸⁴ Fighting tax evasion: Commission proposes widest scope of automatic exchange of information within the EU, European Commission (Brussels) 12 June 2013. Access Date: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-530_en.htm

³⁸⁵ EU Legislations – BEPS Action Plan Constrained?, Transfer Pricing Associates (Amsterdam) 19 August 2013. Access Date: 30 March 2014. <http://www.tpa-global.com/news/2013/08/19/eu-legislation-ndash-beps-action-plan-constrained>

³⁸⁶ Taxing the Digital Economy: Commission creates Expert Group to guide EU approach, European Commission (Brussels) 22 October 2013. Access Date: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-983_en.htm

³⁸⁷ <http://www.kpmg.com/Global/en/services/Tax/Global-Transfer-Pricing-Services/Documents/first-fruits-of-oecd-v2.pdf>

³⁸⁸ Standard VAT Return: Easing life for businesses and improving tax compliance, European Commission (Brussels) 23 October 2013. Access Date: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-988_en.htm

³⁸⁹ VAT Gap: Frequently asked questions, European Commission (Brussels) 19 September 2013. Access Date: 30 March 2014. http://europa.eu/rapid/press-release_MEMO-13-800_en.htm

³⁹⁰ Tackling Tax Avoidance: Commission tightens key EU corporate tax rules, European Commission (Brussels) 25 November 2013. Access Date: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-1149_en.htm

³⁹¹ 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. Access Date: 30 March 2014. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2014-0243+0+DOC+XML+V0//EN>

³⁹² Platform for Tax Good Governance, European Commission (Brussels) 22 January 2014. Access Date: 30 March 2014. http://ec.europa.eu/taxation_customs/resources/documents/taxation/gen_info/good_governance_matters/platform/meeting_20140206/tax_havens.pdf

³⁹³ Fighting tax evasion: Commission sets up a Platform for Tax Good Governance, European Commission (Brussels) 23 April 2013. Access Date: 30 March 2014. http://europa.eu/rapid/press-release_IP-13-351_en.htm

information and enlarges the scope to new types of financial instruments, which generate interest income.³⁹⁴

The European Union is awarded a score of +1 for complying with its commitment to tackle tax avoidance, harmful practices, and aggressive tax planning.

Analyst: Theodora Mladenova

³⁹⁴ Council adopts new rules on the taxation of savings income, Council of the European Union (Brussels) 24 March 2014. Access Date: 30 March 2014. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/141817.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		0	
Brazil			+1
Canada			+1
China		0	
France			+1
Germany		0	
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		+0.65	

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.³⁹⁵

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

³⁹⁵ 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.³⁹⁶ 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.^{397,398} According to the International Centre for Trade and Sustainable Development Argentina, Brazil, China, India and South Africa opposed this move.³⁹⁹ The proposal has not received the needed consensus support, thus decision on this issue was not adopted at the WTO Geneva ministerial.⁴⁰⁰

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.”⁴⁰¹

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.⁴⁰²

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.”⁴⁰³

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.⁴⁰⁴

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

³⁹⁶ 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>

³⁹⁷ Australia, Canada, Chile, Costa Rica, Korea, Indonesia, Japan, Mexico, Norway, Saudi Arabia, Singapore, Switzerland and Turkey

³⁹⁸ 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

³⁹⁹ WTO Members Table Proposals on Agricultural Export Restrictions. <http://ictsd.org/i/news/bridgesweekly/117348/>

⁴⁰⁰ 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>

⁴⁰¹ 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>

⁴⁰² Camp David Accountability Report. Actions, Approach and Results, U.S. Department of State 19 May 2012. Access Date: 1 February 2014.

⁴⁰³ 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>

⁴⁰⁴ 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.⁴⁰⁵

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.⁴⁰⁶

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.⁴⁰⁷

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.⁴⁰⁸ The G20 hopes to expand the APRM product and has encouraged other international financial institutions to develop similar initiatives.⁴⁰⁹

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.”⁴¹⁰

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.⁴¹¹ 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

⁴⁰⁵ 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>

⁴⁰⁶ 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>

⁴⁰⁷ 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>

⁴⁰⁸ 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>

⁴⁰⁹ 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/T7EA0VLHGO>

⁴¹⁰ 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

⁴¹¹ 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.”⁴¹² 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.”⁴¹³

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.⁴¹⁴

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.”⁴¹⁵

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.⁴¹⁶ 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.”⁴¹⁷
- 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.⁴¹⁸

⁴¹² 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.

⁴¹³ 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.

⁴¹⁴ 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.

⁴¹⁵ 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.

⁴¹⁶ 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

⁴¹⁷ 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>

⁴¹⁸ 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.⁴¹⁹

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.⁴²⁰

Minimum tillage: the tillage practice in which the seeds are placed into the soil with the minimum soil disturbance possible.⁴²¹

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).⁴²²

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.

⁴¹⁹ 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>

⁴²⁰ 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>

⁴²¹ 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>.

⁴²² 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.

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.⁴²³

No instance of Argentina imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

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.⁴²⁴ 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

⁴²³ 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

⁴²⁴ 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.⁴²⁵

On excessive food price volatility, 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 2014.⁴²⁶

On agricultural technologies, 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."⁴²⁷

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."⁴²⁸

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.⁴²⁹

On 17 October 2013, the Instituto Nacional de Tecnologia 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.⁴³⁰

⁴²⁵ Small beekeepers exported 8,000 tons of honey. Ministerio de Agricultura, Ganaderia 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.

⁴²⁶ 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>.

⁴²⁷ 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: 7 March 2014.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=140306143459.

⁴²⁸ NEA Regional Workshop: Policy on Access to Land in the Context of Sustainable Rural Development. Ministerio de Agricultura, Ganaderia 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.

⁴²⁹ Argentina and Paraguay define joint projects of agricultural building for 2014. Instituto Interamericano de Cooperacion para la Agricultura. December 2013. Access Date: 1- March 2014.

<http://www.iica.int/Esp/prensa/IICAConexion/IICAConexion2/2013/N35/secundaria4.aspx>.

⁴³⁰ Workshop on Cassava. Instituto Nacional de Tecnologia Agropecuaria. 4 November 2013. Access Date: 10 March 2014. <http://inta.gob.ar/noticias/jornada-sobre-mandioca/>.

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 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.⁴³¹

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: 0

Australia 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 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 third component: support of new or existing risk-management instruments to mitigate excessive food price volatility.

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.⁴³²

No instance of Australia imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

On food price volatility, Australia has increased its financial support to farmers but has failed to support the development of risk-management instruments.

On 20 March 2013, 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.⁴³³ The allowance will be available for up to three years. Recipients will have access to a wide range of other benefits, including an automatic entitlement to a

⁴³¹ 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

⁴³² 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

⁴³³ 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

health card and an AUS3000 advice and training grant. A portion of this fund is meant “to assist farmers to adopt smart risk management strategies.”⁴³⁴

Concessional loans, as part of the Farm Finance program, became available for the farmers from South Australia on 19 December 2013 and the Northern Territory on 24 February 2014. However, funds were not specifically allocated to risk-management instruments.

On environmentally sustainable agricultural methods, 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 organisations 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.⁴³⁵

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 Programme. The projects include MyBMP, an online management tool that helps the cotton farmers report on fertilizer, pesticide and water usage.⁴³⁶

Thus, thanks to its partial compliance, Australia is awarded a 0.

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.

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.⁴³⁷

⁴³⁴ 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>

⁴³⁵ 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>

⁴³⁶ 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>

⁴³⁷ 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

No instance of Brazil imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

On food price volatility, Brazil has successfully supported existing risk-management instruments for the most vulnerable.

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.⁴³⁸ This program makes available a volume of BRL700 million worth of agricultural insurance, of which BRL525 million will be allocated to priority regions and products with grants of 60 per cent of the premium. Another BRL175 million worth of agricultural insurance will be allocated to other regions and products, of which the subsidy will be 40 per cent of the premium.

However, no indication was found that the Brazilian government had announced new risk-management instruments.

Brazil has taken steps to promote technologies, practices and techniques on greater efficient use of water and soil in a sustainable manner.

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 practises, as well as to strengthen the dialogue between farmers and the Ministry of Agriculture.⁴³⁹

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.⁴⁴⁰

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).⁴⁴¹

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

⁴³⁸ Press Release: Agriculture Business Hires R\$98.2 Billion in Financing. Ministry of Agriculture (Brasilia), 28 February 2014. Access Date: 8 March 2014. <http://www.agricultura.gov.br/politica-agricola/noticias/2014/02/agricultura-empresarial-contrata-rs-98-bi-em-financiamentos>

⁴³⁹ Press release: MAP launches book on best practises in sustainable agriculture management. Ministry of Agriculture (Brasilia), 19 March 2014. Access Date: 23 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/03/mapa-lanca-obra-de-praticas-de-sucesso-de-gestao-sustentavel>

⁴⁴⁰ Press Release: Secretary of the SDC Discusses Water Management in Agriculture. Ministry of Agriculture (Brasilia), 12 March 2014. Access Date: 16 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/03/secretario-da-sdc-discute-gestao-da-agua-na-agricultura>

⁴⁴¹ Press release: New Practices may be incorporated into the ABC Plan. Ministry of Agriculture (Brasilia), 9 January 2014. Access Date: 23 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2014/01/novas-praticas-poderao-ser-incluidas-no-plano-abc>

worth of resources and BRL7 billion in credit.⁴⁴² This initiative brings changes in production technology, research agenda, legal framework and relevant credit instruments.⁴⁴³

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.⁴⁴⁴

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.⁴⁴⁵

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.⁴⁴⁶

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 summit put emphasis on issues such as climate change, the degradation of natural resources and rising fluctuations on agricultural markets.⁴⁴⁷

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.

⁴⁴² Press Release: Antonio Andrade Attends the Launch of Planapo. Ministry of Agriculture (Brasilia), 17 October 2013. Access Date: 16 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/10/antonio-andrade-participa-do-lancamento-do-planapo>

⁴⁴³ National Agroecological Plan and Organic Production. Ministry of Agriculture (Brasilia). Access Date: 16 March 2014. <http://portal.mda.gov.br/portal/institucional/planapo>

⁴⁴⁴ Press Release: Caio Rocha Launches Program for Sustainable Agriculture in RS. Ministry of Agriculture (Brasilia), 1 November 2013. Access Date: 7 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/11/caio-rocha-lanca-programa-de-agricultura-sustentavel-no-rs>

⁴⁴⁵ Press release: Authority of the United Kingdom Highlights Partnership with Brazil. Ministry of Agriculture (Brasilia), 2 October 2013. Access Date: 7 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/10/autoridade-do-reino-unido-destaca-parceria-com-o-brasil>

⁴⁴⁶ Press release: MAPA will have a Commission for Sustainable Development of Agriculture. Ministry of Agriculture (Brasilia), 18 September 2013. Access Date: 23 March 2014.

<http://www.agricultura.gov.br/comunicacao/noticias/2013/09/mapa-tera-comissao-de-desenvolvimento-sustentavel>

⁴⁴⁷ 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>

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.

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.⁴⁴⁸

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.⁴⁴⁹

No instance of Canada imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

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 (WLPIP).⁴⁵⁰ The program will allow Manitoba's beef and pork producers to insure their herds against unexpected price drops. The WLPIP 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.⁴⁵¹ The insurance plan provides yield loss coverage for Saskatchewan farmers and mitigate 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.⁴⁵² Forage insurance will be provided through AgriInsurance, a federal-provincial-territorial Business Risk Management Program supported through Growing Forward 2 and administered by Manitoba Agricultural Services Corporation. The new program will equip producers in

⁴⁴⁸ 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>.

⁴⁴⁹ 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

⁴⁵⁰ Manitoba producers to benefit from new Livestock Price Insurance Program. Agriculture and Agri-Food Canada. (Manitoba) 13 February 2014. Access Date: 26 March 2014. <http://news.gc.ca/web/article-en.do?mthd=index&ctr.page=1&nid=815189>.

⁴⁵¹ Enhancements Continue for the 2014 Crop Insurance Program. Agriculture and Agri-Food Canada. (Regina) 10 Feb 2014. Access Date: 9 March 2014. <http://news.gc.ca/web/article-en.do?mthd=index&ctr.page=1&nid=814869>.

⁴⁵² New Forage Insurance Package Available for Manitoba Beef, Forage Producers. Agriculture and Agri-Food Canada. (Winnipeg) 28 October 2013. Access Date: 26 March 2014. http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2013&page=n131028.

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.

On agricultural technologies, 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.⁴⁵³

On 24 February 2014, Fisheries and Oceans Minister Gail Shea and Prince Edward Island Agriculture and Forestry Minister George Webster announced a CAD569,000 investment in RWL Holding Ltd for advanced machinery in potato washing.⁴⁵⁴ 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.⁴⁵⁵ 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 announced plans to test the effects of the fumigant chloropicrin used in agriculture on groundwater. An Environment Canada official stated, "Monitoring wells and lysimeters 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."⁴⁵⁶

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.

Analyst: Christine Jacob

China: 0

China 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

⁴⁵³ "Agriculture innovation gets boost through Growing Forward 2" Agriculture and Agri-Food Canada.(Victoria) 26 Feb 2014. Access Date: 28 Feb 2014. <http://news.gc.ca/web/article-en.do?mthd=index&crtr.page=1&nid=819219>.

⁴⁵⁴ "Rwl Holdings LTD. Increases Productivity With New Innovative Equipment" Atlantic Canada Opportunities Agencies. (New Brunswick) 24 Feb 2014. Access Date: 28 Feb 2014. <http://www.acoa-apeca.gc.ca/eng/Agency/MediaRoom/NewsReleases/Pages/4241.aspx>.

⁴⁵⁵ Harper Government Supports Canada's First Commercial Bio-Based Chemical Plant. Government of Canada (Sarnia) 19 Feb 2014. Access Date: 4 March 2014. <http://news.gc.ca/web/article-en.do?nid=816809>.

⁴⁵⁶ "Environment Canada preparing to test agricultural fumigant chloropicrin" The Guardian. 02 March 2014. Access Date: 02 March 2014. <http://www.theguardian.pe.ca/News/Local/2014-03-02/article-3630946/Environment-Canada-preparing-to-test-agricultural-fumigant-chloropicrin/1>.

harm to the environment. However, it has failed to comply with the third component: support of new or existing risk-management instruments to mitigate excessive food price volatility.

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.⁴⁵⁷

Also, no instance of China imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

On price volatility, China has provided more agriculture credits but failed to support the development of risk-management mechanisms. 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.

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.⁴⁵⁸

China has complied with its commitment to support and develop sustainable agricultural methods. 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 contaminated farmland and addressing the problem of excessive and improper use of resources that have affected food safety.⁴⁵⁹

On 19 January 2014, the Central Committee of the Communist Party and the State Council unveiled its yearly "No.1 Central Document," underscoring more rural reforms and planning the development of modern agriculture." The policy document promised to support the development of environmentally friendly, resolve environmental constraints such as water shortages and support recycling and organic agriculture suited to local conditions.⁴⁶⁰

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

⁴⁵⁷ 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

⁴⁵⁸ News: Food security, rural environment top No.1 document. Xihuan News Agency, 20 January 2014. Access Date: 08 March 2014. http://news.xinhuanet.com/english/video/2014-01/20/c_133057955.htm

⁴⁵⁹ 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

⁴⁶⁰ Press Release: No. 1 Central Document targets rural reform. Ministry of Agriculture of the People's Republic of China (Beijing) 20 January 2014. Access Date: 7 March 2014. http://english.agri.gov.cn/hottopics/cpc/201401/t20140120_21067.htm

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.⁴⁶¹

China has restrained from introducing new export restrictive measures but has taken steps to support the development of sustainable practises, especially in the field of climate smart agriculture. However, the country has taken any steps to develop risk-management mechanisms. Thus, China is awarded a 0.

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.

France has successfully refrained from imposing export restrictions for food purchased for non-commercial 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.⁴⁶² 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.⁴⁶³

Also, no instance of France imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

France has complied with its commitment to support new or existing risk-management instruments to mitigate excessive food price volatility. 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. On 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) bettering insurance conditions; and (3) enhancing the

⁴⁶¹ 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

⁴⁶² 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>

⁴⁶³ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 25 February 2014.
http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm

mobilization of all public and private stakeholders and better identifying the responsibilities of each. The final proposals will be presented to the French Ministry of Agriculture in June 2014.⁴⁶⁴

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, the policy problems it poses, as well as to identify practices in handling a multidimensional policy problem.⁴⁶⁵

On 22 and 23 January 2014, the members of the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM) including France, along with the 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.⁴⁶⁶ The Ministers of Agriculture of the CIHEAM officially ratified the creation of the network during their 10th meeting in Algeria on 6 February 2014.⁴⁶⁷

On sustainable agriculture practices and technologies, 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.⁴⁶⁸

On 14 January 2014, the French Parliament adopted the Law on the Future of Agriculture, Food and Forestry. The law increases the economic competitiveness and environmental performance of the French agricultural sector. It will also promote and support the transition to an agro-ecological model. The law should be approved by the French Senate before being introduced.⁴⁶⁹

On 5 December 2013, the French Ministry of Agriculture launched a call for participation in a project to identify mechanisms for an optimal promotion of biocontrol products and change the mindset of

⁴⁶⁴ "Innover dans la gestion des risques en agriculture pour mieux protéger les agriculteurs," November 18, 2013. Access Date: 25 February 2014. <http://agriculture.gouv.fr/Innover-dans-la-gestion-des>

⁴⁶⁵ Proceedings of the Second Ministerial Meeting on International Food Price. FAO (Rome), 7 October 2013. Access Date: 25 February 2014. <http://www.fao.org/docrep/019/i3519e/i3519e.pdf>

⁴⁶⁶ Communiqué: Fight against price volatility on agricultural markets. Ministry of Agriculture (France), 28 January 2014. Access Date: 25 February 2014. <http://agriculture.gouv.fr/Lutte-volatilite-prix-agricoles>

⁴⁶⁷ Press Release: 10th meeting of the Ministers of Agriculture of CIHEAM's Member Countries. CIHEAM (Paris), 6 February 2014. Access Date: 25 February 2014. <http://www.ciheam.org/images/CIHEAM/PDFs/Cooperation/10mmc%20-%20press%20release.pdf>

⁴⁶⁸ 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>

⁴⁶⁹ Stéphane Le Foll Welcomes the Adoption on First Reading of the Bill for the Future of Agriculture, Food and Forestry by the National Assembly. Ministry of Agriculture (Paris) 14 January 2014. Access Date: 25 February 2014. <http://agriculture.gouv.fr/loi-avenir-adoption-assemblee>

farmers regarding the use of such products and to understand the problems and opportunities using biocontrol products in large cooperatives.⁴⁷⁰

On 2 December 2013, the International Fund for Agricultural Development launched the Platform for Agricultural Risk Management (PARM). Several European partners, including the Agence du développement française, 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.⁴⁷¹

In October 2013, the French Ministry of Agriculture launched the sixth edition of the Sustainable Agriculture Award competition. The awards are given to individual farmers and collectives for the design and use of the best sustainable and innovative agricultural practices.⁴⁷²

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.” Three main areas of work have been identified: (1) support the development of collective farm biogas projects; (2) support the development of the wood biomass sector and increase the amount of forest areas engaged in a process of sustainable economic management; and (3) support the energy transition in the food industry sector to make it more competitive.⁴⁷³

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: 0

Germany 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 third component: support of new or existing risk-management instruments to mitigate excessive food price volatility.

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 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. According to this document members are authorized not to require an export license or licenses for

⁴⁷⁰ Communiqué: Call for Expressions of Interest on Biocontrol Products. Ministry of Agriculture (Paris), 5 December 2013. Access Date: 25 February 2013. <http://agriculture.gouv.fr/manifestation-interet-biocontrole>

⁴⁷¹ 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>

⁴⁷² Communiqué: ‘Agroecology in Action’. Ministry of Agriculture (Paris), 18 October 2013. Access Date: 25 February 2013. <http://agriculture.gouv.fr/L-agro-ecologie-en-action-Stephane>

⁴⁷³ Communiqué: 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. Access Date: 25 February 2013. <http://agriculture.gouv.fr/Stephane-LE-FOLL-et-Gerard>

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.⁴⁷⁴

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.⁴⁷⁵

Also, no instance of Germany imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

On food price volatility, Germany has taken preliminary measures to implement the reformed Common Agricultural Policy (CAP) at the national level in terms of financial support but the country has failed to support and develop 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.⁴⁷⁶

On environmentally sustainable agricultural methods, Germany has taken steps to enhance the development of sustainable practises through international exchange. However, no indication was found that the country has taken any actions internally.

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.⁴⁷⁷

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 organised in the

⁴⁷⁴ 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>

⁴⁷⁵ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 25 February 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm

⁴⁷⁶ 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=LandwirtschaftLaendlicheRaume&submit=Search&monat=monat&jahr=2014&searchIssued=1

⁴⁷⁷ 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>

Chinese city of Guilin by the FAO. Over 140 experts gathered to discuss living conditions and food security problems in rural areas.⁴⁷⁸

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.⁴⁷⁹

Furthermore, Germany 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 organised 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 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.⁴⁸⁰ Thus, Germany is awarded a score of 0.

Analyst: Andrei Burloiu

India: +1

India has fully complied with its food and agriculture commitment.

It has complied with all three components: support of new or existing risk-management instruments to mitigate excessive food price volatility; development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment; and removal of food export restrictions on food purchased by the World Food Programme and non-imposition of new ones.

On food export restrictions, during this compliance cycle the Indian government removed two restrictive measures implemented at an earlier date. 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.⁴⁸¹

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

⁴⁷⁸ Press Release: BMELV and FAO launch new forest protection project. Federal Ministry of Food and Agriculture (Berlin), 10 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>

⁴⁷⁹ 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>

⁴⁸⁰ 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>

⁴⁸¹ 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>

prices. The Indian Ministry is considering allowing export of pulses without quantitative restrictions and placing the commodity under the open general license category.⁴⁸²

On mitigating food price volatility, 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.⁴⁸³

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.⁴⁸⁴

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.⁴⁸⁵ 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.⁴⁸⁶

On agricultural technologies, 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

⁴⁸² 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

⁴⁸³ 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>

⁴⁸⁴ 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>

⁴⁸⁵ 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

⁴⁸⁶ 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

such as Himalayan glaciers, prediction and management of natural hazards, bio-diversity and wildlife conservation.⁴⁸⁷

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.⁴⁸⁸

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.⁴⁸⁹

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 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.⁴⁹⁰

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.⁴⁹¹

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,

⁴⁸⁷ 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>

⁴⁸⁸ 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>

⁴⁸⁹ "My Advice to Nations Considering Agroforestry," World Congress on Agroforestry. Trees for Life: Accelerating the Impacts of Agroforestry. Delhi, India, 11 February 2014. Access Date: 23 June 2014. <http://www.wca2014.org/my-advice-to-nations-considering-agroforestry/#.U6epmY1dVTM>

⁴⁹⁰ National Agroforestry Policy. Ministry of Agriculture (New Delhi), 2014. Access Date: 15 March 2014. <http://agricoop.nic.in/imagedefault/whatsnew/Agroforestry.pdf>

⁴⁹¹ 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

resource conservation technologies, comprehensive soil health management, efficient on-farm water management and mainstreaming rain-fed technologies.⁴⁹²

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.⁴⁹³

Thus, for its efforts to reduce the effects of price volatility and enhance sustainable agriculture, India is awarded +1.

Analyst: Ishita Guptan

Indonesia: +1

Indonesia has fully complied with its food and agriculture commitment.

It has complied with 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.

On food export restrictions, 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.⁴⁹⁴

No instance of imposition of new export restrictions during the compliance period has been found.

On food price volatility, on 27 November 2013, Indonesia announced that it would continue implementing agriculture insurance programs in 2014.⁴⁹⁵ Since 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.

⁴⁹² 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/nmsagidelines.pdf>

⁴⁹³ 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>

⁴⁹⁴ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva), 18 December 2013. Access Date: 20 February 2014.
http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm

⁴⁹⁵ In 2014, the Government Strive Realization of Agriculture Insurance in Indonesia, Ministry of Agriculture Republic of Indonesia (Pekalongan) 27 November 2013. Access Date: 2 April, 2014.
<http://www.pertanian.go.id/news/detailarsip.php?id=1153>.

On 23 October 2013, Bank Indonesia and the Ministry of Agriculture, in cooperation with insurance companies, launched the Cattle Insurance Scheme.⁴⁹⁶ 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.

On 1 August 2013, Indonesia's Agriculture Ministry proposed to allocate USD33.6 million in the 2014 state budget draft to finance a farmer insurance programme expected to start early in 2014.⁴⁹⁷

According to the ministry's financing director, the insurance program provides services to farmers owning less than two hectares of land.⁴⁹⁸ 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 failures due to natural disasters, pests and weeds, infectious crop disease outbreaks and climate change."⁴⁹⁹ Currently, the government allocates a budget of IDR200 billion to farmers who suffer crop failures. Also, to date, the Agriculture Ministry has conducted Rice Farm Insurance trials on 3,000 hectares of land in West Java, East Java and South Sumatra.

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.⁵⁰⁰

However, one significant discordant action must be mentioned: on 1 March 2014, the Indonesian Government announced that agriculture insurance will not be available for the April-September planting season of 2014 because of legislative processes. However, the government confirmed that it will be implemented thereafter.⁵⁰¹

On technologies, 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.⁵⁰² This initiative promotes collaborations amongst scientists and policymakers to address tropical deforestation by developing sustainable land use options.⁵⁰³

⁴⁹⁶ Kementan – BI Cattle Insurance Scheme Launch, Ministry of Agriculture Republic of Indonesia (Jakarta) 4 November 2013. Access Date: 2 April 2014. <http://www.pertanian.go.id/news/detailarsip.php?id=1145>.

⁴⁹⁷ 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-on-farmer-insurance-prog-49762.html](http://www.asianewsnet.net/Indonesia-to-spend-US$33m-on-farmer-insurance-prog-49762.html).

⁴⁹⁸ 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-on-farmer-insurance-prog-49762.html](http://www.asianewsnet.net/Indonesia-to-spend-US$33m-on-farmer-insurance-prog-49762.html).

⁴⁹⁹ Indonesian Law on Protection and Empowerment of Farmers, August 2013. Access Date: 28 February, 2014 <http://usdaIndonesia.org/?p=1949>.

⁵⁰⁰ Farming Insurance, Farmers Protection Alternative, 23 September 2013. Access Date: 19 February, 2014. <http://en.litbang.deptan.go.id/news/one/332/>

⁵⁰¹ Farmers Must Wait; Agriculture Insurance Delayed, March, 6 2014. Access Date: 6 March, 2014 <http://en.tempo.co/read/news/2014/03/06/056559892/Farmers-Must-Wait-Agriculture-Insurance-Delayed>

⁵⁰² Policy Makers And Scientists Team Up to Fight Deforestation in Indonesia 21 Feb, 2014. Access: 1 March, 2014 <http://www.landscapes.org/policy-makers-scientists-team-fight-deforestation-indonesia/#.UxkB5PldWdY>. Indonesia Establishes REDD+ Managing Agency Access Date: 1 March, 2014 <http://climate-l.iisd.org/news/indonesia-establishes-redd-managing-agency/>.

⁵⁰³ Tropical Flagship Initiative, 14 February 2014, Access Date: 17 March, 2014. http://www.iiasa.ac.at/web/home/research/Tropical_Flagship_Initiative1.html.

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.⁵⁰⁴

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.⁵⁰⁵ 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.

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 Organisation on the G20 trade and investment measures, Italy has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁵⁰⁶

Also, no instance of Italy imposing new food export restriction measures during this compliance cycle has been found.⁵⁰⁷

On mitigating food price volatility, 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

⁵⁰⁴ Indonesian Visit: Onion Export Resumed and Major Food Security Programme 22 Nov, 2013. Access Date: 28 Feb, 2014. <http://www.government.nl/news/2013/11/22/indonesian-visit-onion-export-resumed-and-major-food-security-programme.html>.

⁵⁰⁵ Cooperation for Developing Alternative and Post Mining Agriculture Jan 22, 2014 Access Date: 26 Feb, 2014 <http://en.litbang.deptan.go.id/news/one/339/>.

⁵⁰⁶ 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

⁵⁰⁷ 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>

forth by the law include the allocation of EUR120 million to the National Solidarity Fund for agriculture insurance.⁵⁰⁸

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.⁵⁰⁹

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.⁵¹⁰

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 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.⁵¹¹

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.”⁵¹²

On supporting environmental friendly practices, 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.⁵¹³

⁵⁰⁸ 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>

⁵⁰⁹ News: 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>

⁵¹⁰ 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>

⁵¹¹ 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>

⁵¹² Seminar on "Agriculture Commodity"- Tools and Outlook for the Food Markets. Ministry of Agriculture, Food and Forestry (Rome). Access Date: March 6 2014.

<http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/6709>

⁵¹³ Molise: Agriculture and Forestry, Improvement and Development of Infrastructure. Agricoltura Italiana Online, 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.⁵¹⁴

On 13 December 2013, the Italian Council of Ministers gave its final approval to a bill that will conserve soil consumption and reuse edified soil. “It is necessary to have a change of mentality in our country,” Minister of Agriculture Nunzia De Girolamo said.⁵¹⁵

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.⁵¹⁶

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 one of three components: 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 support new or existing risk-management instruments to mitigate excessive food price volatility and it has not implemented legislation or take any action to improve sustainability of its domestic agriculture sector.

Japan has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

⁵¹⁴ News: 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>

⁵¹⁵ Soil consumption, De Girolamo. Stop overbuilding and disrupting the beauty of Italy. Agricoltura Italiana Online, 13 December 2013. Access Date: 29 March 2014. <http://www.aiol.it/contenuti/attualita/consumo-suolo-de-girolamo-stop-cementificazione-e-dissesto-la-bellezza-dell%E2%80%99ital>

⁵¹⁶ 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/

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.⁵¹⁷

No facts of Japan imposing new export restrictions on food related to the purchases by WFP have been found during the compliance period.

Japan has taken first steps to make its agricultural sector more competitive but has failed to support the development of risk-management instruments.

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.⁵¹⁸ 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.⁵¹⁹ 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.⁵²⁰

Government subsidies for farmers who change from rice production to other crops will still be maintained and perhaps expanded.⁵²¹

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 nations, to exchange research and technology for sustainable agricultural development.⁵²² However, Japan has not implemented legislations or taken any actions 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 cooperation and Department of Agriculture conducted an international workshop on “Small scale oil palm farmers in Southeast Asia — Partnership for sustainable production.”⁵²³ The objective of the workshop was to learn and discuss the experiences of

⁵¹⁷ 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

⁵¹⁸ 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>

⁵¹⁹ 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>

⁵²⁰ 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>

⁵²¹ 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>

⁵²² Boosting Sustainable Agricultural Growth for Inclusive and Dynamic Development in Africa. Japan International Cooperation Agency. 26 September 2013. Accessed 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. Accessed 16 April 2014. <http://www.antaraneews.com/en/news/92322/japan-proposes-agricultural-cooperation-with-asean-universities>

⁵²³ JIRCAS International Workshop “Small scale oil palm farmers in Southeast Asia – Partnerships for sustainable production”. Japan International Research Centre for Agriculture Sciences (Krabi) 11 February 2014. Access Date: 27 April 2014. <https://www.jircas.affrc.go.jp/english/event/s20140211e.html>.

supporting programs for small-scale oil palm producers in Indonesia and Thailand.⁵²⁴ 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.⁵²⁵

On 22 January 2014, the Japanese Ministry of Agriculture, Forestry and Fisheries proposed agricultural-food related cooperation through universities in the Southeast Asian countries.⁵²⁶ According to Takako Ito, Japanese Minister-Counsellor 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 program.⁵²⁷

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."⁵²⁸ 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.⁵²⁹

Thus, Japan been awarded a score of 0.

Analyst: Taylor Grott

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.

On food export restrictions, Korea has refrained from imposing export restrictions for food purchased for non-commercial purposes by the WFP.

⁵²⁴ JIRCAS International Workshop "Small scale oil palm farmers in Southeast Asia – Partnerships for sustainable production". Japan International Research Centre for Agriculture Sciences (Krabi) 11 February 2014. Access Date: 27 April 2014. <https://www.jircas.affrc.go.jp/english/event/s20140211e.html>.

⁵²⁵ JIRCAS International Workshop "Small scale oil palm farmers in Southeast Asia – Partnerships for sustainable production". Japan International Research Centre for Agriculture Sciences (Krabi) 11 February 2014. Access Date: 27 April 2014. <https://www.jircas.affrc.go.jp/english/event/s20140211e.html>.

⁵²⁶ 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>.

⁵²⁷ 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>.

⁵²⁸ 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>.

⁵²⁹ 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>.

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.⁵³⁰

No instance of Korea imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

On food price volatility, 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 increase its access through, for example, mobile apps and support incentives for farms to induce autonomous adjustment of supply and demand.⁵³¹

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.

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.”⁵³²

On agricultural technologies, 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

⁵³⁰ 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

⁵³¹ 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

⁵³² 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

plans for livestock reinforcement in preparation for Free Trade Agreements with three Commonwealth countries.⁵³³

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, 000 per 1 tCO₂ reduced by a farmer during the pilot project period (2012-2014).⁵³⁴

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 draught regions, the renovation of irrigation facilities, and the provision of 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.⁵³⁵

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 Guptan

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 development and implementation of agricultural technologies, well-known practices and techniques that produce minimal harm to the environment.

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.

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.⁵³⁶

Also, no instance of Mexico imposing new export restrictions on food related to the purchases by WFP has been found during the compliance period.

⁵³³ MAFRA pushes ahead with Three Strategic Objectives and Nine Policy Projects. Ministry of Agriculture Food and Rural Affairs (Seoul), 3 March 2014. Access Date 1April 2014.

<http://www.noodles.com/view/716B7EF3D59AC55191059A61370E50F42EACE757?61.25xxx1393881564>

⁵³⁴ 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

⁵³⁵ 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 1April 2014.

http://www.maf.go.kr/eng/list.jsp?group_id=1177&menu_id=1177&link_menu_id=1188&division=H

⁵³⁶ 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

On food price volatility, 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 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.⁵³⁷

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.⁵³⁸

On sustainable agriculture, 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.⁵³⁹

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 environment mainly in marginalized areas. However, no concrete indication was found about how the Ministry intends to foster sustainable agriculture in these areas.⁵⁴⁰

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.⁵⁴¹ Furthermore, the Ministry stated that CONAZA (National Commission for Arid Zones) will receive MXN2.5 billion in funding in 2014 to promote programs and methods of sustainable soil and water use in arid zones.⁵⁴²

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

⁵³⁷ 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.

⁵³⁸ 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.

⁵³⁹ Sustainable Modernization of Traditional Agriculture, MasAgro. MasAgro. Access Date: 10 March 2014.
<http://masagro.mx/index.php/en/questions-and-answers>.

⁵⁴⁰ 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.
<http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2014B118.aspx>.

⁵⁴¹ 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>.

⁵⁴² 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>.

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.⁵⁴³

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.⁵⁴⁴

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.⁵⁴⁵

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 Sustainable Use of Soil and Water Program, which received over MXN5 million in funding, had exceeded the goals set for 2013.⁵⁴⁶

On 16 November 2013, Francisco Jose Gurria, the General Coordinator of Livestock with SAGARPA, announced that the Secretariat would increase support for the implementation of holistic management methods, as a solution to desertification and food insecurity through soil regeneration, by strengthening the cooperation between the farmers and Produce Foundations, and work closer with the Savory Institute and the Sierra Gorda Ecological Group would to promote more sustainable practices. He also reiterated that the Savory Institute would provide experts from SAGARPA with a special training in holistic management methods.⁵⁴⁷

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

⁵⁴³ 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>.

⁵⁴⁴ 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>.

⁵⁴⁵ 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.

⁵⁴⁶ 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>.

⁵⁴⁷ 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>.

summit put emphasis on issues such as climate change, the degradation of natural resources and rising fluctuations on agricultural markets.⁵⁴⁸

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 insurance costs for agricultural producers.⁵⁴⁹ In 2013 Russia assisted in providing insurance to 4,661 agricultural producers.⁵⁵⁰ According to the report on the implementation of the State Program, in 2013 the government spent RUB4.397 billion on agricultural insurance reimbursements to the producers.⁵⁵¹

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.⁵⁵²

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

⁵⁴⁸ 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>

⁵⁴⁹ 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>.

⁵⁵⁰ “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.

⁵⁵¹ 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.

⁵⁵² 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>.

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.

Saudi Arabia 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, Saudi Arabia has not imposed any restrictions on humanitarian food exports before the St. Petersburg Summit.⁵⁵³

No facts of Saudi Arabia imposing new export restrictions on food related to the purchases by WFP have been found during the compliance period.

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.

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.⁵⁵⁴ The IDB wants to assist the initiative by safeguarding the investments and minimizing the risks that these investments may face.⁵⁵⁵

On 29 December 2013, Agriculture Minister Fahd Balghunaim inaugurated a portal for the King Abdullah Initiative for Agricultural Investment Abroad.⁵⁵⁶ 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.⁵⁵⁷ The website services will include; providing investment forms that can be filled out online, provide investors with essential information about the investment atmosphere and rules and regulations in the countries where investments are planned, provide a list of basic agricultural products to be cultivated in each country as part of the food security program.⁵⁵⁸ The website is expected to activate the investment initiative abroad to ensure national, regional, and global food security.⁵⁵⁹

⁵⁵³ 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

⁵⁵⁴ Overseas farm project to be insured. Arab News (Riyadh) 30 December 2013. Access Date: 21 April 2014.

<http://www.arabnews.com/news/500671>.

⁵⁵⁵ Overseas farm project to be insured. Arab News (Riyadh) 30 December 2013. Access Date: 21 April 2014.

<http://www.arabnews.com/news/500671>.

⁵⁵⁶ Portal to facilitate investments in agriculture abroad. Arab News (Riyadh), 28 December 2013. Access Date: 21 April 2014. <http://www.arabnews.com/news/499701>.

⁵⁵⁷ Portal to facilitate investments in agriculture abroad. Arab News (Riyadh), 28 December 2013. Access Date: 21 April 2014. <http://www.arabnews.com/news/499701>.

⁵⁵⁸ Portal to facilitate investments in agriculture abroad. Arab News (Riyadh), 28 December 2013. Access Date: 21 April 2014. <http://www.arabnews.com/news/499701>.

⁵⁵⁹ Portal to facilitate investments in agriculture abroad. Arab News (Riyadh), 28 December 2013. Access Date: 21 April 2014. <http://www.arabnews.com/news/499701>.

On 8 to 10 December 2013, Saudi Arabia hosted the Saudi Food Forum.⁵⁶⁰ 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.⁵⁶¹ 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.⁵⁶²

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.⁵⁶³ The investments in these countries aim to produce basic and strategic commodities for food security for both the Kingdom and the target countries.⁵⁶⁴ 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.⁵⁶⁵

Saudi Arabia has failed to comply with its commitment to developing environmentally sustainable agricultural methods.

During the week of 7 April 2014, Saudi Arabia and Food and Agriculture Organization (FAO) representatives made a speech highlight the 60-year collaboration during the opening ceremony of Saudi Arabia's 60th Agriculture Week.⁵⁶⁶ The collaboration between the two parties has proven to be a huge success.⁵⁶⁷ 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.⁵⁶⁸ The current agreement mainly focuses on raising the efficiency of crop productions in the Kingdom while at the same time reducing water consumption.⁵⁶⁹ Saudi Arabia will reduce water consumption by 5.5 billion cubic metres by 2030.⁵⁷⁰

⁵⁶⁰ Industry Leaders To Converge At Foodex For The Saudi Food Forum. Middle East Events (Jeddah) 12 November 2013. Access Date: 21 April 2014. http://www.middleeastevents.com/site/pres_dtls.asp?pid=18924.

⁵⁶¹ Industry Leaders To Converge At Foodex For The Saudi Food Forum. Middle East Events (Jeddah) 12 November 2013. Access Date: 21 April 2014. http://www.middleeastevents.com/site/pres_dtls.asp?pid=18924.

⁵⁶² Industry Leaders To Converge At Foodex For The Saudi Food Forum. Middle East Events (Jeddah) 12 November 2013. Access Date: 21 April 2014. http://www.middleeastevents.com/site/pres_dtls.asp?pid=18924.

⁵⁶³ 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>.

⁵⁶⁴ 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>.

⁵⁶⁵ 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>.

⁵⁶⁶ 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>.

⁵⁶⁷ 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>.

⁵⁶⁸ 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>.

⁵⁶⁹ 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>.

During 24 to 20 November 2013, the National Centre for Locust Control and Research at the Ministry of Agriculture of the Kingdom of Saudi Arabia in cooperation with the FAO Commission for Controlling Desert Locusts in the Central Region will host the fourth Regional Training Course on Aerial Desert Locust Survey and Control Operations in Jeddah.⁵⁷¹ The training session will provide information on the general locust situation and strengthen control capacity. Desert locust biology, behavior and distribution, information collection and reporting are some of the topics covered by the training. The desert locust is a serious menace to agriculture production in the regional and wipe hundreds of miles worth of crops, creating starvation conditions in regions that are already vulnerable to food security.

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.⁵⁷² 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."

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.⁵⁷³ 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.

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, 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 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.

Saudi Arabia has thus been awarded a score of 0.

Analyst: Antonia Tsapralis

South Africa: 0

South Africa has partially complied with its food and agriculture commitment.

⁵⁷⁰ 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>.

⁵⁷¹ Saudi Arabia hosts the FAO Regional training course on Aerial Control of Desert Locust for CRC member countries. RNE Communications (Jeddah) 18 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=2406995>.

⁵⁷² Pioneering Saudi farm techniques bear fruit, Arab News (Riyadh) 23 September 2013. Access Date: 10 May 2014.

<http://www.arabnews.com/news/465523>.

⁵⁷³ 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>.

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 third 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.

On food export restrictions, South Africa has fully complied with the commitment on restraining from imposing food export restrictions that would affect the WFP.

According to 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.⁵⁷⁴

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 African 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 Lesotho in December 2013.⁵⁷⁵

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 and address the structural causes of food insecurity.⁵⁷⁶ However, this program does not include the development or implementation of risk management mechanisms in targeting the volatility of food price.⁵⁷⁷

South Africa has fully complied with the commitment 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

⁵⁷⁴ 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

⁵⁷⁵ 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>.

⁵⁷⁶ 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: 23 February 2014.
<http://www.gov.za/speeches/view.php?sid=40902>.

Speaking Notes for the Honourable Minister of Agriculture Forestry and Fisheries, MS Tina Joemat-Patterson on the Occasion of the AFASA Conference "Implementation Strategies or Acceleration of the Agriculture Sector's Economic Transformation Agenda" (Pretoria), 22 October 2013. Access Date: 15 March 2014.
<http://www.daff.gov.za/docs/media/afasa%20conference.pdf>.

⁵⁷⁷ 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: 23 February 2014.
<http://www.gov.za/speeches/view.php?sid=40902>.

measures, with technical assistance and primarily funding from the Netherlands.⁵⁷⁸ Projects with the Netherlands in South Africa will generate about EUR180 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 till 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.

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.

It thus registers partial compliance with this commitment and the associated score of 0.

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 2013.⁵⁷⁹

Turkey has only supported a new drought risk-management system and has failed to decrease food price volatility.

In 2012, the Ministry of Food Agriculture and Livestock renewed the Strategic Action Plan to Combat with Drought, which came into effect in 2013 until 2017.⁵⁸⁰ This action plan created: Crisis Centres for Drought at the provincial level; mechanisms for early warning, prevention, monitoring and risk assessment; an Agricultural Drought Test Centre; and strengthened national legislation to respond to drought situations in Turkey.

⁵⁷⁸ 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, 21 November 2013. Access Date: 14 March 2014. <http://www.dwaf.gov.za/Communications/MinisterSpeeches/2013/Ministers%20Dutch%20Signing%20Ceremony%20speech%20in%20Poland.pdf>. Integrated Water Management. Access Date: 2 March, 2014. <http://southafrica.nlembassy.org/key-topics/water-management>.

⁵⁷⁹ Summary and Status of G20 Trade and Trade-Related Measures since October 2008. World Trade Organization (Geneva) 18 December 2013. Access Date: 19 April 2014. http://www.wto.org/english/news_e/news13_e/trdev_18dec13_e.htm.

⁵⁸⁰ 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.

In February 2014, Turkish farmers called for increase drought insurance for the upcoming year.⁵⁸¹ On 10 April 2014, representatives from Turkey participated in the Roundtable Discussion on Agricultural Insurance.⁵⁸² This roundtable was held in Slovenia with the aim of exploring new possibilities, future challenges and best-practice information in the agricultural insurance sector.

While the Government of Turkey continues to support its national agricultural insurance provider — Tarsim agricultural pool — and renewed its Strategic Action Plan to Combat with Drought, 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:

During March 2013, according to new figures from the Turkish Statistical Institute, inflation rose above expectations due to a steep increase in food prices fuelled by drought.⁵⁸³ 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.

In February 2013, the price per kilogram of potatoes was just over TL1. In February 2014, the price had increased to TL3-4 per kilogram.⁵⁸⁴ 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 2014.⁵⁸⁵ 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.

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.”⁵⁸⁶ Thus, the government of Turkey has not taken adequate steps to decrease its national food price volatility for the period in question.

(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.

⁵⁸¹ 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-in-turkey-pressure-for-drought-insurances.aspx?PageID=238&NID=62683&NewsCatID=344>.

⁵⁸² 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>.

⁵⁸³ Turkish inflation at eight-month high due to high food prices, The Hurriyet Daily News (Istanbul) 3 April 2013. Access Date 8 May 2014. <http://www.hurriyetdailynews.com/turkish-inflation-at-eight-month-high-due-to-high-food-prices-.aspx?pageID=238&nID=64499&NewsCatID=344>.

⁵⁸⁴ 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-adds-political-pressure-in-turkey.aspx?pageID=238&nID=62080&NewsCatID=344>

⁵⁸⁵ Consumer Price Index, Turkish Statistical Institute (Ankara) 2014. Access Date: 20 April 2014. <http://www.turkstat.gov.tr/UstMenu.do?metod=temelist>.

⁵⁸⁶ 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>

On 18-22 November 2013, the European Commission conducted an on-site inspection of Turkish imports and exports of organic products in Izmir.⁵⁸⁷ 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 share of organic agriculture from its current 1.9 per cent to 3 per cent by 2016 and 5 per cent by 2023.⁵⁸⁸

Between September and April, no new companies were authorized for Good Agricultural Practices (GAP) certification and the certification period for many existing companies expired without immediate renewal prospects.⁵⁸⁹ 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 2017.⁵⁹⁰ 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. It has fully complied with its commitment to remove food export restrictions, however only partially complied with its comment to implement risk management systems and implement sustainable agricultural practices. Thus, Turkey has been awarded a score of 0 for its partial compliance.

Analyst: Aurora Hudson

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.

⁵⁸⁷ 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.

⁵⁸⁸ Agriculture Policy Monitoring and Evaluation 2013 OECD Countries and Emerging Economies, Organization for Economic Co-operation and Development 2013. Access Date: 18 April 2014. file:///C:/Users/Aurora/Downloads/5113021e.pdf

⁵⁸⁹ Companies Authorized for GAP Certification, Republic of Turkey Ministry of Food, Agriculture and Livestock (Ankara) 2014. Access Date: 16 April 2014. <http://www.tarim.gov.tr/Sayfalar/EN/Icerikler.aspx?EtiketId=f4c3a43f-d8c9-43a7-a5ec-ef075bb2de25&IcerikId=b055fe71-9a7f-4a85-877d-3c0096025119>.

⁵⁹⁰ 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.

On food export restrictions, no new restrictions or extraordinary taxes on food purchased for the WFP by the UK were found. In accordance with the 2012 G8 Camp David Accountability Report, the UK is one of the countries that have never introduced trade restrictions or taxes for humanitarian efforts.⁵⁹¹

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.⁵⁹² 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.

On 13 November 2013, Eustice discussed a range of measures taken to assist farmers in increasing their resilience to adverse weather in order to protect their crops and livestock.⁵⁹³ 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.

On environmentally friendly agricultural practices, on 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 reimbursed for increasing biodiversity, helping wildlife and improving water quality. This environmental management scheme will be implemented in 2016.⁵⁹⁴

On 2 December 2013, the Government of the United Kingdom accepted all recommendations outlined by the Bystander Risk Assessment Working Group regarding pesticide use.⁵⁹⁵ The UK government will work with European Union members to implement the recommendations for safer pesticide use in agricultural use among the others listed.

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.⁵⁹⁶ 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.

⁵⁹¹ 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>.

⁵⁹² 10 million Farming Flood Recovery Fund to Open on Friday. Government of the United Kingdom (England) 25 Feb 2014. Access Date: 9 March 2014. <https://www.gov.uk/government/news/10-million-farming-flood-recovery-fund-to-open-on-friday>.

⁵⁹³ Support for farmers to boost their resilience to severe weather. Department for Environment, Food & Rural Affairs. (United Kingdom) 13 November 2013. Access Date: 26 March 2014. <https://www.gov.uk/government/news/support-for-farmers-to-boost-their-resilience-to-severe-weather>.

⁵⁹⁴ “New environmental scheme for farmers to prioritise biodiversity” Department for Environment, Food and Rural Affairs. 26 Feb 2014. Access Date: 28 Feb 2014. <https://www.gov.uk/government/news/new-environmental-scheme-for-farmers-to-prioritise-biodiversity>.

⁵⁹⁵ “BRAWG report (risk assessment to pesticide exposure) – government response” Department for Environment, Food and Rural Affairs. 2 Dec 2013. Access Date: 28 Feb 2014. <https://www.gov.uk/government/publications/brawg-report-risk-assessment-to-pesticide-exposure-government-response>.

⁵⁹⁶ Loan Fund to turn farm waste to energy. Department for Environment, Food & Rural Affairs. (United Kingdom) 11 October 2013. Access Date 26 March 2014. <https://www.gov.uk/government/news/loan-fund-to-turn-farm-waste-to-energy>.

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.⁵⁹⁷ 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.

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. It will also include training courses on planting commercial forests, management of production systems and rehabilitation of degraded areas.⁵⁹⁸

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.⁵⁹⁹

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 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.

The US has fully complied with its commitment to remove food export restrictions and extraordinary taxes on food purchased for the WFP.

⁵⁹⁷ 186 million pound boost for technologies of the future. Department for Environment, Food & Rural Affairs. (United Kingdom) 10 October 2013. Access Date: 26 March 2014. <https://www.gov.uk/government/news/186-million-boost-for-technologies-of-the-future>.

⁵⁹⁸ Press Release: Caio Rocha Launches Program for Sustainable Agriculture in RS. Ministry of Agriculture (Brasilia), 1 November 2013. Access Date: 7 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/11/caio-rocha-lanca-programa-de-agricultura-sustentavel-no-rs>

⁵⁹⁹ Press release: Authority of the United Kingdom Highlights Partnership with Brazil. Ministry of Agriculture (Brasilia), 2 October 2013. Access Date: 7 March 2014. <http://www.agricultura.gov.br/comunicacao/noticias/2013/10/autoridade-do-reino-unido-destaca-parceria-com-o-brasil>

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.⁶⁰⁰

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.

On food price volatility, on 11 March 2014, the United States Department of Agriculture released the Agriculture Act of 2014 which includes new Crop Insurance provision.⁶⁰¹ The new and continuing crop insurance products will protect producers against losses resulting from price and yield risks.

On 14 February 2014, the White House issued a press release announcing its response to the drought in California. The press release stated the government would invest USD100 million in livestock disaster assistance to mitigate the effects of the drought on California producers.⁶⁰² The press release also announced plans to provide emergency agriculture loans to farmers.

On environmentally friendly agricultural practices, 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 water challenges.⁶⁰³ 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 American Department of Agriculture (USDA) began accepting applications for competitive grants to develop and accelerate conservation approaches and technologies on private agriculture and forest lands.⁶⁰⁴ 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

⁶⁰⁰ 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

⁶⁰¹ Agriculture Act of 2014: Highlights and Implications, Crop Insurance. United States Department of Agriculture. (Washington) 11 March 2014. Access Date: 26 March 2014. <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications/crop-insurance.aspx#.UzMp5a1dXHR>.

⁶⁰² FACT SHEET: President Obama Leading Administration-wide Drought Response. The White House. (Washington) 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>.

⁶⁰³ 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. United States Department of Agriculture (Washington) 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.

⁶⁰⁴ Grant Program Links Public, Private Groups to Improve the Environment and Preserve Resources. United States Department of Agriculture. (Washington) 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.

organic livestock and crop produces.⁶⁰⁵ 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, Vilsack released the first USDA report on the advancement of agroforestry.⁶⁰⁶ 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.”

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+.

Analyst: 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 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.

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 licences and advance fixing certificates for agricultural products.⁶⁰⁷ Members are authorized not to require an export licence 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.

⁶⁰⁵ USDA Grants Support Organic Agriculture Research. United States Department of Agriculture. (Washington) 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.

⁶⁰⁶ “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>.

⁶⁰⁷ 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>

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.⁶⁰⁸

On excessive food price volatility, on 1 January 2014, the CAP reform package for 2014-2020 has entered into force.⁶⁰⁹ 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.⁶¹⁰ 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.⁶¹¹ 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.

The CAP allows for a fairer distribution of funds between members.⁶¹² 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.⁶¹³

The package offers more responsive safety measures and it increases the European Union's capacity to manage risk and crisis.⁶¹⁴ 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. The new CAP maintains the pillars of its previous version while increasing the links between them through better targeted payments, an enhanced safety net and more efficient policy instruments. A total amount of EUR362 billion has been allocated out 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 additional support for areas of natural constraints.

The EU was successful in developing and implementing agricultural technologies, well-known practices and techniques that produce minimal harm to the environment. The CAP package will increase the sustainability of crops and rural areas overall by providing targeted support for farmers and for areas that are disadvantaged. The current aim is to increase the forested areas in Europe by 10 per cent. The effects of this growth will directly impact the sustainability of crops by mitigating the adverse effects of climate change.⁶¹⁵

⁶⁰⁸ 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

⁶⁰⁹ 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

⁶¹⁰ 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

⁶¹¹ The Common Agricultural Policy after 2013, European Commission, December 2013 (Brussels). Date Accessed 5 March 2014 <http://ec.europa.eu/agriculture/cap-post-2013/>

⁶¹² 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

⁶¹³ 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

⁶¹⁴ The Common Agricultural Policy after 2013, European Commission, December 2013 (Brussels). Date Accessed 5 March 2014 <http://ec.europa.eu/agriculture/cap-post-2013/>

⁶¹⁵ 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

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.⁶¹⁶

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

⁶¹⁶ 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>

6. Climate Change

“We support the operationalization of the Green Climate Fund (GCF).”

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	-1		
Russia	-1		
Saudi Arabia	-1		
South Africa		0	
Turkey	-1		
United Kingdom		0	
United States		0	
European Union		0	
Average		-0.20	

Background

The G20 first addressed the issue of climate change at its inaugural summit in Washington DC in 2008.⁶¹⁷ 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].”⁶¹⁸ 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).⁶¹⁹

⁶¹⁷ 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.g8.utoronto.ca/g20/2008/2008declaration1115.html>.

⁶¹⁸ 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>.

⁶¹⁹ Global Plan for Recovery and Reform, 2009 London Summit, G20 Information Centre (Toronto) 2 April 2009. Access Date: 7 December 2012. <http://www.g8.utoronto.ca/g20/2009/2009communique0402.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.”⁶²⁰ 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.⁶²¹

During the 16th COP, from 20 November to 10 December 2010, in Cancun, Mexico, the Parties decided to establish the Green Climate Fund (GCF) — decision 1/CP.16.⁶²² The GCF was established as an operating entity of the financial mechanism under Article 11. The objective of the GCF is to “support projects, programmes, policies and other activities in developing country Parties.”⁶²³ The GCF is governed by the GCF board; however, its assets will be administered by a trustee only for the purposes of, and in accordance with, the relevant decisions of the 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.⁶²⁴ Furthermore, 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.

During the 17th COP 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.⁶²⁵ Upon adopting the governing instrument of the GCF under decision 3/CP.17, the GCF was launched.⁶²⁶ The GCF’s board estimates that it will begin operations in September 2014.⁶²⁷

Commitment Features

This commitment requires G20 members to support the operationalization of the GCF.

For G20 members (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 role in

⁶²⁰ 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.

⁶²¹ 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>.

⁶²² Background, Green Climate Fund (Incheon City) 2014 Access Date: 18 February 2014. <http://gcfund.net/about-the-fund/background.html>.

⁶²³ 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.

⁶²⁴ 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.

⁶²⁵ 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.

⁶²⁶ Background, Green Climate Fund (Incheon City) 2014 Access Date: 18 February 2014. <http://gcfund.net/about-the-fund/background.html>.

⁶²⁷ 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.

channeling new, additional, adequate and predictable financial resources to developing countries to act on climate change” once the resource mobilization phase begins.⁶²⁸

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 GCF to receive, manage and disburse fund.”⁶²⁹ 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.⁶³⁰

According to the GCF’s governing instruments, 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.”⁶³¹

Therefore in order to receive full compliance, G20 members 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.⁶³²

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, amongst a larger number of Latin American organizations, enjoined the Green Climate Fund to adopt the most robust environmental and social protections. These Argentina-registered nongovernmental

⁶²⁸ 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.

⁶²⁹ 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.

⁶³⁰ 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.

⁶³¹ 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>

⁶³² 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>

organizations include Eco Sitio; M´Biguá, Ciudadanía y Justicia Ambiental, Entre Ríos; FUNAM, Fundación para la defensa del ambiente; and Taller Ecologista.⁶³³

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.⁶³⁴

Having more direct bearing to this report, these organizations are opposed to the use of international financial intermediaries 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.⁶³⁵

They demanded that the GCF develops principles, criteria and a clear system and indices 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. They finally 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.⁶³⁶

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.⁶³⁷

The document also stated Australia had reservations about the language of Paragraph 21 of the Communique, which states: “Heads recognised the importance attached to both the operationalization

⁶³³ 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>

⁶³⁴ 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>

⁶³⁵ 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>

⁶³⁶ 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>

⁶³⁷ CHOGM 2013 Communique, Commonwealth Heads of Government Meeting (Colombo) 15-17 November 2013. Date Accessed: March 6 2014. http://thecommonwealth.org/sites/default/files/events/documents/CHOGM%202013%20Communique_0.pdf

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.”⁶³⁸

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.”⁶³⁹

Thus, Australia is awarded a score of -1.

Analyst: Tracy Wang

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.

Despite the Brazilian government implementing new green energy schemes as well as scaling up existing initiatives which ought to be considered ideal recipients of the GCF’s targeted investment, the Brazilian Government has however not made any specific financial pledge to the CGF. While the Brazilian has laid out a highly conducive ground to investment by the fund, it has not made any specific financial pledge to it.

A International Energy Agency (IEA) report released in December 2013 featured Brazil as a world leader in renewable energy.⁶⁴⁰ 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.⁶⁴¹

By far, the biggest 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 kilometres of Atlantic coastline and its northeast coast having some of the strongest and most consistent winds in the world, Brazil only currently reaches one gigawatt 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 the EPE — El Paso

⁶³⁸ CHOGM 2013 Communique, Commonwealth Heads of Government Meeting (Colombo) 15-17 November 2013. Date Accessed: March 6 2014.

http://thecommonwealth.org/sites/default/files/events/documents/CHOGM%202013%20Communique_0.pdf

⁶³⁹ Cabinet rethinks Australia’s backing of global Green Climate Fund, The Guardian UK edition (London) 8 November 2013. Date Accessed: 6 March 2014. <http://www.theguardian.com/environment/2013/nov/08/australian-ministers-rethink-green-climate-fund-commitment>

⁶⁴⁰ “IEA Executive Director Launches WEO Special Focus on Brazil,” International Energy Agency, 13 December 2013. <http://www.iea.org/newsroomandevents/agencyannouncements/ieaexecutivedirectorlaunchesweospecialfocusonbrazil.html>. Date Accessed: 23 June 2013.

⁶⁴¹ “Despite Reforms, Brazil and Mexico Lack Energy Investment,” Evan Abrams, Financial Post. 4 December 2013. http://business.financialpost.com/2013/12/04/despite-reforms-brazil-and-mexico-lack-energy-investment/?__lsa=1389-82c9. Date Accessed: 23 June 2014.

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.”⁶⁴²

Although the Brazilian government has laid out a highly conducive ground to green investment by the Fund, especially in the wind energy sector, it has not made any specific financial pledge to the Green Climate Fund.

Thus, Brazil is awarded a score of -1.

Analyst: Ujwal Ganguly

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.

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.⁶⁴³

What is more, 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 who are victims of climate change.

However, Canada has taken climate change action outside the purview of the Green Climate Fund. In the May 2013 Fast-Start Financing Commitment Report, the Canadian Government has explicitly declared its continued commitment to provide financial aid towards climate change to developing countries through CAD100 billion joint funding by 2020 to developing countries in areas such as mitigation, transparency and implementation, in this regard.⁶⁴⁴

While Canada has taken action outside the purview of the GCF, it has failed to uphold its commitment to the fund, explicitly declaring that it could not support it 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.

As of 13 April 2014, no concrete financial pledge to the GCF has been made by the government of China.

⁶⁴² Yapp, Robin. Renewable Energy World. 28 September 2011. <http://www.renewableenergyworld.com/rea/news/article/2011/09/brazil-sets-the-pace-in-clean-energy?page=2>. 7 March 2014

⁶⁴³ CHOGM 2013 Communiqué, Commonwealth Heads of Government Meeting (Colombo) 15-17 November 2013. Date Accessed: March 6 2014.

http://thecommonwealth.org/sites/default/files/events/documents/CHOGM%202013%20Communique_0.pdf

⁶⁴⁴ Canada’s Fast Start Financing, Government of Canada (Ottawa) May 2013. Access Date: 04 March 2014.

http://unfccc.int/files/cooperation_support/financial_mechanism/fast_start_finance/application/pdf/1190_canada_fast-start_financing_e.pdf

Thus, China is awarded a score of -1.

Analyst: Phil Hui Chen

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.

On 14 February 2014, the Green Climate Fund Meeting of the board released a financial report prepared by the World Bank, which is the interim trustee of the board. The report states that as of 31 December 2013 France has contributed EUR250,000 of its total financial pledge to the GCF.⁶⁴⁵

France has shown its support through capital contribution to the initial mobilization phase of the GCF.

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. Specifically, Germany has thus far made the largest pledge and contribution to the Green Climate Fund.⁶⁴⁶

On 20 January 2014, the German Ministry of Environment announced the amount of EUR30 million to be made available through the GCF for developing countries that require start-up funds for “project standards.”⁶⁴⁷ Furthermore, German Minister of Environment Hendricks reiterated Germany’s support for the initial mobilization stage of the GCF by formally declaring that “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.”⁶⁴⁸

On 2 and 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, Korea.⁶⁴⁹ 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

⁶⁴⁵ 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>

⁶⁴⁶ 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

⁶⁴⁷ 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

⁶⁴⁸ 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

⁶⁴⁹ 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>

financial management.”⁶⁵⁰The director also emphasized the need to “create an enabling environment for the private sector, including through changes in government policies and incentives,” in line with the requirements of the initial mobilization phase. Germany co-financed the Global Forum.⁶⁵¹

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.⁶⁵²

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.

As of 13 April 2014, India made no concrete financial pledges to the GCF. 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.

Not only has the Government of Indonesia pledged and mobilized funds for the operationalization of the GCF, it has also laid solid foundations for future investments in the Indonesian renewable energy sector.

Indonesia has pledged USD250,000 to the GCF. With this pledge, Indonesia became second emerging country to contribute money to the Fund after Korea pledged USD40 million in 2013.⁶⁵³

Rising coal and oil prices and the commitment to green technology are driving the government’s national energy policy to increase the use of natural gas and renewable energy recourses. With 55 per cent of new production slated toward renewable power generation, total private sector investments by Independent Power Producers are expected to reach USD11.11 billion by the end of 2014.

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

⁶⁵⁰ 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>

⁶⁵¹ 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>

⁶⁵² 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

⁶⁵³ Yeo, Sophie. RTCC - Responding to Climate Change. 20 February 2014. <http://www.rtcc.org/2014/02/20/indonesia-pledges-250000-to-green-climate-fund/>. 9 March 2014.

from renewable energy by 2025.⁶⁵⁴ Specifically, the Investment Plan proposes CTF financing for two areas: the scale-up of large-scale geothermal power, and 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.⁶⁵⁵

The government of Indonesia is committed to mitigating climate change and has announced that the country will reduce greenhouse gas emissions by 26 per cent by 2020, predominantly with the use of renewable energy.⁶⁵⁶

The Government of Indonesia has fully complied with this commitment as per its pledge and mobilization of funds for the operationalization of the GCF, 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

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.

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.⁶⁵⁷

Thus, Italy is awarded a score of +1.

Analyst: Phil 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.

As of 31 December 2013, Japan has pledged and contributed USD500,000 to the GCF.⁶⁵⁸

On 16 November 2013, Japan welcomed and encouraged “significant progress towards the operationalization of the Green Climate Fund.”⁶⁵⁹ Japan reassured stakeholders by formally encouraging

⁶⁵⁴ Pamerindo Indonesia. n.d. <http://www.pamerindo.com/events/4>. 9 March 2014.

⁶⁵⁵ 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/>

⁶⁵⁶ Climate Investment Funds - World Bank Group (US). 2014. <https://www.climateinvestmentfunds.org/cif/node/3344>. 9 March 2014.

⁶⁵⁷ Green Climate Fund to ring-fence 25% of cash for ‘vulnerable,’ Responding to Climate Change (London) 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/>

⁶⁵⁸ Green Climate Fund Trust Fund Report – Status as at 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

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.”⁶⁶⁰

On 23 November 2013 at the United Nations Conference of the Parties (COP) in Warsaw, a 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 ... meanwhile, the Green Climate Fund Board is to commence its initial resource mobilization process as soon as possible.”⁶⁶¹

At the same conference, Japan pledged USD16 million to the GCF “to help developing countries reduce emissions over the next three years,” once the fund becomes operational.⁶⁶² The Ministry of Foreign Affairs stated: “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 scaling up climate finance, and an agreement on arrangements between COP and the Green Climate Fund.”⁶⁶³

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.

On 10 September 2013, Korean vice president of strategy and finance Kyung-Ho Choo pledged to contribute USD40 million to the GCF at a United Nation long term finance event in Icheon.⁶⁶⁴

Thus, Korea is awarded a score of +1.

Analyst: Phil Hui Chen

⁶⁵⁹ 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

⁶⁶⁰ 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

⁶⁶¹ 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/>

⁶⁶² Climate Change Negotiations in Warsaw Result in a Timeline for Agreement in 2015 (Warsaw) 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>

⁶⁶³ 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) 23 November 2013. Dates of Access: 10 March 2014. http://www.mofa.go.jp/policy/page3e_000130.html

⁶⁶⁴ 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>

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.

However, 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 fourth 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.⁶⁶⁵

On 3 October 2013, Mexico-registered and based non-governmental organizations (NGOs), 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.

What is more, the Mexico-registered and based NGOs requested that financial intermediaries uphold financial integrity and anti-corruption, the conclusion of public consultations, full documented, free, prior, and informed consent, and grievance mechanisms, non-discrimination and inclusion, equity, transparency, compliance with international law and upward harmonization with the highest national and international standards.⁶⁶⁶

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.

Thus, Mexico is awarded a score of -1.

Analyst: Alicia Robinson

Russia: -1

Russia has failed to comply with its commitment on climate change.

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,

⁶⁶⁵ 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

⁶⁶⁶ 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>

adapting agriculture to changing climate, resolving cross-border environment issues, including through knowledge and experience sharing with the countries in distress.⁶⁶⁷

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.

However, Saudi Arabia has laid down the ground for future CGF investments. The Government of 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 targets to install 23.9 gigawatts of renewable power capacity by 2020 and then 54.1 gigawatts by 2032.⁶⁶⁸

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, although it has not made a specific financial pledge.

South Africa has pledged support for the GCF in principle.

Financial contribution statistics from the sixth board meeting of the GCF indicate that South Africa has not pledged nor contributed any financial support for GCF Trust Fund as of 31 December 2013.⁶⁶⁹

⁶⁶⁷ 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>.

⁶⁶⁸ International Business Times - Australia. July 4, 2013. http://au.ibtimes.com/articles/486391/20130704/saudi-arabia-renewable-energy-solar-power.htm#UxwC_YUvmta (accessed March 7, 2014)

⁶⁶⁹ Green Climate Fund Trust Fund Report – Status as at 31 December 2013 (Bali) 14 February 2014. Access Date: 9 March 2014. http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_B06_Inf_04_GCFT_Financial_Report_as_of_31Dec2013-Interim_Trustee_fin....pdf

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.⁶⁷⁰

South Africa has partially complied with its commitment to contribute to the initial mobilization phase of the GCF, by pledging support in principle, but has not made any specific financial pledges.

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.

As of 13 April 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

United Kingdom: 0

The United Kingdom has partially complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging to financially contribute, although it has not made a specific financial pledge.

On 6 November 2013, the UK's Department of Energy and Climate Change released an announcement of the UK-Korea joint statement on climate change.⁶⁷¹ In said joint statement, the UK announced that it will provide an additional GBP969 million to its national International Climate Fund (ICF) for 2015-2016 to support developing countries to adapt to climate change, take up low-carbon growth and tackle deforestation. The ICF was set up by the UK government to help low-income and emerging countries to adapt to climate change and to promote cleaner growth.⁶⁷²

In this document, the UK committed to making efforts for the successful early operation and resource mobilization of the GCF.⁶⁷³ However, it did not indicate a specific financial contribution to the GCF.⁶⁷⁴

⁶⁷⁰ Warsaw Participants Discuss 'Developing Countries in the Driving Seat for Accelerating Green Finance' (Warsaw) 16 November 2013. Access Date: 9 March 2014. <http://climate-l.iisd.org/news/warsaw-participants-discuss-developing-countries-in-the-driving-seat-for-accelerating-green-finance/>

⁶⁷¹ 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>

⁶⁷² 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>

⁶⁷³ 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>

In light of its official pledge to contribute financially to the GCF, but failure to make a specific pledge, it is concluded that the UK has partially complied with this commitment. Thus, the United Kingdom is awarded a score of 0.

Analyst: Tracy Wang

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, although it has not made a specific financial pledge.

On 24 October 2013, the US 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 GCF.⁶⁷⁵ It confirmed that “it is working expeditiously to operationalize an ambitious Green Climate Fund.”⁶⁷⁶

Although the United States has yet to make a specific pledge to the GCF, it is working on bolstering its national climate changing 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.⁶⁷⁷

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.⁶⁷⁸

By declaratively showing that it is committed to financing the GCF, 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: 0

The European Union has partially complied with its commitment to support the operationalization of the Green Climate Fund (GCF) through pledging to financially contribute, although it has not made a specific financial pledge.

⁶⁷⁴ 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>

⁶⁷⁵ 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>

⁶⁷⁶ 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>

⁶⁷⁷ 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

⁶⁷⁸ 2014 Climate Action Report, US Department of State (Washington DC) 24 October 2013. Access Date: 04 March 2014. <http://www.state.gov/documents/organization/214955.pdf>

On 17 September 2013, the European Commission for Climate Action released a speech held at the AMCE N Ministerial meeting in Tanzania, stating that the European Union must give the Green Climate Fund an opportunity to deliver and that it “remains committed to the Copenhagen target of mobilizing USD100 billion a year of public and private finance by 2020.”⁶⁷⁹

In light of its official pledge to financially contribute to the Green Climate Fund, but considering its failure to make a specific pledge, it is concluded that the European Union has partially complied with this commitment. Thus, the European Union is awarded a score of 0.

Analyst: Tracy Wang

⁶⁷⁹ Climate change: our common challenge, our common opportunity, Press releases database (Brussels) 17 September 2012. Access Date: 6 March 2014. http://europa.eu/rapid/press-release_SPEECH-12-610_en.htm

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			+1
Australia		0	
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			+1
South Africa			+1
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.70	

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.⁶⁸⁰ 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

⁶⁸⁰ Cannes Summit Final Declaration: Building Our Common Future, G20 Information Center (Toronto) 4 November 2011. Access Date: 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.⁶⁸¹

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: Nanayaa Appenteng

Argentina: +1

Argentina has fully complied with its commitment to encourage effective policies that overcome barriers to efficiency, or otherwise spur innovation and development of clean and efficient energy technologies.

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.⁶⁸²

On 19 February 2014, Argentina and India announced a bilateral agreement to strengthen renewable energy cooperation.⁶⁸³ Antonio Bonafatti, Governor of Santa Fe, said that increased cooperation would encourage Indian investment in solar and wind energy.

⁶⁸¹ 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. Access Date: 5 February 2014. www.se4all.org/wp-content/uploads/2013/09/SE_for_All_-_Framework_for_Action_FINAL.pdf

⁶⁸² Apache Exits Argentina in \$800 Million Asset Sale to YPF, Bloomberg 13 February 2014. Access Date: 25 February 2014. <http://www.bloomberg.com/news/2014-02-12/apache-exits-argentine-after-800-million-energy-sale-to-ypf-1-.html>

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."⁶⁸⁴ 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.⁶⁸⁵

Therefore, Argentina has received a score of +1 for taking steps to encourage investment in clean and efficient energy technologies.

Compliance Analyst: Colin McEwen

Australia: 0

Australia has partially complied with its commitment to encourage effective policies that overcome barriers to efficiency, or otherwise spur innovation and development of clean and efficient energy technologies.

On 13 November 2014, 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 2015.⁶⁸⁶ 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.⁶⁸⁷ The legislation passed the Australian House of Representatives on November 21, but is yet to be considered by the Australian Senate.⁶⁸⁸

On 20 November 2013, Federal Environment Minister Greg Hunt launched a Solar PV Retailer Code of Conduct in cooperation with the Clean Energy Council. The voluntary standard is designed to boost consumer confidence for those planning to purchase photovoltaic systems.⁶⁸⁹

On 23 January 2014, Abbott restated his intent to repeal the Clean Energy Act, 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."⁶⁹⁰

⁶⁸³ India, Argentina to Strengthen Ties in Renewable Energy, The Hindu Business Line (New Delhi) 19 February 2014. Access Date: 25 February 2014. <http://www.thehindubusinessline.com/economy/india-argentina-to-strengthen-ties-in-renewable-energy/article5705953.ece>

⁶⁸⁴ Spain's Repsol Agrees to \$5-Billion Settlement with Argentina over YPF, The Globe and Mail (Buenos Aires) 25 February 2014. Access Date: 25 February 2014. <http://www.theglobeandmail.com/report-on-business/international-business/latin-american-business/repsol-board-approves-5-billion-argentine-settlement/article17087841/>

⁶⁸⁵ Argentina's YPF: Swallowed Pride, The Economist (where?) 28 November 2013. Access Date: 25 February 2014. <http://www.economist.com/news/americas/21590939-deal-repsol-small-step-towards-reversing-energy-deficit-swallowed-pride>

⁶⁸⁶ Tony Abbott Introduces Legislation to Repeal Carbon Tax After 'Electricity Bill' Row, ABC News (Canberra) 13 November 2013. Access Date: 11 February 2014. <http://www.abc.net.au/news/2013-11-13/abbott-introduces-carbon-tax-repeal-bill/5088524>

⁶⁸⁷ Renewable Energy Cuts a Disappointing Sting in Carbon Tail, Clean Energy Council (Melbourne) 13 November 2013. Access Date: 12 February 2014. <https://www.cleanenergycouncil.org.au/media-centre/media-releases/november-2013/131113-arena.html>

⁶⁸⁸ House of Representatives Votes to Scrap the Carbon Tax, Office of Greg Hunt, Minister for the Environment (Canberra) 21 November 2013. Access Date: 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>

⁶⁸⁹ Code of Conduct to Raise the Bar in the Solar Industry, Clean Energy Council (Melbourne) 20 November, 2013. Access Date: 12 February 2014. <https://www.cleanenergycouncil.org.au/media-centre/media-releases/november-2013/131120-code-of-conduct.html>

While Australia has launched a new certification system for clean energy companies, its reduction of funds for research and development as well as its ongoing repeal of its emissions trading mechanism results in its partial compliance score of 0.

Compliance Analyst: Colin McEwen

Brazil +1

Brazil 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 National Electrical Agency (ANEEL) undertook a number of tariff corrections 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 nations' energy network, and also to residential consumers to offset the cost of using renewable energies. Auctions are another financial tool ANEEL uses in order to increase competition in, and attractiveness of, renewable energy projects.

In September 2013, at an auction for wind power energy procurement, a savings of 5.55 per cent off the standard megawatt-hour rate for the 66 winning projects was generated.⁶⁹¹ The sales and purchase contracts are viable for 20 years, amounting to savings for the project investors. In November, 15 gigawatts of wind and 3 gigawatts of solar projects were registered and 20 gigawatts were registered for December.⁶⁹²

Solar-only auctions will be used beginning in 2014 as that sector is comparatively underdeveloped in Brazil. Its' first auction on 2 January 2014 generated BRL597million in investments from both national and international bidders and added 122.82 megawatts of solar projects to the energy sector.⁶⁹³

On 10 December 2013, the total value of quotas to fund the Program of Incentive to Alternative Electric Energy Sources (PROINFA), for the upcoming year was announced at BRL2.8 billion.⁶⁹⁴ These funds will be allocated to 131 plants in the clean energy sectors of hydroelectric, wind power and biomass-powered thermoelectric to generate an estimated total energy output of 1.1 million megawatts/hour. PROFINA is a crucial governmental organization that is mandated to increase the use of renewable technologies in Brazil, and has been in operation since 2004.

In order to improve residential energy consumption efficiency and reduce the need to expand the energy network for the future, the Brazilian National Electricity Agency issued a voluntary "White

⁶⁹⁰ Abbott at Davos: Getting the Fundamentals Right, G20 Information Centre (Toronto) 23 January 2014. Access Date: 12 February 2014. <http://www.g20.utoronto.ca/2014/2014-abbott-davos.html>

⁶⁹¹ Wind power auction records an average discount of 5.55%, Brazilian Electricity Regulatory Agency (Brasilia) 2 September 2013. Access Date: 13 April 2014. http://www.aneel.gov.br/aplicacoes/noticias_area/dsp_detalheNoticia.cfm?idNoticia=7333&idAreaNoticia=347

⁶⁹² Renewable Energy Country Attractiveness Index, EY Building a Better Working World November 2013. Access Date: 13 May 2014. [http://www.ey.com/Publication/vwLUAssets/RECAI_39__Nov_2013/\\$FILE/RECAI%20Issue%2039_Nov%202013.pdf](http://www.ey.com/Publication/vwLUAssets/RECAI_39__Nov_2013/$FILE/RECAI%20Issue%2039_Nov%202013.pdf)

⁶⁹³ Brazilian State Approves 123MW of Solar Developments in Energy Auction, PV Tech (London) 2 January 2014. Access Date: 13 April 2014. http://www.pv-tech.org/news/brazil_gains_122mw_of_solar_developments_after_state_energy_auction

⁶⁹⁴ ANEEL Approves Proinfa Funding Value for 2014, Brazilian Electricity Regulatory Agency (Brasilia) 12 December 2013. Date Accessed 13 April 2014. http://www.aneel.gov.br/aplicacoes/noticias_area/dsp_detalheNoticia.cfm?idNoticia=7671&idAreaNoticia=347

Tariff’ mode which residents could opt into, beginning in February 2014. This tariff mode assigns three different energy rates to different times of the day—peak, intermediate and off-peak—during Monday to Friday in which residents can take advantage of the cheaper off-peak rates.⁶⁹⁵ The three different rates replace the flat-rate conventional one and the installation of household meters comes at no cost to the consumer. Taken together this represents a significant financial incentive for households to partake in this new system.

The much-anticipated 2014 FIFA World Cup has given the government of Brazil a unique opportunity to showcase its commitment to sustainable development. The Castellan stadium, in Fortaleza, is the first ever “green” stadium which has been awarded the LEED (Leadership in Energy and Environmental Design) in February 2014. The stadium has compliance certificates for “exemplary sustainable construction in the fields of space, rational water use, energy efficiency, indoor environmental quality, use of low environmental impact materials and encouraging innovation.”⁶⁹⁶ This stadium provides an excellent vehicle for educating enormous numbers of citizens, both national and international, on the importance and ease of increasing their use of renewable energies. It is also a source of inspiration for urban planning and industry on how to incorporate sustainable practices in building construction.

On 11 March 2014, the Brazilian Agency for the Promotion of Exports and Investments (in partnership with the Brazilian Wind Energy Association) held a promotional event in Barcelona, Spain.⁶⁹⁷ The event — Invest in Brazil — Wind Energy — was meant to encourage renewable energy investment in Brazil, disseminate technological expertise and best-practices information and, in general terms, increase Brazil’s attractiveness for international investors. The promotion of wind energy was a particular focal point because of its potential for development in the country.

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 will require investments of BRL60.8 billion over the five years to generate BRL55.7 billion with USD8.1 billion. This plan includes green sources of energy, reducing electricity costs by EUR1.2 billion per year. It also calls for studies undertaken in conjunction with the advice of German consultancy Ronald Berger, in order to reduce costs to the electrical network.⁶⁹⁸

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 that will be available to distributors on 2 April 2014.⁶⁹⁹ This fund will allocate loans to various distributors in order to increase the attractiveness, and affordability, of thermoelectric plants.

On 7 April 2014, the quota for the Energy Development Account for 2014 was announced by ANEEL as BRL1.6 billion. The Treasury had contributed a further BRL4million in February, bringing the total

⁶⁹⁵ White Tariff Category Will Offer Different Tariff Rates Depending on the Consumption Time, Brazilian Electricity Regulatory Agency (Brasilia) 26 December 2013. Access Date: 13 April 2014. http://www.aneel.gov.br/aplicacoes/noticias_area/dsp_detalheNoticia.cfm?idNoticia=7673&idAreaNoticia=347

⁶⁹⁶ Castellan, the First Green Cup Stadium, Brazil Portal 12 February 2014. Access Date: 13 April 2014. <http://www.brasil.gov.br/esporte/2014/01/castelao-o-primeiro-estadio-verde-da-copa>

⁶⁹⁷ Seminar to Attract Investment is Made in Spain, Brazil Portal 10 February 2014. Access Date: 13 April 2014.

<http://www.brasil.gov.br/economia-e-emprego/2014/03/seminario-para-atrair-investimento-e-realizado-na-espanha>

⁶⁹⁸ Eletrobras plans to invest U.S. \$ 60.8 billion by 2018, Eletrobras: Energia Para Novos Tempos (Rio de Janeiro) 28 March 2014. Access Date: 13 May 2014. <http://www.eletrobras.com/elb/data/Pages/LUMISEB7EA1A1ITEMIDE3EBE1B6647C40D6973A04358A6D2AD1PTBRIE.htm>

⁶⁹⁹ Posted decree on the establishment of ACR Account CCEE, Ministry of Mines and Energy (Brasilia) 2 April 2014. Access Date: 13 April 2014. http://www.mme.gov.br/mme/noticias/destaque2/destaque_399.html

to BRL5.6 billion.⁷⁰⁰ 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 2018.⁷⁰¹

Brazil was awarded a score of +1 for its efforts to increase the number of clean energy projects and developments, overcome barriers to efficiency through extensive use of government-sponsored auctions and the provision of new funds, investments and other incentives channelled through governmental organizations.

Analyst: Aurora Hudson

Canada: 0

Canada has partially complied with its commitment to encourage effective policies that overcome barriers to energy efficiency.

The Canadian government has encouraged effective policies that overcome barriers to energy efficiency, as well as a shift towards an energy sustainable 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.”⁷⁰² In the Economic Action Plan 2013, 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.”⁷⁰³ 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, including 40 research and development projects focusing on “energy efficiency; clean electricity and renewables; [and] bioenergy.”⁷⁰⁴

Prime Minister Stephen Harper has continued efforts to encourage effective policy in building off of previous initiatives. At the 2014 North American Leaders’ Summit in Mexico, Harper reaffirmed Canada’s commitment to developing clean energy and highlighted a future trilateral meeting to discuss “opportunities to promote common strategies on energy efficiency.”⁷⁰⁵ In the Economic Action Plan 2014, the Canadian government has pledged to expand the eligibility for the accelerated capital cost allowance for clean energy generation to water current and other technologies to allow the costs of assets “to be deducted for tax purposes at a rate of 50 per cent per year on a declining-balance basis.”⁷⁰⁶

⁷⁰⁰ ANEEL define quotas da CDE para 2014 no valor de R\$1,6 bilhão, Brazilian Electricity Regulatory Agency (Brasilia) 7 April 2014. Access Date: 13 April 2014. http://www.aneel.gov.br/aplicacoes/noticias/Output_Noticias.cfm?Identidade=7827&id_area=90

⁷⁰¹ Minister signs a contract granting the hydroelectric São Manoel, 700 MW, Ministry of Mines and Energy (Brasilia) 10 April 2014. Access Date: 13 April 2014. http://www.mme.gov.br/mme/noticias/destaque_foto/destaque_480.html

⁷⁰² Clean Energy Fund, Ministry of Finance (Ottawa) 24 July 2013. <http://actionplan.gc.ca/en/initiative/clean-energy-fund>

⁷⁰³ Harper Government Announces Job-Creating Clean Technology Project in Quebec, Natural Resources Canada (Ottawa) 27 September 2013. Access Date: 28 February 2014. <https://www.nrcan.gc.ca/media-room/news-release/2013/11500>

⁷⁰⁴ PM announces energy innovation projects across Canada, Office of the Prime Minister (Ottawa) 3 May 2013. Access Date: 28 February 2014. <http://pm.gc.ca/eng/node/32636>

⁷⁰⁵ Joint Statement by North American Leaders, Office of the Prime Minister (Ottawa) 19 February 2014. Access Date: 28 February 2014. <http://www.pm.gc.ca/eng/news/2014/02/19/joint-statement-north-american-leaders>

⁷⁰⁶ Federal Budget 2014, Ministry of Finance (Ottawa) 11 February 2014. Access Date: 28 February 2014. <http://actionplan.gc.ca/sites/default/files/pdfs/budget2014-eng.pdf>

This builds off of the previous three budget plans to encourage businesses to invest in clean energy and energy efficiency equipment.⁷⁰⁷

Canada has encouraged effective policies that overcome barriers to energy efficiency but has not taken actions to enhance the efficiency of markets and shifts towards an energy sustainable future. Canada has received a score of 0 for partial compliance.

Analyst: Anthony Marchese

China: +1

China has fully complied with the commitment on the development of cleaner, more efficient energy technologies and shift towards a more sustainable energy future.

On 22 September 2013, China's Ministry of Finance announced that it will provide tax breaks to manufacturers of solar products. In an official statement, the ministry declared that producers of solar power products will receive immediate refunds of 50 percent 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.⁷⁰⁸

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 reflect a change of more than 50 yuan per tonne for gasoline and diesel over within 10 consecutive working days. According to national news reports, multiple raises in retail fuel prices in the country throughout 2013 indicate a fulfillment of this commitment.⁷⁰⁹ In light of severe air pollution, the government has said consumers will need to bear the higher prices that come with tighter fuel standards.⁷¹⁰

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: Crystal Gao

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-

⁷⁰⁷ Federal Budget 2014, Ministry of Finance (Ottawa) 11 February 2014. Access Date: 28 February 2014. <http://actionplan.gc.ca/sites/default/files/pdfs/budget2014-eng.pdf>

⁷⁰⁸ China to offer tax breaks to solar power manufacturers, Reuters (Shanghai), 29 September 2013. Access Date: 18 March 2013. <http://www.reuters.com/article/2013/09/29/us-china-solar-idUSBRE98SOCJ20130929>

⁷⁰⁹ China raises retail oil prices, Chinese Central Television (Beijing), 28 November 2013. Access Date: 18 March 2013 <http://english.cntv.cn/20131128/104806.shtml>

⁷¹⁰ China Says Consumers Need to Bear Some Costs of Tighter Fuel Standards, Wall Street Journal (Beijing), 23 September 2013. Access Date: 18 March 2013 <http://online.wsj.com/news/articles/SB10001424052702304713704579093110900429>

refundable grants, and equity tools, where the state invests in projects of various sizes in the renewable-energies field.⁷¹¹ 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. In order to increase the energy efficiency across all sectors of the economy, Philippe Martin, Minister of Ecology, Sustainable Development and Energy, announced the creation of three new institutes of energy transition on 29 October 2013. 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.⁷¹²

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 are 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 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 2014.⁷¹³

Throughout November 2013, the Bonus-Malus system was updated and the scale of penalties and bonuses increased.⁷¹⁴ 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.”⁷¹⁵ Without a unified understand of these various components of smart grids, their use in France would be highly difficult, if not impossible. In addition, a public consultation serves to include the various stakeholders and investors and make it easier for them to construct smart grids when the time comes.

⁷¹¹ Energy Policy Highlights, International Energy Agency (France). November 2013. Access Date: 9 April 2014. http://www.iea.org/publications/freepublications/publication/Energy_Policy_Highlights_2013.pdf

⁷¹² Launch of Three New Institutions of Energy Transition, Ministry of Ecology, Sustainable Development and Technology (France) 20 November 2013. Access Date: 9 April 2014. <http://www.developpement-durable.gouv.fr/Lancement-de-trois-nouveaux.html>

⁷¹³ The Energy Plan Home Renovation Is Launched, Ministry of Ecology, Sustainable Development and Technology (France) 21 October 2013. Access Date: 9 April 2014. <http://www.developpement-durable.gouv.fr/Le-plan-de-renovation-energetique,34265.html>

⁷¹⁴ Bonus-Malus, Ministry of Ecology, Sustainable Development and Technology (France) 27 January 2014. Access Date: 6 April 2014. <http://www.developpement-durable.gouv.fr/Bonus-Malus-2014.html>

⁷¹⁵ Consultation on the Development of Smart Grids in Low Voltage, Ministry of Ecology, Sustainable Development and Technology (France) 14 November 2013. Access Date: 6 April 2014. <http://www.developpement-durable.gouv.fr/Consultation-sur-le-developpement.html>

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 gradually phase out the use of heavy pollutants in large-scale industry.⁷¹⁶

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.⁷¹⁷ France also welcomed the third round of the EU Emissions Trading System, initiated on 9 September 2013.⁷¹⁸

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.⁷¹⁹ France would relay best practices information based on its own research and development (R&D) and would share its technical expertise in the above-mentioned fields in order to expand its markets in clean energy technology development abroad.

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.⁷²⁰ In follow-up, the French government issued another call for expressions of interest for renewable energies, to be completed by early 2015.⁷²¹ 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 R&D 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.”⁷²² 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

⁷¹⁶ Finance Act 2013: 5 New Pollutants Subject to TGAP, Ministry of Ecology, Sustainable Development and Technology (France) 7 February 2014. Access Date: 9 April 2014. <http://www.developpement-durable.gouv.fr/Les-seuils-d-assujettissement-des.html>

⁷¹⁷ Climate-Energy Package, Proposals of the European Commission, Ministry of Ecology, Sustainable Development and Technology (France) 23 January 2014. Access Date: 9 April 2014. <http://www.developpement-durable.gouv.fr/Paquet-Energie-Climat-2030,37298.html>

⁷¹⁸ Exchange System EUA's, Ministry of Ecology, Sustainable Development and Technology (France) 9 September 2013. Access Date: 6 April 2014. <http://www.developpement-durable.gouv.fr/-Systeme-d-echange-de-quotas-.html>

⁷¹⁹ State Visit to Turkey, Energy and Transport at the Heart of Trade, Ministry of Ecology, Sustainable Development and Technology (France) 20 February 2014. Access Date: 6 April 2014. <http://www.developpement-durable.gouv.fr/Visite-d-Etat-en-Turquie-l-energie.html>

⁷²⁰ Energy Storage, Ministry of Ecology, Sustainable Development and Technology (France) 28 February 2014. Access Date: 9 April 2014. <http://www.developpement-durable.gouv.fr/Transformer-en-hydrogene-l,30305.html>

⁷²¹ Investments for the Future: Launch of the Call for Expressions of Interest “Renewable Energy”, Ministry of Ecology, Sustainable Development and Technology (France) 6 February 2014. Access Date: 9 April 2014. <http://www.developpement-durable.gouv.fr/Investissements-d-Avenir-lancement,37465.html>

⁷²² Tender for Photovoltaic Systems: Winners Selected, Ministry of Ecology, Sustainable Development and Technology (France) 27 February 2014. Access Date: 6 April 2014. <http://www.developpement-durable.gouv.fr/Appel-d-offres-pour-installations,37642.html>

megawatts.⁷²³ 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.

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. Therefore France was been awarded a score of +1.

Analyst: Aurora Hudson

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 an energy sustainable future.

In 2010 and 2011, the German government adopted new comprehensive approaches to its energy strategies, the “Energy Concept” and “Energiewende” respectively, which established principles of long-term, integrated energy pathway to make renewable energy the cornerstone of future supply by 2050.⁷²⁴ The Energy Efficiency Watch tracked the ambitious goals of these policies and determined that subsidies and economic incentives have been underway in the transport, residential, industrial and service sectors.⁷²⁵ Minimum energy performance standards were also set in the public sector.⁷²⁶

On 22 January 2014, Energy Minister Sigmar Gabriel put forward an amendment to the Renewable Energy Sources Act to reduce future development costs in the electricity and energy sectors. The goal of this amendment is to limit future rises in electricity prices to an average of EUR0.12 per kilowatt hour in 2015 from EUR0.17 in the present, and to foster development in energy technology while reducing costs.⁷²⁷ It determines that by 2017 at the latest, support levels for renewable energy development are determined by bidding procedures, and direct selling for renewable energies will be made compulsory to increase competitiveness of energy-intensive industries.⁷²⁸ The German government’s commitment to this was highlighted in a policy speech by Federal Chancellor Angela Merkel on 29 January 2014.⁷²⁹

⁷²³ Bidding for large PV plants: 380 megawatts of new projects, Ministry of Ecology, Sustainable Development and Technology (France) 28 March 2014. Access Date: 9 April 2014. <http://www.developpement-durable.gouv.fr/Appel-d-offres-pour-installations,38317.html>

⁷²⁴ Energy Policy Highlights, IEA and OECD, 2013. Access Date: 26 February 2014. http://www.iea.org/publications/freepublications/publication/Energy_Policy_Highlights_2013.pdf

⁷²⁵ Energy Efficiency in Europe Assessment of Energy Efficiency Action Plans and Policies in EU Member States Country Report Germany, Energy Efficiency Watch, 2013. Access Date: 26 February 2014. http://www.energy-efficiency-watch.org/fileadmin/eew_documents/Documents/EEW2/Germany.pdf

⁷²⁶ Energy Efficiency in Europe Assessment of Energy Efficiency Action Plans and Policies in EU Member States Country Report Germany, Energy Efficiency Watch, 2013. Access Date: 26 February 2014. http://www.energy-efficiency-watch.org/fileadmin/eew_documents/Documents/EEW2/Germany.pdf

⁷²⁷ Merkel Backs Plan to Cut Germany’s Green Energy, The Wall Street Journal World Edition (Berlin), 22 January 2014. Access Date: 26 February 2014.

<http://online.wsj.com/news/articles/SB10001424052702304632204579336220103661350>

⁷²⁸ Annex to the Renewable Energy Sources Act, Ministry of Economic Affairs and Energy (Berlin) 21 January 2014. Access Date: 26 February 2014. <http://www.bmwi.de/English/Redaktion/Pdf/annex-eeeg-reform-eckpunkte-english,property=pdf,bereich=bmwi2012,sprache=en,rwb=true.pdf>

⁷²⁹ Policy Statement by Federal Chancellor Angela Merkel, The Federal Government (Berlin) 29 January 2014. Access Date: 26 February 2014. http://www.bundesregierung.de/Content/EN/Regierungserklaerung/2014-01-29-regierungserklaerung-merkel_en.html?nn=709674

On 12 February 2014, the Federal Ministry for Economic Affairs and Energy released the Annual Economic Report which highlighted the Government's commitment to "sustainable, continuous and affordable expansion, coupled with further market and systems integration, of renewable energy."⁷³⁰ Later this year, the Government of Germany will release a National Energy Efficiency Action Plan which will engage multiple stakeholders in identifying different financing and responsibilities.⁷³¹

Germany has taken actions not only to reduce energy costs and increasing energy efficiency, but also to increase public awareness of its commitment in national campaigns to promote acceptance in the business community.⁷³² Therefore, it has been awarded a score of +1.

Compliance Analyst: Emily Tsui

India: +1

India has fully complied with the commitment on the development of cleaner, more efficient energy technologies and phase out insufficient fossil fuel subsidies.

Shortly after the 2013 St. Petersburg Summit, the Government of India demonstrated its commitment to promote renewable and energy projects. On 25 September 2013, the Ministry of New and Renewable Energy set a target of generation of 10,000 megawatt 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 connected solar power, 2,000 new energy initiatives, including the installment of 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 2022.⁷³³

The government announced in August 2013 that it approved generation-based incentives for wind power projects. This scheme would provide an incentive 50 paisa per unit of electricity fed to the grid with a cap of rupees one crore per megawatt of wind power during 4 to 10 years.⁷³⁴

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 outlines 55 cities that have been granted principal approval and 45 cities that have been sanctioned to begin planning renewable energy projects.⁷³⁵

There has been a growing emphasis on promoting favorable conditions for developing solar manufacturing capability and use of off-grid and grid-connected solar energy systems, provided through financial/fiscal initiatives.⁷³⁶ The government has allocated a total amount of INR690 for promotion of

⁷³⁰ Key Elements of a Revised Renewable Energy Sources Act, Ministry of Economic Affairs and Energy (Berlin) 21 January 2014. Access Date: 26 February 2014. <http://www.bmwi.de/English/Redaktion/Pdf/2014-annual-economic-report,property=pdf,bereich=bmwi2012,sprache=en,rwb=true.pdf>

⁷³¹ Key Elements of a Revised Renewable Energy Sources Act, Ministry of Economic Affairs and Energy (Berlin) 21 January 2014. Access Date: 26 February 2014. <http://www.bmwi.de/English/Redaktion/Pdf/2014-annual-economic-report,property=pdf,bereich=bmwi2012,sprache=en,rwb=true.pdf>

⁷³² Energy Transition the German Energiewende, 2014. Access Date: 26 February 2014. <http://energytransition.de/>

⁷³³ Target to develop 10,000 MW Power through Solar Energy by 2017, Government of India, 25 September 2013. Access Date: 19 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=77615>

⁷³⁴ Generation Based Incentive Scheme, Government of India, 30 August 2013. Access Date: 19 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=77615>

⁷³⁵ Solar Cities, Ministry of New and Renewable Energy, Government of India, 11 December 2013. Access Date: 19 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=77615>

⁷³⁶ Initiatives for Promotion of Renewable Energy, Government of India, 17 December 2013. Access Date: 19 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=77615>

renewable energy sources through fiscal and financial incentives. INR427.21 has been disbursed for various activities under the Jawaharlal Nehru National Solar Mission (JNNSM) during the current financial year 2013-14. These funds will go towards the setting up of demonstration projects, intensive resource assessment, development of power evacuation and testing facilities, etc.⁷³⁷

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: Crystal Gao

Indonesia: +1

Indonesia has fully 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.

On 4 February 2014, the House of Representatives passed the National Energy Policy, setting renewable energy requirements.⁷³⁸ Indonesian Minister of Energy and Mineral Resources Jero Wacik, said, “the new policy would reduce gasoline dependency and increase the use of renewable energy.”⁷³⁹

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.⁷⁴⁰ As part of the project, the government planned to begin the construction of four hydropower plants in East Java for this year.⁷⁴¹ Director general for new and renewable energy at the Energy and Mineral Resources Ministry, Ridha Mulyana, stated “We will rent the dams to developers so they will only be responsible for building the power generators,” which would lessen developers’ burden for investment costs.⁷⁴² 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 neighboring Sarawak, Malaysia.⁷⁴³ This project would

⁷³⁷ Promotion of Solar Energy, Government of India, 17 December 2013. Access Date: 19 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=77615>

⁷³⁸ House of Representatives Passes National Energy Policy, , Jakarta Globe (Jakarta), 4 February 2014. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/news/house-of-representatives-passes-national-energy-policy/>

⁷³⁹ House of Representatives Passes National Energy Policy, , Jakarta Globe (Jakarta), 4 February 2014. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/news/house-of-representatives-passes-national-energy-policy/>

⁷⁴⁰ Indonesia to Build More Hydropower Plants to Boost Alternative Energy, Jakarta Globe (Jakarta), 27 February 2014. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/business/indonesia-to-build-more-hydropower-plants-to-boost-alternative-energy/>

⁷⁴¹ Indonesia to Build More Hydropower Plants to Boost Alternative Energy, Jakarta Globe (Jakarta), 27 February 2014. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/business/indonesia-to-build-more-hydropower-plants-to-boost-alternative-energy/>

⁷⁴² Indonesia to Build More Hydropower Plants to Boost Alternative Energy, Jakarta Globe (Jakarta), 27 February 2014. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/business/indonesia-to-build-more-hydropower-plants-to-boost-alternative-energy/>

⁷⁴³ ADB to Fund Sarawak-West Kalimantan Hydroelectric Power Project, Jakarta Globe (Jakarta), 28 August 2013. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/news/adb-to-fund-sarawak-west-kalimantan-hydroelectric-power-project/>

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.⁷⁴⁴

In August 2013, Indonesia introduced a policy to increase the use of biodiesel to reduce oil consumption.⁷⁴⁵ Jakarta's energy ministry issued a new regulation to raise the minimum bio content in diesel to 10 per cent and to 20 per cent especially for power industry.⁷⁴⁶

On 4 February 2014, Tisnaldi, geothermal director at the Energy and Mineral Resources Ministry, said that the government plans to operate three geothermal plants in Patuha and Cibuni in West Java, and Ulumbu in Manggarai, East Nusa Tenggara.⁷⁴⁷ Indonesia seeks to focus on more of the renewable energy source amid rising fuel costs.⁷⁴⁸

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: HyunAb Heidi Shim

Italy: 0

Italy 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.

In March 2013, the Italian government published a new strategy that outlined its energy needs, goals and policies through to 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.

Despite the report, the Italian government scaled back its efforts to develop clean energy technologies throughout the compliance period. Compared to the various investments undertaken in the year, and even months, previously, Italy has done little in the energy sector to help it achieve its energy goals. Instead of developing new technologies, increasing financial incentives, and taking significant steps to improve energy efficiency, it continued policies already in place. Prominent examples are the White Certificates energy trading scheme and subsidizing renewable energy projects. The most significant changes were: calling for "smart meter" prototypes; institutionalizing new gas market mechanisms; and changing tariffs associated with energy use.

⁷⁴⁴ ADB to Fund Sarawak-West Kalimantan Hydroelectric Power Project, Jakarta Globe (Jakarta), 28 August 2013. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/news/adb-to-fund-sarawak-west-kalimantan-hydroelectric-power-project/>

⁷⁴⁵ Government Is Claiming Early Success With Economic Package, Jakarta Globe (Jakarta), 28 August 2013. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/business/government-is-claiming-early-success-with-economic-package/>

⁷⁴⁶ Government Is Claiming Early Success With Economic Package, Jakarta Globe (Jakarta), 28 August 2013. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/business/government-is-claiming-early-success-with-economic-package/>

⁷⁴⁷ Three Geothermal Plants With 62 MW to Go On Line in Indonesia This Year, Jakarta Globe (Jakarta), 4 February 2014. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/business/three-geothermal-plants-with-62-mw-to-go-on-line-in-indonesia-this-year/>

⁷⁴⁸ Three Geothermal Plants With 62 MW to Go On Line in Indonesia This Year, Jakarta Globe (Jakarta), 4 February 2014. Access Date: 27 February 2014. <http://www.thejakartaglobe.com/business/three-geothermal-plants-with-62-mw-to-go-on-line-in-indonesia-this-year/>

In order to enhance the monitoring of water, gas and electricity for distribution and consumption purposes, the Italian Regulatory Authority for Electricity and Gas issued a call for Smart Meter pilot projects on 23 September 2013. The winning projects will be selected based on the number of services offered and the remote monitoring capacity.⁷⁴⁹

In regards to new gas market mechanism, the Italian Gas Exchange Market was launched in October 2013. The exchange will increase market efficiency through by fixing the price of gas to a more reliable European virtual trading point, adopting European codes and regulations on gas management, and undertaking a number of infrastructure improvements that streamline gas delivery, storage and set-up future liquefied natural gas projects.⁷⁵⁰

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.⁷⁵¹ 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.

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.⁷⁵² 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 volume of electricity itself.⁷⁵³ The authority hopes to encourage the use of heat pumps and other renewable energies in residential homes.

There are three different statistics which show the Government of Italy’s expenditure on financial incentives and renewable energy investments. The Gestore Servizi Energetici (GSE) is a state-owned company which promotes and supports renewable energy sources in Italy. It keeps track of and frequently updates 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

⁷⁴⁹ Energy: Incentives to Pilot Projects for “Smart” Gas, Electricity and Water Meters, Italian Regulatory Authority for Electricity and Gas (Milan) 23 September 2013. Access Date: 12 April 2014 http://www.autorita.energia.it/inglese/press_releases/13/130923smart.htm

⁷⁵⁰ Energy Policy Highlights, International Energy Agency (France) November 2013. Access Date: 9 April 2014. http://www.iea.org/publications/freepublications/publication/Energy_Policy_Highlights_2013.pdf

⁷⁵¹ Gas: the new European regulations on transmission capacity adopted in advance, Italian Regulatory Authority for Electricity and Gas (Milan) 2 April 2014. Access Date: 12 April 2014 <http://www.autorita.energia.it/inglese/pressnote/14/140402.htm>

⁷⁵² 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. Access Date: 12 April 2014 http://www.autorita.energia.it/inglese/press_note/14/140128.htm

⁷⁵³ Electricity: the 2014 New Network Tariff for ‘Sustainable Heating,’ Italian Regulatory Authority for Electricity and Gas (Milan) 23 December 2013. Access Date: 12 April 2014 http://www.autorita.energia.it/inglese/press_releases/13/131223cs.htm

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.⁷⁵⁴

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 2014.⁷⁵⁵ This parity will go a long way in helping Italy to achieve its 26.4% 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.⁷⁵⁶ 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.⁷⁵⁷

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).⁷⁵⁸

Italy has undertaken efforts to change and update financial mechanisms for energy use and gas markets, its development of solar power to the point where it is now at parity with conventional forms of power and its continued use of financial incentives to utilize green and/or more efficient forms of energy. Thus, Italy was awarded a score of 0.

Analyst: Aurora Hudson

Japan: 0

Japan has partially complied with the commitment to develop cleaner, more efficient energy technologies and phase out insufficient fossil fuel subsidies.

In the fiscal year 2013, Japan installed 73 megawatts of wind capacity, the lowest numbers since 2001.⁷⁵⁹ The government continues to cut subsidies and reduce incentives for solar power.⁷⁶⁰

⁷⁵⁴ Just updated the Renewable-energy support cost Counter, Gestore Servizi Energetici (Rome) 8 April 2014. Access Date 12 April 2014. <http://www.gse.it/en/pressroom/News/Pages/Updated-Renewable-Energy-Cost-Counter.aspx>

⁷⁵⁵ PV is Already Competitive Against Retail Electricity in the Commercial Sector of Major European Markets, Eclareon (Berlin) 25 March 2014. Access Date: 12 March 2014. <http://www.eclareon.com/en/pv-already-competitive-against-retail-electricity-commercial-sector-major-european-markets-0>

⁷⁵⁶ Solar Thermal in Italy: Government Approves New Subsidy Scheme, The Solar Keymark (Belgium) 2 January 2013. Access Date: 12 April 2014 <http://www.estif.org/solarkeymarknew/press-room/news/97-italy-government-approves-new-subsidy-scheme>

⁷⁵⁷ Who's Winning the Clean Energy Race?, The PEW Charitable Trusts (Washington) April 2014. Access Date: 12 April 2014. <http://www.pewenvironment.org/uploadedFiles/PEG/Publications/Report/clen-whos-winning-the-clean-energy-race-2013.pdf>

⁷⁵⁸ Who's Winning the Clean Energy Race?, The PEW Charitable Trusts (Washington) April 2014. Access Date: 12 April 2014. <http://www.pewenvironment.org/uploadedFiles/PEG/Publications/Report/clen-whos-winning-the-clean-energy-race-2013.pdf>

⁷⁵⁹ Wind lobby raps environment reports. The Japan Times (Tokyo) 14 February 2014. Access Date: 12 April 2014. <http://www.japantimes.co.jp/news/2014/02/14/business/wind-lobby-raps-environment-reports/>

⁷⁶⁰ Lessons from Japan: How the Nation Can Super-charge its Clean-energy Economy. Renewable Energy World (Tokyo) 13 November 2013. Access Date: 14 April 2014. <http://www.renewableenergyworld.com/rea/news/article/2013/11/lessons-from-japan-how-the-nation-can-supercharge-its-clean-energy-economy>

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.⁷⁶¹

Japan has not demonstrated adequate measures to promote renewable energy nor have there been efforts to support national vulnerable groups. Thus, it has been awarded a score of 0.

Analyst: Crystal Gao

Korea: 0

Korea has partially complied with its commitment to encourage effective policies that overcome barriers to efficiency, or otherwise spur innovation and development of clean and efficient energy technologies.

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 2015.⁷⁶²

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 litre will pay a penalty surcharge. The rate is equal to KRW82,352 per kilometre/litre short of the target per car sold.⁷⁶³

Korean has undertaken ongoing efforts to establish an emission trading mechanism and its increased enforcement of energy efficiency standards. Thus, Korea receives a score of 0.

Analyst: Colin McEwen

Mexico: +1

Mexico has fully 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.

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 energy sector.⁷⁶⁴ 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.⁷⁶⁵

⁷⁶¹ Japan: Renewable Energy Production to Aid Agricultural, Forestry and Fishing Villages. Law Library of Congress (Washington) 18 December 2013. Access Date: 13 April 2014.

http://www.loc.gov/lawweb/servlet/lloc_news?disp3_l205403794_text

⁷⁶² Korean Exchange Wins Bid to Host Nation’s Carbon Trading, Reuters 13 January 2014. Access Date: 11 February 2014. <http://www.reuters.com/article/2014/01/14/south-korea-carbon-idUSL3N0KJ18T20140114>

⁷⁶³ Local Automakers and Importers Subject to Penalty if Fuel Efficiency Standards Not Met, Korean Ministry of Trade, Industry and Energy (Seoul) 6 February 2014. Access Date: 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=# -

⁷⁶⁴ Mexico Passes Oil Bill Seen Luring \$20 Billion a Year, Bloomberg (New York), 13 December 2013. Access Date: 27 February 2014. <http://www.bloomberg.com/news/2013-12-12/mexico-lower-house-passes-oil-overhaul-to-break-state-monopoly.html>

⁷⁶⁵ Mexico Aims to Be Major Global Wind Energy Player, The Daily Fusion (New York), 5 March 2014. Access Date: 5 March 2014. <http://dailyfusion.net/2014/03/mexico-aims-to-be-major-global-wind-energy-player-27035/>

The Mexican government has set clear targets for wind power sector, generating 2 gigawatts per year for the next decade.⁷⁶⁶ 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.⁷⁶⁷ 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, efficient technologies by water management for 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.⁷⁶⁸ Volkswagen planned to construct a new water treatment facility in 2015, which will account for over EUR220,000 of cost savings per year.

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: HyunAb Heidi Shim

Russia: +1

Russia has fully complied with its commitment on clean energy technologies.

On 6 September 2013, Minister of Energy of Russia Alexander Novak signed a decree on reorganizing the Ministerial Department for Energy Efficiency and Fuel and Energy Sector, creating a separate Department for Energy Efficiency. The immediate objectives of this department inter alia include attracting private finance to the energy sector, improving the system of federal subsidies to regional energy projects, and developing programs to enhance the energy efficiency of public energy companies.⁷⁶⁹

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 Energy Efficiency and Energy Saving forum, Deputy Energy Minister of Russia 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.⁷⁷⁰

⁷⁶⁶ Mexico Aims to Be Major Global Wind Energy Player, The Daily Fusion (New York), 5 March 2014. Access Date: 5 March 2014. <http://dailyfusion.net/2014/03/mexico-aims-to-be-major-global-wind-energy-player-27035/>

⁷⁶⁷ Mexico Building Latin America's Largest Solar Farm To Replace Old, Dirty Oil-Power Plant, Climate Progress, 25 February 2014. Access Date: 7 March 2014. <http://thinkprogress.org/climate/2014/02/25/3328651/mexico-large-solar-plant-paz/#>

⁷⁶⁸ Private Sector's Contribution to Water Management, Renewable Energy Mexico (Mexico), 7 March 2014. Access Date: 7 March 2014. <http://www.renewableenergymexico.com/?p=965>

⁷⁶⁹ Minister of Energy reorganized the Department for Energy Efficiency and Fuel and Energy Sector, Russian Ministry of Energy 6 September 2013. Access Date: 17 April 2014. http://minenergo.gov.ru/press/min_news/16134.html?sphrase_id=600929.

⁷⁷⁰ The participants of the Energy ministry took part in the second day of the ENES-2013 forum, Russian Ministry of Energy 22 November 2013. Access Date: 17 April 2014.

http://minenergo.gov.ru/press/min_news/17638.html?sphrase_id=600929.

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.⁷⁷¹

In 2014 Russian Ministry of Energy plans to allocate RUB4.9 billion from the federal budget on co-financing energy conservation and energy efficiency projects.⁷⁷²

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.⁷⁷³

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 6.844 billion rubles 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).⁷⁷⁴

Thus, Russia has been awarded a score of +1 for taking steps to support clean and energy efficient projects financially and increase efficiency of the energy market through policy measures.

Analyst: Andrei Sakbarov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment to support the development of clean and energy efficient technologies and supports the efficiency of the energy market through various actions including policies.

In July 2013, Saudi Arabia has begun to support its renewable energy programs by installing 70 stations that will measure the potential for energy production from sun, wind and geothermal sources.⁷⁷⁵ The government targets to install 23.9 gigawatts of renewable power capacity by 2020 and then 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.⁷⁷⁶

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

⁷⁷¹ Vladimir Putin signed a law “On amending article 7.19 and 9.11 of the Russian Federation Administrative Offence Code”, President of Russia 25 November 2013. Access Date: 17 April 2014. <http://www.kremlin.ru/acts/19691>.

⁷⁷² Discussion on the implementation of the subprogram “Energy conservation and energy efficiency” took place in the Energy Ministry, Russian Ministry of Energy 10 February 2014. Access Date: 21 April 2014. http://minenergo.gov.ru/press/min_news/17638.html?sphrase_id=600929.

⁷⁷³ On measures to normalize and stimulate generation and use of electric energy based on renewable energy sources, Government of Russia 21 February 2014. Date of Access: 13 August 2014. <http://government.ru/docs/10666>.

⁷⁷⁴ On approval of the new version of the “Energy efficiency and energy development” state program, Government of Russia 15 April 2014. Date of Access: 13 August 2014. <http://government.ru/docs/11951>.

⁷⁷⁵ Saudi Arabia Pushes Renewable Energy Programs, Wants to Become Solar-Powered Efficient and Capable by 2032, International Business Times (Australia), 4 July 2013. Access Date: 7 March 2014. <http://au.ibtimes.com/articles/486391/20130704/saudi-arabia-renewable-energy-solar-power.htm#UxyTzkKwKdU>

⁷⁷⁶ Saudi five-year energy spend to hit \$173bn, Arabian Business (Dubai), 20 February 2014. Access Date: 7 March 2014. <http://www.arabianbusiness.com/saudi-five-year-energy-spend-hit-173bn-539625.html>.

for technology development.⁷⁷⁷ 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.”

Saudi Arabia 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. Therefore, Saudi Arabia receives a score of +1.

Analyst: HyunAb Heidi Shim

South Africa: +1

South Africa has fully complied with its commitment to encourage effective policies that overcome barriers to energy efficiency. It has also complied both with enhancing the efficiency of markets and shifts towards an energy sustainable future.

South Africa has encouraged effective policies that overcome barriers to energy efficiency, enhanced the efficiency of markets and shifts towards an energy sustainable future.

South Africa has received a score of +1 for full compliance.

Analyst: Nanayaa Appenteng

Turkey: 0

Turkey has partially complied with its commitment to support the increased efficiency of the energy market and to develop clean and efficient energy technologies.

On 25 February 2012, the Government of Turkey released its Energy Efficiency Strategy Paper which committed the government to more stringent energy efficiency targets, in an effort to follow the policy set in the 2007 Energy Efficiency Law.⁷⁷⁸ It indicated a need for a future plan to coordinate between the public, private, and non-governmental sectors. The paper targeted to reduce the energy intensity as a percentage of Turkey’s gross domestic product by 20 per cent less the value of the year 2011 by 2023.⁷⁷⁹ To promote this, the government has committed to regulate the rate of price changes on certain renewable and non-renewable resources.

Notably, Turkey has indicated in its Energy Efficiency Strategy Paper that by 2023, Turkey would be committed to developing its hydroelectric, geothermal, and wind energy to a higher calibre.⁷⁸⁰ The World Bank noted on 23 January 2013 that the Government of Turkey is actively seeking to develop its

⁷⁷⁷ SABIC, KACARE tie up for renewable energy studies, Arab News (Saudi Arabia) 28 February 2014. Dater of Access: 7 March 2014. <http://www.arabnews.com/news/532361>.

⁷⁷⁸ Energy Efficiency Strategy Paper 2012-2013, Ministry of Energy and Natural Resources General Directorate of Renewable Energy. Access Date: 26 February 2014. http://www.eie.gov.tr/verimlilik/document/Energy_Efficiency_Strategy_Paper.pdf

⁷⁷⁹ Statement on Energy Efficiency and Renewable Energy Opening Session 2nd Preparatory Meeting of the 21st OSCE Economic and Environmental Forum, Ministry of Energy and Natural Resources General Directorate of Renewable Energy, 16 April 2013. Access Date: 26 February 2014. <http://www.osce.org/eea/100812>

⁷⁸⁰ Statement on Energy Efficiency and Renewable Energy Opening Session 2nd Preparatory Meeting of the 21st OSCE Economic and Environmental Forum, Ministry of Energy and Natural Resources General Directorate of Renewable Energy, 16 April 2013. Access Date: 26 February 2014. <http://www.osce.org/eea/100812>

wind power potential by government and international incentives and subsidies for sustainable power, and low interest loans from the government.⁷⁸¹

In June 2013, the Supreme Council for Science and Technology, the highest body for determining scientific policies of the country, set energy efficiency to be high on the agenda. This resulted in the following goals: “(1) Develop business model with support package to co-ordinate with Ministry of Energy and Natural Resources; (2) Work on regulatory legislation; (3) Provide support from the relevant institution and ministries.”⁷⁸² A speech by President Abdullah Gül on 12 November 2013 reaffirmed Turkey’s commitment to these policies and developing the connection between the economy and energy development.⁷⁸³

Despite the rhetoric and certain policy measures, Turkey is still actively promoting the exploitation of non-renewable resources which does not encourage the development in the efficiency of certain sectors in the energy market. It has introduced tax breaks and exemptions to encourage the exploitation of non-renewable resources such as oil.⁷⁸⁴

While Turkey has indicated its commitment to increasing the efficiency of energy technologies and the energy market, it is conflicted in its policy execution by supporting both progressive and status quo options. It has specifically lacked in policies pursuant to the development of energy efficient technologies. Therefore, it has been awarded a score of 0.

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. It has also complied both with enhancing the efficiency of markets and shifts 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,”⁷⁸⁵ including a de-carbonization target range for 2030. After multiple levels of debate and amendments, the Energy Act received Royal Assent on 18 December 2013.⁷⁸⁶ 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.

⁷⁸¹ In Turkey: Building a Market for Energy Efficiency, World Bank, 23 January 2013. Access Date: 26 February 2014.
<http://www.worldbank.org/en/news/feature/2013/01/17/in-turkey-building-market-for-energy-efficiency>

⁷⁸² Energy Policy Highlights, IEA and OECD, 2013. Access Date: 26 February 2014.
http://www.iea.org/publications/freepublications/publication/Energy_Policy_Highlights_2013.pdf

⁷⁸³ Address by President Abdullah Gül at the Atlantic Council Economy and Energy Summit, Presidency of the Republic of Turkey (Istanbul), 12 November 2013. Access Date: 26 February 2014.
<http://www.tccb.gov.tr/news/397/87824/president-gul-delivers-speech-at-economy-and-energy-summit.html>

⁷⁸⁴ Turkey, United States Energy Information Administration, 1 February 2013. Access Date: February 26 2014.
<http://www.eia.gov/countries/cab.cfm?fips=TU>

⁷⁸⁵ Energy Act: Decarbonisation, Department of Energy & Climate Change (London) 18 December 2013. Access Date: 28 February 2014. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266868/Decarbonisation_Policy_Brief_RA.pdf

⁷⁸⁶ Energy Act, Department of Energy & Climate Change (London) 18 December 2013. Access Date: 28 February 2014.
<https://www.gov.uk/government/collections/energy-act>

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.⁷⁸⁷ Ed Davey, Secretary of State for Energy and Climate Change, echoed these calls to adapt stewardship to ensure that, "low-carbon energy resources have a secure future"⁷⁸⁸ 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."⁷⁸⁹

The UK has encouraged effective policies that overcome barriers to energy efficiency, enhanced the efficiency of markets and shifts toward an energy sustainable future. It received +1 for full compliance.

Analyst: Anthony Marchese

United States: +1

The United States has fully complied with its commitment to encourage effective policies that overcome barriers to energy efficiency. It has also complied both with enhancing the efficiency of markets and shifts towards an energy sustainable future.

The US 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."⁷⁹⁰ 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."⁷⁹¹ 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,⁷⁹² and USD50 million to accelerate development of high-tech, fuel efficient autos.⁷⁹³

In 2014, President Barack Obama has 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

⁷⁸⁷ World Economic Forum (Davos) 2014: Speech by David Cameron, 10 Downing Street (London) 30 January 2014. Access Date: 28 February 2014. <https://www.gov.uk/government/speeches/world-economic-forum-davos-2014-speech-by-david-cameron--2>

⁷⁸⁸ North Sea Still has Vital Role in Keeping the Lights On, The Daily Telegraph (London) 24 February 2014. Access Date: 28 February 2014. <http://www.telegraph.co.uk/finance/newsbysector/energy/10656808/North-Sea-still-has-vital-role-in-keeping-the-lights-on.html>

⁷⁸⁹ Green Bank Opens for Business, Green Investment Bank (London) 27 November 2012. Access Date: 28 February 2014. <http://www.greeninvestmentbank.com/media-centre/gib-news/green-bank-opens-for-business.html>

⁷⁹⁰ Fact Sheet: 48C Manufacturing Tax Credits, Department of Energy (Washington DC) 7 February 2013. Access Date: 28 February 2014. <http://energy.gov/sites/prod/files/2013/04/f0/FACT%20SHEET%20--%2048C%20MANUFACTURING%20TAX%20CREDITS.pdf>

⁷⁹¹ Energy Department Announces \$150 Million in Tax Credits to Invest in US Clean Energy Manufacturing, Department of Energy (Washington DC) 12 December 2013. <http://www.energy.gov/articles/energy-department-announces-150-million-tax-credits-invest-us-clean-energy-manufacturing>

⁷⁹² Energy Department Invest Over \$7 Million to Commercialize Cost-Effective Hydrogen and Fuel Cell Technologies, Department of Energy (Washington DC) 12 December 2013. Access Date: 28 February 2014. <http://www.energy.gov/articles/energy-department-invests-over-7-million-commercialize-cost-effective-hydrogen-and-fuel>

⁷⁹³ Secretary Moniz Announces Nearly \$50 Million to Advance High-Tech, Fuel Efficient American Autos, Department of Energy (Washington DC) 22 January 2014. Access Date: 28 February 2014. <http://www.energy.gov/articles/secretary-moniz-announces-nearly-50-million-advance-high-tech-fuel-efficient-american-autos>

power plants are permitted to produce.⁷⁹⁴ At the 2014 North American Leaders' Summit in Mexico, Obama reaffirmed the US commitment to developing clean energy and highlighted a future trilateral meeting to discuss "opportunities to promote common strategies on energy efficiency."⁷⁹⁵

The US has encouraged effective policies that overcome barriers to energy efficiency, enhanced the efficiency of markets and shifts towards an energy sustainable future. The United States has received a score of +1 for full compliance.

Analyst: Anthony Marchese

European Union: +1

The European Union has fully complied with its commitment to encourage effective policies that overcome barriers to efficiency, and enhance the efficiency of markets for 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 2020.⁷⁹⁶ This directive sets the "legal definition and quantification of a European Union energy efficiency target" and obliges each member to set national goals as well. It encourages transparency in the process by mandating a minimum quadrennial energy audit with the first one due by 5 December 2015. The directive also increases energy savings for consumers, and targets buildings to increase energy efficiency through the development of efficient technologies.

On 8 January 2014, a European Commission Report reaffirmed the EU's commitment to the above directive and Directive 2006/32/EC on energy end-use efficiency and energy services to make the end use of energy more economic and efficient by establishing indicative targets.⁷⁹⁷ The deadline set for this goal is 5 June 2014.

The same report indicated a significant reduction of energy expenditures. The forecast in energy savings for the EU is expected to be around 132 million tons of oil.⁷⁹⁸ This can also be seen through the effectiveness of the European Union Emissions Trading Scheme, which puts a financial value on every ton of emission saved.⁷⁹⁹

⁷⁹⁴ President Barack Obama's State of the Union Address, The White House (Washington DC) 28 January 2014. Access Date: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/01/28/president-barack-obamas-state-union-address>

⁷⁹⁵ Joint Statement by North American Leaders - 21st Century North America: Building the Most Competitive and Dynamic Region in the World, The White House (Washington DC) 19 February 2014. Access Date: 28 February 2014. <http://www.whitehouse.gov/the-press-office/2014/02/19/joint-statement-north-american-leaders-21st-century-north-america-buildi>

⁷⁹⁶ Energy Efficiency Directive, European Commission. Access Date: 26 February 2014. http://ec.europa.eu/energy/efficiency/eed/eed_en.htm

⁷⁹⁷ Report from the Commission to the European Parliament and the Council COM(2013) 938 Final, European Commission (Brussels) 08 January 2014. Access Date: 26 February 2014. <http://new.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013DC0938&qid=1392871367931&from=EN>

⁷⁹⁸ Report from the Commission to the European Parliament and the Council COM(2013) 938 Final, European Commission (Brussels) 08 January 2014. Access Date: 26 February 2014. <http://new.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013DC0938&qid=1392871367931&from=EN>

⁷⁹⁹ The European Union Emissions Trading System, European Commission, 11 February 2014. Access Date: 26 February 2014. http://ec.europa.eu/clima/policies/ets/index_en.htm

On 14 February 2014, at the end of the Berlin Energy Forum, there was a reaffirmation of the EU's acknowledgement of the importance of energy efficiency.⁸⁰⁰ Over 160 stakeholders, including EU members from all energy sectors, attended.

The EU has outlined policy measures and reaffirmed its commitment to increase the efficiency of the energy market. Therefore, it has been awarded a score of +1.

Analyst: Emily Tsui

⁸⁰⁰ Conclusions of the Berlin Energy Forum 2014, European Commission (Berlin), 14 February 2014. Access Date: 26 February 2014. http://ec.europa.eu/energy/events/doc/2014_berlin_forum_conclusions_en.pdf

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			+1
China	-1		
France			+1
Germany			+1
India		0	
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.⁸⁰¹ 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.”⁸⁰²

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.”⁸⁰³ 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

⁸⁰¹ The G20 St. Petersburg Leaders’ Declaration, G20 Information Centre (Toronto) 6 September 2013. Access Date: 26 March 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>

⁸⁰² St. Petersburg Action Plan, 6 September 2013, G20 Information Centre (Toronto) 6 September 2013. Access Date: 26 March 2014. <http://www.g20.utoronto.ca/2013/2013-0906-plan.html>.

⁸⁰³ G20 Labour and Employment Ministers’ Declaration, G20 Information Centre (Toronto) 19 July 2013. Access Date: 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.”⁸⁰⁴

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].”⁸⁰⁵ These statistics are particularly worrisome as we consider that improving the conditions for youth employment were a top priority at the Cannes Summit in 2011⁸⁰⁶ and again at the Los Cabos Summit in 2012.⁸⁰⁷

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.”⁸⁰⁸

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.”⁸⁰⁹

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.”⁸¹⁰) This commitment is twofold and covers: (a) providing updated labour market information to assist diverse

⁸⁰⁴ G20 Labour and Employment Ministers’ Declaration, G20 Information Centre (Toronto) 19 July 2013. Access Date: 26 March 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>

⁸⁰⁵ Jobs and the disciplined market, The Economist (London) 18 November 2013. Access Date: 15 February 2014. <http://www.economist.com/news/21589119-well-functioning-market-will-widen-opportunities-young-people-believes-park-geun-hye-president>

⁸⁰⁶ Communique: G20 Leaders Summit, G20 Information Centre (Toronto) 4 November 2011. Access Date: 26 March 2014. <http://www.g20.utoronto.ca/2011/2011-cannes-communique-111104-en.html>

⁸⁰⁷ Labour and Employment Ministers Conclusions, G20 Information Centre (Toronto) 17-18 May 2012. Access Date: 26 March 2014. <http://www.g20.utoronto.ca/2012/2012-0518-labour.pdf>

⁸⁰⁸ 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. Access Date: 26 March 2014. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_217544.pdf

⁸⁰⁹ G20 Labour and Employment Ministers’ Declaration, G20 Information Centre (Toronto) 19 July 2013. Access Date: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>.

⁸¹⁰ G20 Labour and Employment Ministers’ Declaration, G20 Information Centre (Toronto) 19 July 2013. Access Date: 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 Strategy⁸¹¹ 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.⁸¹²

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.⁸¹³

Implementing policies that will increase the labour force participation and reduce structural unemployment, long-term unemployment, underemployment and job informality.⁸¹⁴

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.”⁸¹⁵ 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

⁸¹¹ A Skilled Workforce for Strong, Sustainable and Balanced Growth, A G20 Learning Strategy, International Labour Organization (Geneva) 2011. Access Date: 5 February 2014. http://www.itcilo.org/en/community/news/g20-training-strategy-en/at_download/file.

⁸¹² G20 Labour and Employment Ministers' Declaration, G20 Information Centre (Toronto) 19 July 2013. Access Date: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>.

⁸¹³ Emerging economies: has growth translated into more and better jobs?, International Labour Organization (Geneva) 21 October 2013. Access Date: 4 February 2014. http://www.ilo.org/global/about-the-ilo/newsroom/comment-analysis/WCMS_224436/lang--en/index.htm.

⁸¹⁴ G-20 Labour and Employment and Finance Ministers' Communiqué, Department of Finance Canada (Moscow) July 19 2013. Access Date: 5 February 2013. <http://www.fin.gc.ca/n13/13-097-eng.asp>.

⁸¹⁵ Defining and measuring informal employment, International Labour Organization (Geneva). Access Date: 5 February 2014. <http://www.ilo.org/public/english/bureau/stat/download/papers/meas.pdf>

disabilities.⁸¹⁶ 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.⁸¹⁷

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.⁸¹⁸

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.⁸¹⁹

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 Uribarri. This is in line with the national

⁸¹⁶ Discussion 1: Participation of vulnerable groups, including women and youth (discussion extended to 12 March), 30 January 2014. Access Date: 12 March 2014. <http://www.worldwewant2015.org/node/421142>.

⁸¹⁷ Agreement to Regularize Concordia Rural Workers, Ministry of Labour (Buenos Aires) 6 September 2013. Access Date: 3 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=790.

⁸¹⁸ Agreement Signed to Implement Employment Promotion Actions, Ministry of Labour (Buenos Aires) 6 September 2013. Access Date: 3 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=789

⁸¹⁹ Tomada: “Training Workers is Key to the Growth of the Country”, Ministry of Labour (Buenos Aires) 19 September 2013. Access Date: 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.⁸²⁰

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.⁸²¹

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.⁸²²

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.⁸²³

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.⁸²⁴

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 which 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.⁸²⁵

Additionally, on 11 October 2013, Mr. 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

⁸²⁰ Tomada and Uribarri Launched Employment Promotion Programmes in Gualeguaychu, Ministry of Labour (Arg Buenos Aires entina) 23 September 2013. Access Date: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=818

⁸²¹ Tomada Along With Youngsters From The City Trained In The Cinema Industry, Ministry of Labour (Buenos Aires) 26 September 2013. Access Date: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=949

⁸²² Second Trade Union Training Series for Young Leaders at the Labour Ministry, Ministry of Labour (Buenos Aires) 1 October 2013. Access Date: 4 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=961

⁸²³ Agreement to Link “Jovenes” Programme to University Scholarships, Ministry of Labour (Buenos Aires) 2 October 2013. Access Date: 4 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=984

⁸²⁴ Tomada: “We know that without equality there is no true freedom”, Ministry of Labour (Buenos Aires) 2 October 2013. Access Date: 4 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=982#engver

⁸²⁵ Cooperation Agreement with FAIMA to Strengthen Social Security Policies, Ministry of Labour (Buenos Aires) 11 October 2013. Access Date: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1064

centres in the sector, of which 40 already exist. This is an extension of the national government's intention to improve social conditions through training and education.⁸²⁶

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."⁸²⁷

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.⁸²⁸

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.⁸²⁹

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.⁸³⁰

Moreover, on 11 November 2013, the Labour Ministry through its Employment and Labour Training Management Office in Chaco, applied the Telemwork Follow-up and Promotion Programme in Private Enterprises with the organization CARSE. The Ministry of labour has been engaging with the use of telemwork 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 telemwork as a means of inserting workers into the workforce from home, thus improving their employability.⁸³¹

⁸²⁶ Agreement with SMATA to Train 15,000 car industry workers in three years, Ministry of Labour (Buenos Aires) 11 October 2013. Access Date: 5 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1063

⁸²⁷ Local Development Diplomas Aimed at Employment Generation Awarded, Ministry of Labour (Buenos Aires) 16 October 2013. Access Date: March 5 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1067

⁸²⁸ Tomada Signed Unions Training Agreement with Brick Kiln Sector, Ministry of Labour (Buenos Aires) 18 October 2013. Access Date: March 5 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1091

⁸²⁹ Certificates awarded to Water Supply and Sanitation Workers, Ministry of Labour (Buenos Aires) 22 October 2013. Access Date: March 6 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1093

⁸³⁰ Addiction Prevention in the Chemical Sector, Ministry of Labour (Buenos Aires) 11 November 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1406

⁸³¹ Chaco: Telemwork Promotion in Private Enterprises, Ministry of Labour (Buenos Aires) 11 November 2013. Access Date: 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.⁸³²

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.⁸³³

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.⁸³⁴

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.⁸³⁵

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.⁸³⁶

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.⁸³⁷

⁸³² National Congress: Social and Labour Inclusion for Disabled Workers. Ministry of Labour (Buenos Aires) 16 November 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1620

⁸³³ Labour Inclusion Programme for a Supermarket Company, Ministry of Labour (Buenos Aires) 10 November 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1580

⁸³⁴ Tomada and Trimarco for the Social and Labour Reintegration of Human Trafficking Victims, Ministry of Labour (Buenos Aires) 27 November 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1646

⁸³⁵ Training Certificates Awarded to La Matanza Trans Group, Ministry of Labour (Buenos Aires) 28 November 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1651

⁸³⁶ Certificates Awarded and New Agreements Signed with FOETRA, Ministry of Labour (Buenos Aires) 29 November 2013. Access Date: 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.⁸³⁸

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.⁸³⁹

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.⁸⁴⁰

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.⁸⁴¹

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.⁸⁴²

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.^{843,844}

⁸³⁷ Labour Portfolio, SMATA and CGERA Inaugurated New Professional Training Centre, Ministry of Labour (Buenos Aires) 4 December 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1675

⁸³⁸ Reintegration of People Undergoing Treatment for Addiction and Trafficking Victims, Ministry of Labour (Buenos Aires) 9 December 2013. Access Date: 6 March 2013. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1695#engver

⁸³⁹ More workers join the 45,000 already trained in the software industry, Ministry of Labour (Buenos Aires) 11 December 2013. Access Date: March 6 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1707#engver

⁸⁴⁰ Certificates Awarded to Disabled People Trained in Bricklaying in Villa Lugano, Ministry of Labour (Buenos Aires) 16 December 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1710#engver

⁸⁴¹ Agreement with Rio Negro against Undeclared Work, Ministry of Labour (Buenos Aires) 16 December 2013. Access Date: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1711#engver

⁸⁴² Union Training Agreement with Villa Maria's CGT, Ministry of Labour (Buenos Aires) 18 December 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1715#engver

⁸⁴³ Acerca de Conectar Igualdad, Ministry of Education (Buenos Aires). Access Date: 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.⁸⁴⁵

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.⁸⁴⁶

On 22 January 2014, President Cristina Fernandez de Kirchner announced the implementation of the national PROG.R.ES.AR project to assist unemployed youth.⁸⁴⁷ 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.⁸⁴⁸

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.⁸⁴⁹

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.⁸⁵⁰

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.

⁸⁴⁴ Labour Portfolio and ANSES Foster Workers' Training, Ministry of Labour (Buenos Aires) 18 December 2013. Access Date: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1714#engver

⁸⁴⁵ Telework for the Integration of Visually Impaired People, Ministry of Labour (Buenos Aires) 19 December 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1718#engver

⁸⁴⁶ Agreement Signed for Inclusion of Vulnerable Groups, Ministry of Labour (Buenos Aires) 19 December 2013. Access Date: 6 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1717#engver

⁸⁴⁷ The President Launched the PROG.R.ES.AR Programme, Ministry of Labour (Buenos Aires) 22 January 2014. Access Date: March 6 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1744#engver

⁸⁴⁸ Tomada met Chambers and Trade Unions to Implement PROG.R.ES.AR Programme, Ministry of Labour (Buenos Aires) 12 February 2014. Access Date: http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1743#engver

⁸⁴⁹ La Rioja: Progress Made in Implementing Trade Union Co-Responsibility Agreement, Ministry of Labour (Buenos Aires) 18 February 2014. Access Date: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1750#engver

⁸⁵⁰ Labour Ministry and RENATEA Invite Rural Area Youngsters to Join the PROG.R.ES.AR Programme, Ministry of Labour (Buenos Aires) 26 February 2014. Access Date: 7 March 2014. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1795#engver

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.⁸⁵¹

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.⁸⁵²

On 24 January 2014 the Federal and Assistant Labour Ministers announced three support programs. 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.⁸⁵³ Second, Relocation Assistance To Take Up A Job compensates those unemployed who have moved to find employment of up to AUD6,000. 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 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.⁸⁵⁴ This program helps those looking for a job learn new skills to improve their chances of finding a job.⁸⁵⁵ 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.⁸⁵⁶

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

⁸⁵¹ 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 Accessed: 17 February 2014. <http://ministers.employment.gov.au/hartsuyker/labors-appalling-legacy-unemployed-coalition-gets-job-delivering-election-commitments>

⁸⁵² Creating Job Opportunities for New Migrants and Refugees, Minister's Media Centre (Sydney) 22 January 2014. Date Accessed: 20 February 2014. <http://ministers.employment.gov.au/hartsuyker/creating-job-opportunities-new-migrants-and-refugees>

⁸⁵³ Round Table to Improve Employment Services, Ministers' Media Centre (Sydney) 24 January 2014. Date Accessed: 17 February 2014. <http://ministers.employment.gov.au/hartsuyker/roundtable-improve-delivery-employment-services>

⁸⁵⁴ The Future of Work for the Dole Focus on Devonport Discussions (Sydney) 17 February 2014. Date Accessed: 20 February 2014. <http://ministers.employment.gov.au/hartsuyker/future-work-dole-focus-devonport-discussions>

⁸⁵⁵ Job Services Australia: Work for the Dole, Australian Government, Department of Employment (Canberra) 2014. Date Accessed: 20 February 2014. <http://employment.gov.au/work-dole>

⁸⁵⁶ First Job Seekers Find Work Through Tasmanian Jobs Programme, Ministers' Media Centre (Canberra) 17 February 2014. Date Accessed: 20 February 2014. <http://ministers.employment.gov.au/hartsuyker/first-job-seekers-find-work-through-tasmanian-jobs-programme>

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.⁸⁵⁷

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.⁸⁵⁸

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 poverty and reduce social inequalities, while ensuring democratic governance and sustainable development.⁸⁵⁹

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.⁸⁶⁰

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.⁸⁶¹ The agreement secures the commitment of 154 governments, including Brazil, to take affirmative action on

⁸⁵⁷ Decent Work will be a Priority in Major Events, Ministry of Labour and Employment (Brasilia) 26 September 2013. Access Date: 8 March 2014.

<http://portal.mte.gov.br/imprensa/trabalho-decente-sera-prioridade-em-grandes-eventos/palavrachave/comissao-executiva-interministerial.htm>

⁸⁵⁸ Manoel Dias Attends Seminar in CNI, Ministry of Labour and Employment (Brasilia) 26 September 2013. Access Date: 8 March 2013. <http://portal.mte.gov.br/imprensa/manoel-dias-participa-de-seminario-na-cni.htm>

⁸⁵⁹ Subcommittee Discusses Decent Work for Young People, Ministry of Labour and Employment (Brasilia) 27 September 2013. Access Date: 8 March 2014. <http://portal.mte.gov.br/imprensa/subcomite-discute-trabalho-decente-aos-jovens.htm>

⁸⁶⁰ Manoel Dias Opens Brasilia Seminar on Decent Work, Ministry of Employment and Labour (Brasilia) 4 October 2013. Access Date: 8 March 2014. <http://portal.mte.gov.br/imprensa/manoel-dias-abre-em-brasilia-seminario-sobre-trabalho-decente/palavrachave/trabalho-decente-seminario-regional.htm>

⁸⁶¹ Brasilia Declaration on Child Labour, Ministry of Labour and Employment (Brasilia) 10 October 2013. Access Date: 8 March 2014. <http://portal.mte.gov.br/imprensa/declaracao-de-brasilia-sobre-trabalho-infantil.htm>

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.⁸⁶²

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.⁸⁶³

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.”⁸⁶⁴ 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.⁸⁶⁵

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 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.⁸⁶⁶

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.⁸⁶⁷

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

⁸⁶² CGTI III: 153 Nations Signed the Brasilia Declaration, Ministry of Labour and Employment (Brasilia) 10 October 2013. Access Date: 8 March 2014. <http://portal.mte.gov.br/imprensa/iii-cgti-153-nacoes-assinam-declaracao-de-brasilia/palavrachave/iii-cgti.htm>

⁸⁶³ SRTE/SP Enables Bolivians in Entrepreneurship, Ministry of Labour and Employment (Brasilia) 17 October 2013. Access Date: 8 March 2014. <http://portal.mte.gov.br/imprensa/projeto-da-srte-sp-capacitara-imigrantes-bolivianos-em-emprededorismo.htm>

⁸⁶⁴ Launch of Investing in Youth: Brazil, Organisation for Economic Co-operation and Development (Paris) 22 October 2013. Access Date: 8 March 2014. <http://www.oecd.org/brazil/launch-investing-in-youth-brazil.htm>

⁸⁶⁵ Manoel Dias Emphasizes Policies for Young, Ministry of Labour and Employment (Brasilia) 22 October 2013. Access Date: 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>

⁸⁶⁶ MTE Announces Measures to Pay Unemployment Insurance Benefit, Ministry of Labour and Employment (Brasilia) 1 November 2013. Access Date: 8 March 2014. <http://portal.mte.gov.br/imprensa/mte-anuncia-medidas-no-pagamento-do-beneficio-do-seguro-desemprego.htm>

⁸⁶⁷ SRTE/AM Enforces Accessibility in Businesses, Ministry of Labour and Employment (Brasilia) 4 November 2013. Access Date: 9 March 2014. <http://portal.mte.gov.br/imprensa/srte-am-fiscaliza-acessibilidade-nas-empresas.htm>

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.⁸⁶⁸

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.⁸⁶⁹

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.⁸⁷⁰

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.⁸⁷¹

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 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.⁸⁷²

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.⁸⁷³

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

⁸⁶⁸ Entrepreneurship is a subject of debate in Goiania, Ministry of Labour and Employment (Brasilia) 7 November 2013. Access Date: 9 March 2014. <http://portal.mte.gov.br/imprensa/empreendedorismo-e-tema-de-debate-em-goiania.htm>

⁸⁶⁹ MTE/UN Agreement Promotes Employment for Refugee, Ministry of Labour and Employment (Brasilia) 22 November 2013. Access Date: 8 March 2014. <http://portal.mte.gov.br/imprensa/acordo-mte-onu-para-mais-emprego-a-refugiado/palavrachave/cnig-refugiado-emprego.htm>

⁸⁷⁰ SRTE/SP Does Swing Operation "Black Cat", Ministry of Labour and Employment (Brasilia) 28 January 2014. Access Date: 9 March 2014. <http://portal.mte.gov.br/imprensa/srte-sp-faz-balanco-da-operacao-gato-preto.htm>

⁸⁷¹ Learning: SC Joins 16, 254 Young, Ministry of Labour and Employment (Brasilia) 29 January 2014. Access Date: 9 March 2014. <http://portal.mte.gov.br/imprensa/aprendizagem-sc-ingressa-16-254-jovens-em-2013.htm>

⁸⁷² Workshop on Decent Work BA Discusses, Ministry of Labour and Employment (Brasilia) 31 January 2014. Access Date: 10 March 2014. <http://portal.mte.gov.br/imprensa/oficina-em-ba-discute-trabalho-decente-na-copa.htm>

⁸⁷³ Minister Inaugurates Center for Inclusion of People with Disabilities, Ministry of Labour and Employment (Brasilia) 14 February 2014. Access Date: 10 March 2014. <http://portal.mte.gov.br/imprensa/ministro-inaugura-centro-para-inclusao-de-pessoas-com-deficiencia/palavrachave/deficiencia.htm>

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.⁸⁷⁴

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.⁸⁷⁵

On 17 February 2014 the Regional Labour and Employment office in Sao Paulo met with owners and workers of charcoal kilns in the region of Braganca Paulista in efforts to curb the situation of charcoal workers in the region's municipalities. The meeting stressed the need to register workers and educate workers about their rights and the safety of equipment use given the prominence of slave labour in the charcoal industry.⁸⁷⁶

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."⁸⁷⁷ 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 24 February 2014, the Ministry of Labour and Employment along with the Regional Labour and Employment Office of Sao Paulo, and other government actors at various levels, formalized an agreement to combat slave labour through the "Cooperation Protocol Technique to Combat Forced Labour in the Framework of State of Sao Paulo."⁸⁷⁸ The agreement calls for the creation of an interagency committee to propose, plan and monitor actions and implement permanent policies to combat slave labour. Furthermore, the agreement calls on this interagency to promote education and preventative actions on standards of labour and enforce international conventions ratified by Brazil on slave labour.

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

⁸⁷⁴ Projovem Worker form 3225 in Ceara, Ministry of Labour and Employment (Brasilia) 14 February 2014. Access Date: 10 March 2014. <http://portal.mte.gov.br/imprensa/projovem-trabalhador-forma-3225-no-caera.htm>

⁸⁷⁵ Projovem Worker form 3225 in Ceara, Ministry of Labour and Employment (Brasilia) 14 February 2014. Access Date: 10 March 2014. <http://portal.mte.gov.br/imprensa/projovem-trabalhador-forma-3225-no-caera.htm>

⁸⁷⁶ MTE Charcoal Production Meets Bela Stone (SP), Ministry of Labour and Employment (Brasilia) 17 February 2014. Access Date: 10 March 2014. <http://portal.mte.gov.br/imprensa/mte-reune-carvoarias-de-pedra-bela-sp.htm>

⁸⁷⁷ Minister Installs Learning Forum in Maranhao, Minister of Labour and Employment (Brasilia) 21 February 2014. Access Date: 10 March 2014. <http://portal.mte.gov.br/imprensa/ministro-instala-forum-da-aprendizagem-no-maranhao.htm>

⁸⁷⁸ SRTE/SP Firm Pact against Slave Labour, Ministry of Labour and Employment (Brasilia) 24 February 2014. Access Date: 10 March 2014. <http://portal.mte.gov.br/imprensa/srte-sp-firma-pacto-de-cooperacao-tecnica.htm>

Canada: +1

Canada has fully 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.⁸⁷⁹ 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.⁸⁸⁰ In addition, the government is working to ensure Canadians are aware of available jobs and have 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.⁸⁸¹

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.⁸⁸²

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.⁸⁸³ 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.⁸⁸⁴ 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 million.⁸⁸⁵ 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.

⁸⁷⁹ Canadian Government Economic Action Plan, Government of Canada (Ottawa) 2014. Access Date: 10 March 2014. <http://www.actionplan.gc.ca/en/>

⁸⁸⁰ Canadian Government Economic Action Plan, Government of Canada (Ottawa) 2014. Access Date: 10 March 2014. <http://www.actionplan.gc.ca/en/>

⁸⁸¹ Chapter 3.1: Connecting Canadians with Available Jobs, Government of Canada (Ottawa) 11 February 2014. Date Accessed: 28 February 2014. <http://www.budget.gc.ca/2014/docs/plan/ch3-1-eng.html>

⁸⁸² Chapter 3.1: Connecting Canadians with Available Jobs, Government of Canada (Ottawa) 11 February 2014. Date Accessed: 28 February 2014. <http://www.budget.gc.ca/2014/docs/plan/ch3-1-eng.html>

⁸⁸³ Provinces Prepare Job Grant Agreement-In-Principle with Ottawa, The Globe and Mail (Ottawa). 27 February 2014. Date Accessed: 28 February 2014. <http://www.theglobeandmail.com/news/politics/premiers-talking-about-job-grant-decision-on-tory-centrepiece-could-be-imminent/article17135919/>

⁸⁸⁴ Strengthening Canada’s Labour Market, Canada’s Economic Action Plan (Ottawa) 21 February 2014. Date Accessed: 28 February 2014. <http://actionplan.gc.ca/en/blog/strengthening-canadas-labour-market>

⁸⁸⁵ Targeted Initiative for Older Workers, Canada’s Economic Action Plan, Government of Canada (Ottawa) 2014. Date Accessed: 28 February 2014. <http://actionplan.gc.ca/en/initiative/targeted-initiative-older-workers>

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.⁸⁸⁶

Canada has long stood out among G20 members to have been 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.”⁸⁸⁷ 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.

During the compliance period Canada has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed under-represented and vulnerable groups. Thus, it has been awarded a score of +1.

Analyst: Amelia Cook

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.”⁸⁸⁸

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.”⁸⁸⁹ 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 went up by 9.2 percent.”⁸⁹⁰ 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.”

⁸⁸⁶ Supporting Jobs and Growth, Government of Canada (Ottawa) 11 February 2014. Access Date: 15 March 2014. <http://actionplan.gc.ca/en/blog/supporting-jobs-and-growth>

⁸⁸⁷ Jobs Report: The State of the Canadian Labour Market, Department of Finance Canada (Ottawa) 2014. Access Date: 15 March 2014. <http://www.budget.gc.ca/2014/docs/jobs-emplois/pdf/jobs-emplois-eng.pdf>

⁸⁸⁸ China’s labour camp system officially abolished, South China Morning Post (Hong Kong) 28 December 2013. Access Date: 15 March 2014. <http://www.scmp.com/news/china/article/1391659/china-formally-abolishes-re-education-labour-camps-eases-one-child-policy>

⁸⁸⁹ Migrant worker wages increased by 14 percent in 2013, China Labour Bulletin (Hong Kong) 21 February 2014. Access Date: 23 March 2014. <http://www.clb.org.hk/en/content/migrant-worker-wages-increased-14-percent-2013>

⁸⁹⁰ Income disparity continues to rise in China. China Labour Bulletin (Hong Kong) 27 January 2014. Access Date: 23 March 2014. <http://www.clb.org.hk/en/content/income-disparity-continues-rise-china>

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.”⁸⁹¹ 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.”⁸⁹² 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.”⁸⁹³

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.”⁸⁹⁴ The company trade union supported the strike in many regions.

On March 12 2014, the ten-day strike at the IBM ISTC factory ended.⁸⁹⁵ 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.”⁸⁹⁶ 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.”⁸⁹⁷ Furthermore, it is important to 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.

⁸⁹¹ Hitachi sacks worker activist who lobbied for trade union. China Labour Bulletin (Hong Kong) 24 January 2014. Access Date: 23 March 2014. <http://www.clb.org.hk/en/content/hitachi-sacks-worker-activist-who-lobbied-trade-union>

⁸⁹² More voices join call to set up fund for migrant workers with pneumoconiosis, China Labour Bulletin (Hong Kong) 17 March 2014. Access Date: 20 March 2014. <http://www.clb.org.hk/en/content/more-voices-join-call-set-fund-migrant-workers-pneumoconiosis>

⁸⁹³ China increases subsistence allowances but rural poor still only get 111 yuan per month, China Labour Bulletin (Hong Kong) 19 February 2014. Access Date: 23 March 2014. <http://www.clb.org.hk/en/content/china-increases-subsistence-allowances-rural-poor-still-only-get-111-yuan-month>

⁸⁹⁴ Pepsi workers across China go out on strike with trade union support, China Labour Bulletin (Hong Kong) 7 March 2014. Access Date: 21 March 2014. <http://www.clb.org.hk/en/content/pepsi-workers-across-china-go-out-strike-trade-union-support>

⁸⁹⁵ Shenzhen trade union seeks to help striking workers sacked by IBM, Chinese Labour Bulletin (Hong Kong) 13 March 2014. Access Date: 20 March 2014. <http://www.clb.org.hk/en/content/shenzhen-trade-union-seeks-help-striking-workers-sacked-ibm>

⁸⁹⁶ Workers stand firm as IBM strike enters ninth day, China Labour Bulletin (Hong Kong) 11 March 2014. Access Date: 20 March 2014. <http://www.clb.org.hk/en/content/workers-stand-firm-ibm-strike-enters-ninth-day>

⁸⁹⁷ IBM factory strike shows shifting China labor landscape, Reuters (Shanghai) 9 March 2014. Access Date: 20 March 2014. <http://www.reuters.com/article/2014/03/09/us-china-strikes-idUSBREA2804K20140309>

During the compliance period China has failed to take actions to combat unemployment and foster the creation of decent work and quality jobs. 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..

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.⁸⁹⁸ 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.⁸⁹⁹ 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.⁹⁰⁰

France has improved accessibility of training for youth by improving apprenticeship quality standards and reviewing management rules and the apprenticeship tax.⁹⁰¹ 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.⁹⁰² 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.⁹⁰³

⁸⁹⁸ 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. Access Date: 27 February 2014. <http://travail-emploi.gouv.fr/actualite-presse,42/communiqués,2138/loi-relative-a-la-formation,17563.html>.

⁸⁹⁹ Le point sur le Compte personnel de formation. Le Compte Personnel de Formation (Paris) 15 December 2013. Access Date: 27 February 2014. <http://www.le-compte-personnel-formation.com/le-point-sur-le-compte-personnel-de-formation/>.

⁹⁰⁰ Formation Pro: L'Accord de Partenaires Sociaux. Le Compte Personnel de Formation (Paris) 15 December 2013. Access Date: 27 February 2014. <http://www.le-compte-personnel-formation.com/formation-pro-laccord-des-partenaires-sociaux/>.

⁹⁰¹ 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. Access Date: 27 February 2014. <http://travail-emploi.gouv.fr/actualite-presse,42/communiqués,2138/loi-relative-a-la-formation,17563.html>.

⁹⁰² Ce budget assume une priorité claire : l'emploi et donc la croissance. Portail du Gouvernement. (Paris) September 11 2013. Access Date: 27 February 2014. <http://www.gouvernement.fr/premier-ministre/ce-budget-assume-une-priorite-claire-l-emploi-et-donc-la-croissance>

⁹⁰³ La Lettre des Investissements d'Avenir N°2. Commissariat Général à l'Investissement (Paris) September 2013. Access Date: 27 February 2014. <http://investissement-avenir.gouvernement.fr/sites/default/files/user/NEWSLETTER-%20PIA%20n2.pdf>.

France's Competitiveness and Employment Tax Credit increased to 6 per cent by January 2014 as promised, reducing labour costs for business.⁹⁰⁴

On 18 December 2013, France enacted pension reforms to increase pension fund revenues by gradually extending the collection period to 43 years by 2035.⁹⁰⁵ In the short term, the reforms will increase the collection by 0.3 pension points between 2014 and 2017.⁹⁰⁶ 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 encourage active participation of older workers in the labour market listed in the G20 Labour and Employment Ministers' Declaration.⁹⁰⁷

During the compliance period, France developed policy to increase employability of workers with an emphasis on programs for youth and seniors.⁹⁰⁸

During the compliance period France has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed 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 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."⁹⁰⁹

On 8 January 2014, the Federal Labour Minister Andrea Nahles announced that there will be "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."⁹¹⁰

⁹⁰⁴ Pour L'Emploi. Portail du Gouvernement (Paris) 2014. Access Date: 27 February 2014.

<http://www.gouvernement.fr/pourlemploi/cice>.

⁹⁰⁵ Réforme des Retraites: Tous les Détails de la Rorme adoptee en 2013, JDN (Paris) 18 December 2013. Access Date: 27 February 2014. <http://www.journaldunet.com/management/vie-personnelle/retraites-2013-reforme-des-retraites-les-mesures-devoilees-en-direct-0813.shtml>.

⁹⁰⁶ Retraites 2013: Le Project de Loi Présenté par le Gouvernement, Vie Publique (Paris) 20 September 2013. Access Date: 27 February 2014. <http://www.vie-publique.fr/actualite/dossier/retraites-2013-debat/retraites-2013-projet-loi-presente-par-gouvernement.html>.

⁹⁰⁷ G20 Labour and Employment Ministers' Declaration, G20 Research Group (Toronto) 19 July 2013. Access Date: 27 February 2014. <http://www.g20.utoronto.ca/2013/2013-0719-labour-declaration.html>.

⁹⁰⁸ St. Petersburg Action Plan, G20 Research Group (Toronto) 6 September 2013. Access Date: 27 February 2014. <http://www.g20.utoronto.ca/2013/2013-0906-plan.html>.

⁹⁰⁹ Federal Government Report on Participation with Regard to the Circumstances of Persons with Impairments (Berlin) January 2014. Date Accessed: 15 February 2014. http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/a125-13-e-teilhabebericht-2013-englisch.pdf?__blob=publicationFile

⁹¹⁰ Address by Federal Labour Minister Andrea Nahles, Federal Ministry of Labour and Social Affairs (Berlin) 8 January 2014. Date Accessed: 15 February 2014. <http://www.bmas.de/EN/Service/Press/press-releases/labour-market-figures-december-2013.html?nn=46168>

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.⁹¹¹

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 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.⁹¹² 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.”⁹¹³

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’.”⁹¹⁴

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.⁹¹⁵ 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.”⁹¹⁶ 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

⁹¹¹ 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). Access Date: 15 February 2014. <http://www.make-it-in-germany.com/en/>

⁹¹² Federal Government Report on Participation with Regard to the Circumstances of Persons with Impairments (Berlin) January 2014. Date Accessed: 15 February 2014. http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/a125-13-e-teilhabebericht-2013-englisch.pdf?__blob=publicationFile

⁹¹³ Federal Government Report on Participation with Regard to the Circumstances of Persons with Impairments (Berlin) January 2014. Date Accessed: 15 February 2014. http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/a125-13-e-teilhabebericht-2013-englisch.pdf?__blob=publicationFile

⁹¹⁴ Federal Government Report on Participation with Regard to the Circumstances of Persons with Impairments (Berlin) January 2014. Date Accessed: 15 February 2014. http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/a125-13-e-teilhabebericht-2013-englisch.pdf?__blob=publicationFile

⁹¹⁵ Support Programme for Learning Germany for Employment Purposes Contributes to Securing Skilled Labour (Berlin) 16 January 2014. Access Date: 15 February 2014. http://www.arbeitsagentur.de/nn_426140/EN/zentraler-Content/Presse/Presse-14-003-EN-833904.html

⁹¹⁶ Labour market is in good shape, Federal Ministry of Labour and Social Affairs (Berlin) 1 January 2014. Access Date: 10 March 2014. <http://www.bmas.de/EN/Service/Press/press-releases/labour-market-figures-january-2014.html>

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.”

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.

Analyst: Amelia Cook

India: 0

India has partially 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.⁹¹⁷

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.”⁹¹⁸ 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.”⁹¹⁹

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.⁹²⁰

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

⁹¹⁷ The Gazette of India, The Government of India (New Delhi) 18 September 2014. Date Accessed: 7 March 2014. <http://indiacode.nic.in/acts-in-pdf/252013.pdf>

⁹¹⁸ Without jobs, India's demographic dividend will be a disaster: Alakh N Sharma, Times of India (New Delhi) 12 February 2014. Access Date: 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>

⁹¹⁹ Poverty higher among employed than unemployed: report, The Hindu (New Delhi) 19 December 2014. Access Date: 20 March 2014. <http://www.thehindu.com/todays-paper/tp-national/poverty-higher-among-employed-than-unemployed-report/article5476218.ece>

⁹²⁰ 2013-2014 RFD for Ministry of Labor and Employment, Performance Management Division (New Delhi) 25 November 2013. Date Accessed: 7 March 2014. <http://labour.nic.in/upload/uploadfiles/files/RFD/530efb2e6bd20Revised%20RFD%202013-14.pdf>

manufacturing jobs as a part of the Prime Minister's Employment Generation Programme.⁹²¹ 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 2013.⁹²²

Despite recent policy efforts, the Government of India has many critics when it comes to its 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."⁹²³ 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."⁹²⁴ 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."⁹²⁵ 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."⁹²⁶ 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."⁹²⁷ The main challenge lies in "providing some functional education to the existing workforce, apart from educating and skilling the future workforce."

⁹²¹ TN excels in implementing Prime Minister's Employment Generation Programme, The Hindu (Tiruchi) 20 February 2014. Date Accessed: 9 March 2014. <http://www.thehindu.com/news/cities/Tiruchirapalli/tn-excels-in-implementing-prime-ministers-employment-generation-programme/article5709142.ece>

⁹²² Govt allocates Rs 8,060 cr to set up 5 lakh projects, Business Standard (New Delhi) 4 September 2013. Date Accessed: 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

⁹²³ Indian manufacturing stagnates due to peculiar labour laws: Meghnad Desai, The Economic Times (New Delhi) 21 March 2014. Access Date: 22 March 2014. http://articles.economicstimes.indiatimes.com/2014-03-21/news/48438460_1_manufacturing-sector-manufacturing-growth-labour

⁹²⁴ Indian manufacturing stagnates due to peculiar labour laws: Meghnad Desai, The Economic Times (New Delhi) 21 March 2014. Access Date: 22 March 2014. http://articles.economicstimes.indiatimes.com/2014-03-21/news/48438460_1_manufacturing-sector-manufacturing-growth-labour

⁹²⁵ India Labour and Employment Report 2014: Workers in the era of globalization, International Development Research Center (Ottawa) 2014. Access Date: 23 March 2014. <http://www.idrc.ca/EN/Themes/Development/Pages/ResultDetails.aspx?ResultID=195>

⁹²⁶ Poverty higher among employed than unemployed: report, The Hindu (New Delhi) 19 December 2014. Access Date: 20 March 2014. <http://www.thehindu.com/todays-paper/tp-national/poverty-higher-among-employed-than-unemployed-report/article5476218.ece>

⁹²⁷ Poverty higher among employed than unemployed: report, The Hindu (New Delhi) 19 December 2014. Access Date: 20 March 2014. <http://www.thehindu.com/todays-paper/tp-national/poverty-higher-among-employed-than-unemployed-report/article5476218.ece>

Economist Alakh Shamra said that “unemployment among the educated is very high” and consists at around 60 per cent among women graduates.⁹²⁸ India struggles to address youth employment with “unemployment [being] highest in the 15-25 age group.”⁹²⁹

India has partially 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 0.

Analysts: Harinya Shanthakumar and Atena Sadegh

Indonesia: 0

Indonesia has partially complied with the commitment on labour and employment. 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.⁹³⁰ This is in line with Indonesia’s commitment to assist vulnerable groups.

On 7 November 2013, Manpower and Transmigration Ministry 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.”⁹³¹ Evidence of an official program is unavailable.

On 13-14 November 2013, the Indonesian Coordinating Ministry for Economic Affairs, the Indonesian Ministry of Manpower and Transmigration, 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.⁹³²

⁹²⁸ Without jobs, India's demographic dividend will be a disaster: Alakh N Sharma, Times of India (New Delhi) 12 February 2014. Access Date: 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>

⁹²⁹ Poverty higher among employed than unemployed: report, The Hindu (New Delhi) 19 December 2014. Access Date: 20 March 2014. <http://www.thehindu.com/todays-paper/tp-national/poverty-higher-among-employed-than-unemployed-report/article5476218.ece>

⁹³⁰ RI looks to Finland model to reform education, The Jakarta Post (Jakarta) 10 October 2013. Access Date: 21 February 2014. <http://www.thejakartapost.com/news/2013/10/10/ri-looks-finland-model-reform-education.html>

⁹³¹ Economic slowdown drives up unemployment rate, The Jakarta Post (Jakarta) 7 November 2013. Access Date: 21 February 2014. <http://www.thejakartapost.com/news/2013/11/07/economic-slowdown-drives-unemployment-rate.html>

⁹³² Indonesia Employment Forum, International Labour Organization (Geneva) 13 – 14 November 2013. Access Date: 21 February 2014. http://www.ilo.org/jakarta/whatwedo/eventsandmeetings/WCMS_229967/lang--en/index.htm

On 18 November 2013, Muhaimin Iskandar, Minister of Manpower and Transmigration, publicly invited foreign companies to invest in Indonesia. He said this foreign investment would help develop Indonesia's real sector and combat unemployment.⁹³³

On 30 January 2014, Minister of Finance Chatib Basri said the government was preparing an incentive policy for foreign investors by providing tax reliefs close to 0 per cent.⁹³⁴ Such actions reportedly contribute indirectly to creating economic growth and job opportunities.

On 20 November 2013, the Republic of Indonesia secured a USD400 billion development policy loan from the World Bank.⁹³⁵ The main objective was to "enhance Indonesia's capacity and institutions for reducing poverty and boosting shared prosperity." The government of Indonesia will use a portion of this fund to implement a new national social security system (Sistem Jaminan Sosial Nasional).⁹³⁶

On 26 November 2013, the Jakarta administration reformed recruiting processes for principals, basing selections on merit rather than nominations. Jakarta Education Agency head Taufik Yudi said the new open-call recruitment process "would uphold strict requirements for eligibility as required in the ministerial regulation" but ensured selections will be free from "no religious or racial discrimination in this recruitment because it is purely based on the competence of the candidates."⁹³⁷

On 11 December 2013, Education and Culture Ministry director of early childhood education development (PAUD) Erman Samsudin, announced that the government has set aside approximately USD50.03 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.⁹³⁸

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.⁹³⁹

⁹³³ Investors Invited to Reduce Unemployment Rate, Hukumonline (Jakarta) 19 November 2013. Access Date: 21 February 2014. <http://en.hukumonline.com/pages/lt528b1131874b4/investors-invited-to-reduce-unemployment-rate>

⁹³⁴ Encouraging Reinvestment, Government Prepares Incentive for Investors, Ministry of Finance (Jakarta) 30 January 2014. Access Date: 21 February 2013. <http://www.kemenkeu.go.id/en/Berita/encouraging-reinvestment-government-prepares-incentive-investors>

⁹³⁵ Official Documents- Loan Agreement, L8304-ID (Closing Package), World Bank (Washington, DC) 20 November 2013. Access Date: 21 February 2014. <http://documents.worldbank.org/curated/en/2013/11/18674831/official-documents--loan-agreement-l8304-id-closing-package>

⁹³⁶ Second Institutional Strengthening for Social Inclusion (Second Institutional, Tax Administration, Social and Investment) Development Policy Loan Project, World Bank (Washington, DC) 21 October 2013. Access Date: 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>

⁹³⁷ New principal recruitment process to start, The Jakarta Post (Jakarta) 25 November 2013. Access Date: 21 February 2014. <http://www.thejakartapost.com/news/2013/11/25/new-principal-recruitment-process-start.html>

⁹³⁸ Early years education for all in 2014, The Jakarta Post (Jakarta) 12 December 2013. Access Date: 21 February 2014. <http://www.thejakartapost.com/news/2013/12/12/early-years-education-all-2014.html>

⁹³⁹ Reducing Poverty and Boosting Growth with Financial Inclusion Program, Ministry of Finance (Jakarta) 16 December 2013. Access Date: 21 February 2013. <http://www.kemenkeu.go.id/en/Berita/reducing-poverty-and-boosting-growth-financial-inclusion-program>

On 17 December 2013, the International Labour Organization, in a report, 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.⁹⁴⁰

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.⁹⁴¹ Village chiefs have never received state funds before, as the central government has never recognized them as civil servants or representatives of political parties.⁹⁴²

On 17 January 2014, senior economists from the World Bank criticized the Indonesia government’s lack of attention to the informal sector. They cited current laws are hindering access to private credit or bank loans, thus making it difficult for the private sector to boost productivity.⁹⁴³

On 4 February 2014, the 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.⁹⁴⁴

During the compliance period Indonesia has 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. 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 assistance of disadvantaged groups, as well as reducing informality. Thus, it has been awarded a score of 0.

Analyst: Victoria Wicks

Italy: 0

Italy has partially complied with the commitment on labour and employment, due to its recent political instability. It remains to be seen what labour and employment policies the government of Matteo Renzi will introduce, since its installation on 22 February 2014.⁹⁴⁵

⁹⁴⁰ Labour and social trends in Indonesia in 2013: Reinforcing the role of decent work in equitable growth, World Bank (Washington DC) 17 December 2013. Access Date: 21 February 2014.

http://www.ilo.org/jakarta/whatwedo/publications/WCMS_233249/lang--en/index.htm

⁹⁴¹ The Government Agreed on Village Draft Law, Ministry of Finance (Jakarta) 18 December 2013. Access Date: 21 February 2014. <http://www.kemenkeu.go.id/en/Berita/government-agreed-village-draft-law>

⁹⁴² Indonesian parliament enacts law on villages, Xinhua New Agency (Jakarta) 19 December 2013. Access Date: 21 February 2014. http://news.xinhuanet.com/english/world/2013-12/19/c_132981816.htm

⁹⁴³ Govt needs to pay more attention to informal sector, The Jakarta Post (Jakarta) 17 January 2014. Access Date: 21 February 2014. <http://www.thejakartapost.com/news/2014/01/17/govt-needs-pay-more-attention-informal-sector.html>

⁹⁴⁴ OJK launches roadmap for good corporate practice, The Jakarta Post (Jakarta) 5 February 2014. Access Date: 21 February 2014. <http://www.thejakartapost.com/news/2014/02/05/ojk-launches-roadmap-good-corporate-practice.html>

⁹⁴⁵ Matteo Renzi sworn in as Italy’s new PM in Rome ceremony, BBC News (London) 22 February 2014. Access Date: 28 February 2014. <http://www.bbc.com/news/world-europe-26301943>

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 2013.⁹⁴⁶

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.⁹⁴⁷

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 young people have access to a job, an apprenticeship or a spot in a higher education institution within 4 months of becoming unemployed or finishing school.⁹⁴⁸ The policies, scheduled to be rolled out in January 2014, would 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.⁹⁴⁹

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.⁹⁵⁰ This was an effort to create a more “homogenous labour market” across the country.

On 3 December 2013 a memorandum was signed between Labour and Social Policy Minister Giovannini and the southern provinces of Sicilia, Calabria, Puglia and Campania to cooperate in the area of youth employment promotion by tackling skills mismatch issues, “NEETs” (youth that are not in Education, Employment or Training), by promoting internships and improving the quality of vocational training in higher education institutions as well as encouraging entrepreneurship initiatives.⁹⁵¹

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

⁹⁴⁶ 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. Access Date: 28 February 2014.

http://www.lavoro.gov.it/Notizie/Pages/20130918_Incentivi-assunzioni-giovani.aspx

⁹⁴⁷ Microcredito per l'impresa al femminile. Press release, Ministry of Labor and Social Policy (Rome) 30 September 2013. Access Date: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20130930_conferenza-stampa_microcredito-donna.aspx

⁹⁴⁸ Employment: Commission urges Member States to urgently implement Youth Guarantee to help young jobless European Commission - MEMO/13/984 (Brussels) 12 November 2013. Access Date: 28 February 2014. http://europa.eu/rapid/press-release_MEMO-13-984_en.htm

⁹⁴⁹ 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. Access Date: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20131031_Garanzia_Giovani.aspx

⁹⁵⁰ Garanzia Giovani. La Conferenza Stato-Regioni approva la piattaforma informatica unitaria Press release: Ministry of Labour and Social Policy (Rome) 20 February 2014. Access Date: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20140220_Conf_Stato_Regioni.aspx

⁹⁵¹ 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. Access Date: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20131203_Protocollo-occupazione.aspx

up of the Labour Ministry, the Equal Opportunity Department, the Department for Families and the Network of Equality Advisors.⁹⁵² The commission was formally created on 24 January 2014.⁹⁵³

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.⁹⁵⁴ 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.⁹⁵⁵ In his first speech to Parliament, Renzi outlined his administration's broad priorities that would include increasing welfare payments for the unemployed.⁹⁵⁶ Renzi's labour market policies will have to be evaluated at a later date, when more definitive details become available.

Italy has partially 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. Prime Minister Renzi has promised to reform the employment law.⁹⁵⁷ In the absence of concrete policies, however, it is too early to evaluate how they would affect the Italian labour market. The prior government of Enrico Letta had taken steps to promote youth employment and increase the participation of women into the workforce. Therefore Italy has received a score of 0.

Analyst: Sabina Mibaescu

Japan: +1

Japan has fully complied with the commitment on labour and employment.

On 5 December 2013, the 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.⁹⁵⁸

⁹⁵² Donne e lavoro: le misure a favore dell'occupazione femminile. Press release, Ministry of Labour and Social Policy (Rome) 18 December 2013. Access Date: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20131218_donne-e-lavoro.aspx

⁹⁵³ Conciliazione tempi di vita e di lavoro: Giovannini istituisce una commissione di esperti per elaborare gli interventi necessari. Press release, Ministry of Labour and Social Policy (Rome) 24 January 2014. Access Date: 28 February 2014. http://www.lavoro.gov.it/Notizie/Pages/20140124_conciliazione.aspx

⁹⁵⁴ Disoccupazione "allucinante", dice Renzi. Poletti: far partire il Jobs act. Il Velino (Rome) 28 February 2014. Access Date: 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/>

⁹⁵⁵ Italy's Jobs Act Targets Senior Civil Servants, Broader Welfare. The Wall Street Journal (Europe) 9 January 2014. Access Date: 28 February 2014. <http://online.wsj.com/article/DN-CO-20140109-007983.html>

⁹⁵⁶ Italy's Youngest Ever Prime Minister Vows 'Radical Change' In Impassioned Speech. Agence France Presse, 25 February 2014. Access Date: 28 February 2014. <http://www.businessinsider.com/italys-youngest-ever-prime-minister-vows-radical-change-in-impassioned-speech-2014-2>

⁹⁵⁷ Italian politics: Renzi's rosy start. The Economist (London) 27 February 2014. Access Date: 28 February 2014. <http://www.economist.com/news/europe/21597956-italys-new-prime-minister-long-promises-short-detail-renzis-rosy-start>

⁹⁵⁸ Japan Lays Out ¥5.5 Trillion Stimulus Package, Wall Street Journal (New York) 5 December 2013. Access Date: 25 February 2014. <http://online.wsj.com/news/articles/SB10001424052702303997604579239740505369468>

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.⁹⁵⁹ 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 2014.⁹⁶⁰ 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.⁹⁶¹ 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.⁹⁶²

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, has 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.⁹⁶³ At the regional level, the MHLW coordinated human resource development training courses under the Association of Southeast Asian Nations (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.⁹⁶⁴ The APEC forum on Human Resource Development took place in November 2013 in

⁹⁵⁹ 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. Access Date: 9 February 2014.

http://www.kantei.go.jp/foreign/96_abe/statement/201401/24siseihousin_e.html

⁹⁶⁰ 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. Access Date: 9 February 2014.

http://www.mofa.go.jp/policy/page3e_000083.html

⁹⁶¹ 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. Access Date: 9 February 2014.

http://www.kantei.go.jp/foreign/96_abe/statement/201401/22speech_e.html

⁹⁶² 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. Access Date: 9 February 2014.

http://www.kantei.go.jp/foreign/96_abe/statement/201401/22speech_e.html

⁹⁶³ Japanese Government Programs in the HRD Promotion Month, Ministry of Health, Labour, and Welfare (Tokyo) November 2013. Access Date: 20 February 2014. http://www.mhlw.go.jp/english/policy/employ-labour/human-resources/dl/news_letter_2013_11.pdf

⁹⁶⁴ 24th MHLW HRD Information, Ministry of Health, Labour, and Welfare (Tokyo) October 2013. Access Date: 20 February 2014. http://www.mhlw.go.jp/english/policy/employ-labour/human-resources/dl/news_letter_2013_09.pdf

collaboration with JAVADA (Japan Vocational Ability Development Association) in Nara city, and focused on improving employability for people with disabilities.

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 Rogers

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 Labor (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) 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.⁹⁶⁵

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.⁹⁶⁶

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.⁹⁶⁷

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 2006.⁹⁶⁸

As of January 2014, Korea has the lowest overall unemployment rate of the G20 members, at 3.5 per cent.⁹⁶⁹ President Park Geun-hye has declared that her government will “raise the employment rate from 64% to 70% in the next five years under the Creative Economy strategy.” The strategy is threefold:

⁹⁶⁵ 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. Access Date: 27 February 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1019

⁹⁶⁶ Affirmative action program in 2013, Ministry of Employment and Labor (Sejong-si) 22 October 2013. Access Date: 27 February 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1022

⁹⁶⁷ MOEL and Gyeonggi provincial government sign MOU to create part-time jobs, Ministry of Employment and Labor (Sejong-si) 18 November 2013. Access Date: 27 February 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1033

⁹⁶⁸ The Global Gender Gap Report 2013, World Economic Forum (Geneva) 25 October 2013. Access Date: 27 February 2014. <http://www.weforum.org/reports/global-gender-gap-report-2013>

⁹⁶⁹ Economically Active Population Survey in January 2014, Statistics Korea (Seoul) 12 February 2014 Access Date: 27 February 2014. <http://kostat.go.kr/portal/english/news/1/1/index.board?bmode=read&aSeq=311685>

(1) strengthen the employability of youth; (2) provide “technical and financial support for start-up businesses”; (3) strengthen “the social safety net.”⁹⁷⁰

Cho Yoon Sun, minister for gender equality, affirmed that the “biggest priority is to help [women] not to quit their jobs while raising kids.”⁹⁷¹ 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 labor market.⁹⁷² Park indicated plans to raise spending by 68 per cent in 2014 on efforts to tackle gender inequality.⁹⁷³ Measures announced in February 2014 included building more childcare facilities at workplaces and encouraging men to take more paternity leaves by increasing the amount of leave-pay.⁹⁷⁴

On 20 February 2014, Minister of Employment and Labor Phang Ha-Nam announced a series of policy initiatives to increase the employment rate of the population to 70 per cent⁹⁷⁵ (from the current level of 58.5 per cent)⁹⁷⁶ 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 centers.

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 2013.⁹⁷⁷ Korea, at 71 per cent, has one of the highest rates of high school graduates continuing on to university and colleges.⁹⁷⁸ 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.⁹⁷⁹ The MODEL 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

⁹⁷⁰ Jobs and the disciplined market, *The Economist* (London) 18 November 2013. Access Date: 15 February 2014. <http://www.economist.com/news/21589119-well-functioning-market-will-widen-opportunities-young-people-believes-park-geun-hye-president>

⁹⁷¹ South Korea Shuns Moms at Peril as Workforce Shrinks, *Bloomberg* (New York) 23 January 2014. Access Date: 27 February 2014. <http://www.bloomberg.com/news/2014-01-23/south-korea-shuns-moms-at-peril-as-workforce-shrinks.html>

⁹⁷² South Korea Shuns Moms at Peril as Workforce Shrinks, *Bloomberg* (New York) 23 January 2014. Access Date: 27 February 2014. <http://www.bloomberg.com/news/2014-01-23/south-korea-shuns-moms-at-peril-as-workforce-shrinks.html>

⁹⁷³ Japan and Korea slide down gender-index ranking, *The Japan Times* (Tokyo) 2 November 2013. Access Date: 27 February 2014. <http://www.japantimes.co.jp/opinion/2013/11/02/commentary/japan-and-korea-slide-down-gender-index-ranking/#.UxChrflDvR0>

⁹⁷⁴ S. Korea assigns 4.65 tln won to support women. *The Korea Herald* (Seoul) 4 February 2014. Access Date: 27 February 2014. <http://www.koreaherald.com/view.php?ud=20140204000554>

⁹⁷⁵ 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. Access Date: 27 February 2014. http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1041

⁹⁷⁶ Economically Active Population Survey in January 2014, Press Release, Statistics Korea (Seoul) 12 February 2014. Access Date: 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=>

⁹⁷⁷ [Editorial] Strong jobs data. Efforts required to tackle youth unemployment, *The Korea Herald* (Seoul) 14 February 2014. Access Date: 27 February 2014. <http://www.koreaherald.com/view.php?ud=20140214000600>

⁹⁷⁸ [Editorial] College restructuring. Reform should be wise, decisive, *The Korea Herald* (Seoul) 26 January 2014. Access Date: 27 February 2014. <http://www.koreaherald.com/view.php?ud=20140126000069>

⁹⁷⁹ S. Korea's youth unemployment rate rises, *China Daily USA* (New York) 19 December 2013. Access Date: 27 February 2014. http://usa.chinadaily.com.cn/world/2013-12/19/content_17184451.htm

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.⁹⁸⁰ The plan is yet to be designed in collaboration with other ministries.

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 Mihaescu

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.⁹⁸¹

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.⁹⁸² 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

⁹⁸⁰ [Editorial] Strong jobs data. Efforts required to tackle youth unemployment, The Korea Herald (Seoul) 14 February 2014. Access Date: 27 February 2014. <http://www.koreaherald.com/view.php?ud=20140214000600>

⁹⁸¹ 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. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_con_inmujeres.html

⁹⁸² The Secretary of Labour and Social Welfare of Mexico Met with the Minister of Labour Force in Singapore, Tan Chuan-Jin, Ministry of Labour and Welfare (Mexico City) 13 September 2013. Access Date: March 10 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_107.html

Equality between Men and Women workers to the movie chain Cinopolis, accordingly recognizing the inclusion of vulnerable groups in the labour force.⁹⁸³

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.⁹⁸⁴

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.⁹⁸⁵

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.⁹⁸⁶

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.⁹⁸⁷

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

⁹⁸³ The Climatic Event Will Not Stop Our Development: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 19 September 2013. Access Date: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_110.html

⁹⁸⁴ 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. Access Date: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_111.html

⁹⁸⁵ 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. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/septiembre/bol_112.html

⁹⁸⁶ 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. Access Date: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_119.html

⁹⁸⁷ The Federal Government is Implementing Actions to Eradicate Child Labour: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 9 October 2013. Access Date: 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.⁹⁸⁸

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.⁹⁸⁹

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.⁹⁹⁰

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.⁹⁹¹

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.⁹⁹²

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

⁹⁸⁸ 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. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_121.html

⁹⁸⁹ 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. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_132.html

⁹⁹⁰ 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). Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_133.html

⁹⁹¹ Mexico Priority Can Not Have That Growth and Jobs: Alfonso Navarrete Prida, Ministry of Labour and Social Welfare (Mexico City) 29 October 2013. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/octubre/bol_135.html

⁹⁹² 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. Access Date: 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.”⁹⁹³ 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 Olmeca a Collaboration Agreement on Labour Inclusion.⁹⁹⁴

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 2020.⁹⁹⁵

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.⁹⁹⁶

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.⁹⁹⁷

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

⁹⁹³ 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. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/diciembre/bol_153.html

⁹⁹⁴ 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. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/diciembre/bol_155.html

⁹⁹⁵ 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. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/enero/bol_164.html

⁹⁹⁶ Alfonso Navarrete Prida Adding a Huge Effort to Close the Gaps of Inequality, Ministry of Labour and Social Welfare (Mexico) 28 January 2014. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/enero/bol_166.html

⁹⁹⁷ 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. Access Date: 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.⁹⁹⁸

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.”⁹⁹⁹

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.¹⁰⁰⁰

Mexico 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: Bianca Salazar

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 professional level and will modernize education 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.¹⁰⁰¹

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 disabled people annually in 2014 and 2015, stimulate companies to employ them, and help to exercise the right of disabled persons 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

⁹⁹⁸ Presenting Job Portal STPS Oriented People with Disabilities and Seniors, Ministry of Labour and Social Welfare (Mexico City) 20 February 2014. Access Date: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/febrero/bol_180.html

⁹⁹⁹ Meeting Concludes the National Conference of Secretaries of Work, Ministry of Labour and Social Welfare (Mexico City) 21 February 2014. Access Date: 10 March 2014.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/febrero/bol_184.html

¹⁰⁰⁰ Opens Second National Job Fair in Chihuahua, Ministry of Labour and Social Welfare (Mexico City) 25 February 2014. Access Date: 10 March 2014. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/febrero/bol_188.html

¹⁰⁰¹ 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>.

RUB66,200 in 2013 to RUB69,300 in 2014 and RUB72,700 in 2015. The budget provides RUB918.7 million and RUB963.7 million to conduct these additional activities in 2014 and 2015 respectively.¹⁰⁰²

On 26 December 2013, the Russian government held a meeting on employing people with disabilities.¹⁰⁰³ 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 at government organizations and state-owned enterprises.¹⁰⁰⁴

On 15 April 2014, the Russian government adopted the revised State Program on the Promotion of Employment, which includes the Proactive Labour Policy and Social Support of the Unemployed is to improve legislation on employment, enhance the effectiveness of employment promoting policies and improve social support to unemployed. RUB350 billion will be allocated from 2013 to 2020.¹⁰⁰⁵

Russia has taken measures to conduct effective labour activation policies and actions to bring under-represented and vulnerable groups into the labour market. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on labour and employment.

On 9 September 2013, Mufta.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].”¹⁰⁰⁶ 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.¹⁰⁰⁷

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,”¹⁰⁰⁸ yet many immigrants are unaware of their rights and enforcement mechanisms are weak.

¹⁰⁰² On the rules of subsidizing additional actions in the sphere of employment, Russian Government 16 November 2013. <http://government.ru/docs/9322>.

¹⁰⁰³ Government meeting, Russian Government 26 December 2013. <http://government.ru/en/news/9331>.

¹⁰⁰⁴ Decisions taken at the Government meeting on 26 December 2013, Russian Government 26 December 2013.

<http://government.ru/news/9401>.

¹⁰⁰⁵ 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>.

¹⁰⁰⁶ 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/>

¹⁰⁰⁷ 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/>

¹⁰⁰⁸ 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>

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.¹⁰⁰⁹

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.”¹⁰¹⁰ 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.”¹⁰¹¹ 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.”¹⁰¹²

On 2 January 2014 India and Saudi Arabia signed an agreement which will provide “reasonable work conditions and eliminating middlemen from the recruitment process.”¹⁰¹³

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.¹⁰¹⁴ The unemployment insurance scheme will be mandatory for all citizens with jobs.¹⁰¹⁵ 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.¹⁰¹⁶

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.”¹⁰¹⁷ It will train and place individuals with disabilities into jobs in Ireland and the United Kingdom.¹⁰¹⁸

¹⁰⁰⁹ 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>

¹⁰¹⁰ 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>

¹⁰¹¹ 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>

¹⁰¹² 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>

¹⁰¹³ 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>

¹⁰¹⁴ Job security for 1.5 million Saudis, Arab News (Riyadh) 7 January 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/505026>

¹⁰¹⁵ 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-idUSL6N0KG1VX20140106>

¹⁰¹⁶ As salaries improve, Saudis stay on jobs, Arab News (Riyadh) 21 February 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/528926>

¹⁰¹⁷ 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>

¹⁰¹⁸ 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>

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.”¹⁰¹⁹

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.”¹⁰²⁰

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.”¹⁰²¹ 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.”¹⁰²²

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.”¹⁰²³ 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.¹⁰²⁴ 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.¹⁰²⁵

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.¹⁰²⁶ There will be 50 Saudi women employed, however should the model work, it will likely be expanded.

¹⁰¹⁹ 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/#.Ux0PJf3r594>

¹⁰²⁰ 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/>

¹⁰²¹ 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>

¹⁰²² 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>

¹⁰²³ 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>

¹⁰²⁴ Yanbu to host forum on youth employment, Arab News (Riyadh) 23 February 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/529906>

¹⁰²⁵ 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/>

¹⁰²⁶ 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>

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.¹⁰²⁷

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."¹⁰²⁸

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."¹⁰²⁹

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 capital and increasing employment opportunities, particularly for youth.¹⁰³⁰

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."¹⁰³¹

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."¹⁰³² 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.

¹⁰²⁷ 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/

¹⁰²⁸ 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>

¹⁰²⁹ 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>

¹⁰³⁰ 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>

¹⁰³¹ Zain KSA extends internship program, Arab News (Riyadh) 6 March 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/535416>

¹⁰³² 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>

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.¹⁰³³

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 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.¹⁰³⁴

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.¹⁰³⁵

On 2 November 2013, the Labour Minister, addressing domestic workers, announced proposed amendments to unemployment insurance to include vulnerable workers, “employees on learnership, workers who work less than 24 hours a month for an employer and public servants.”¹⁰³⁶

On 12 November 2013, the Employment Services Bill was approved by the National Assembly and has been referred to the National Council of Provinces (NCOP) for concurrence.¹⁰³⁷ The bill provides for public employment services, facilitates the exchange of information among employers, workers and private employment agencies, and “other specialised services to assist the youth, new entrants into the labour market, and vulnerable work seekers (e.g., persons with disabilities) to find work.”¹⁰³⁸ The Opposition criticized the bill claiming that the regulation of employment agencies would not address the issue of abuse of workers’ rights.¹⁰³⁹

¹⁰³³ Companies offer 683 jobs to Saudis, Arab News (Riyadh) 7 March 2014. Access Date: 15 March 2014. <http://www.arabnews.com/news/536166>

¹⁰³⁴ Labour Minister Oliphant commits to completion of amendments to labour laws and transformation of workplaces, Department of Labour (Pretoria) 21 January 2014. Access Date: 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>

¹⁰³⁵ Unemployment rate drops as government hires workers, Mail & Guardian (Cape Town) 11 February 2014. Access Date: 19 February 2014. <http://mg.co.za/article/2014-02-11-unemployment-rate-drops-as-government-hires-workers>

¹⁰³⁶ UIF benefits to improve. South African Government News Agency (Pretoria) 3 November 2013. Access Date: 20 February 2014. <http://www.sanews.gov.za/south-africa/uif-benefits-improve>

¹⁰³⁷ National Assembly passes Employment Services Bill bringing to four bills passed this year alone, Department of Labour (Pretoria) 12 November 2013. Access Date: 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>

¹⁰³⁸ What you need to know about the Employment Services Bill, HR Pulse (Pretoria) 2014. Access Date: 19 February 2014. <http://www.hrpulse.co.za/legal/employment-services-bill/229053-what-you-need-to-know-about-the-employment-services-bill>

¹⁰³⁹ Employment Services Bill on labour brokers gets go-ahead, Mail & Guardian (Cape Town) 12 November 2013. Access Date: 19 February 2014. <http://mg.co.za/article/2013-11-12-employment-services-bill-on-labour-brokers-gets-go-ahead>

On 21 November 2013, the Employment Equity Amendment Bill, which regulates demographic representativeness in the workplace, has 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 work of equal value in order to strengthen compliance and enforcement mechanisms and increases non-compliance fines.¹⁰⁴⁰

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.¹⁰⁴¹

On 19 December 2013, the Employment Tax Incentive Bill (better known as the youth wage subsidy Bill) was signed into law, offering tax-based incentives for up to two years to employers hiring youth workers. The measures came into effect in January 2014.¹⁰⁴²

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."¹⁰⁴³ 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.¹⁰⁴⁴

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.

As of October 2013, Turkey's unemployment rate was at 9.7 per cent.¹⁰⁴⁵ The International Labour Organization predicts it to rise to 10 per cent in 2014, and then fell again to 9.7 per cent in 2015.¹⁰⁴⁶ 48

¹⁰⁴⁰ Employment Equity Bill passed despite DA objections, Mail & Guardian (Cape Town) 21 November 2013. Access Date: 20 February 2014. <http://mg.co.za/article/2013-11-21-employment-equity-bill-passed-despite-da-objections>

¹⁰⁴¹ 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. Access Date: 19 February 2014. <http://www.labour.gov.za/DOL/media-desk/media-statements/2013/departement-of-labour2013s-uif-to-fund-a-r300-million-training-programme-with-seta2013s-to-empower-youth-and-unemployed>

¹⁰⁴² Zuma signs youth wage subsidy Bill into law, Mail & Guardian (Cape Town) 19 December 2013. Access Date: 20 February 2014. <http://mg.co.za/article/2013-12-19-zuma-signs-youth-wage-subsidy-into-law>

¹⁰⁴³ Blade launches white paper to meet needs of 'neets', Mail & Guardian (Cape Town) 16 January 2014. Access Date: 19 February 2014. <http://mg.co.za/article/2014-01-16-blade-launches-dhets-white-paper-to-meet-needs-of-the-neets>

¹⁰⁴⁴ White Paper to expand post schooling, training. South African Government News Agency (Pretoria) 16 January 2014. Access Date: 19 February 2014. <http://www.sanews.gov.za/south-africa/white-paper-expand-post-schooling-training>

¹⁰⁴⁵ Turkey's unemployment rates below European average, Anadolu Agency (Anaraka) 16 January 2014. Access Date: 16 March 2014. <https://www.aa.com.tr/en/turkey/275362--turkeys-unemployment-rates-below-european-average>

¹⁰⁴⁶ Global Employment Trends, International Labour Organization (Geneva) 21 January 2014. Access Date: 16 March 2014. http://www.ilo.org/global/research/global-reports/global-employment-trends/2014/WCMS_233936/lang--en/index.htm

per cent of people aged 15 to 64 in Turkey have paid employment (69 per cent of men and 28 per cent of women respectively).¹⁰⁴⁷ Youth unemployment was 17.90 per cent in October 2013.¹⁰⁴⁸ Observers of the labour market have noted that “the high youth unemployment figures threaten a stable recovery in employment in the long term.”¹⁰⁴⁹ The labour force participation rate is currently at 50.5 per cent.¹⁰⁵⁰

Turkey has also received over half a million Syrian refugees of which the financial cost is over USD2 billion. This is detrimental as Turkey “already has employment problems [and] will [now have] a new set of complications with half a million people willing to work for low wages coming from Syria.”¹⁰⁵¹ The Syrian refugee crisis is reportedly “worsening the employment situation [in some regions] as well as bringing down wages.” Moreover, the refugees often face discrimination and exploitation by employers who know they are desperate for work.¹⁰⁵² Women in particular are often taken advantage of.

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.”¹⁰⁵³ Cevdet Yilmaz, 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.”¹⁰⁵⁴ 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, patriarchies, and other societal factors.¹⁰⁵⁵ 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

¹⁰⁴⁷ Turkey, Organisation for Economic Co-operation and Development (Paris) 2014. Access Date: 16 March 2014. <http://www.oecdbetterlifeindex.org/countries/turkey/>

¹⁰⁴⁸ Turkey Youth Unemployment Rate, Trading Economics (Ankara) 2013. Access Date: 16 March 2014. <http://www.tradingeconomics.com/turkey/youth-unemployment-rate>

¹⁰⁴⁹ November sees 154K new unemployed, surge in youth jobless rate, Cihan (Ankara) 17 February 2014. Access Date: 16 March 2014. http://en.cihan.com.tr/news/November-sees-154K-new-unemployed-surge-in-youth-jobless-rate_2780-CHMTM2Mjc4MC8z

¹⁰⁵⁰ Turkey’s employment increases by 23 pct since 2008, World Bulletin (Ankara) 3 March 2014. Access Date: 16 March 2014. <http://www.worldbulletin.net/news/130096/turkeys-employment-increases-by-23-pct-since-2008>

¹⁰⁵¹ Risks, Opportunities for Syrian Refugees in Turkey, Al-Monitor (Ankara) 1 October 2013. Access Date: 16 March 2014. <http://www.al-monitor.com/pulse/security/2013/09/syria-refugees-turkey-opportunities-risks.html#ixzz2wAcDvfDq>

¹⁰⁵² Syrian women refugees humiliated, exploited in Turkey, Al Monitor (Ankara) 12 March 2014. Access Date: 16 March 2014. <http://www.al-monitor.com/pulse/originals/2014/03/syria-refugees-women-exploitation-harassment.html>

¹⁰⁵³ World Bank hails Turkish government for employment policies, Turkish Weekly (Ankara) 24 January 2014. Access Date: 16 March 2014. <http://www.turkishweekly.net/news/162002/world-bank-hails-turkish-government-for-employment-policies.html>

¹⁰⁵⁴ Turkey to send 100 students to Russia for nuclear education, Trend 26 (Ankara) February 2014. Access Date: 16 March 2014. <http://en.trend.az/regions/met/turkey/2246470.html>

¹⁰⁵⁵ 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.”¹⁰⁵⁶

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.¹⁰⁵⁷

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.”¹⁰⁵⁸

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.”¹⁰⁵⁹

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.”¹⁰⁶⁰ Kamran Kuru, Head of EU Coordination Department for the Republic of Turkey Ministry of Labour and Social Security said that “supporting the women entrepreneurship will help to increase the level of welfare of Turkey through encouraging the women in the social and economic life.”¹⁰⁶¹

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

¹⁰⁵⁶ World Bank hails Turkish government for employment policies, Turkish Weekly (Ankara) 24 January 2014. Access Date: 16 March 2014.

<http://www.turkishweekly.net/news/162002/world-bank-hails-turkish-government-for-employment-policies.html>

¹⁰⁵⁷ Istanbul’s female industrialists establish first-ever platform, Al Monitor (Ankara) 10 March 2014. Access Date: 16

March 2014. <http://www.al-monitor.com/pulse/culture/2014/03/turkey-women-day-industry-equality-manifesto.html>

¹⁰⁵⁸ Social Inclusion and Employment in Turkey Conference, WYG Türkiye (Ankara) 10 March 2014. Access Date: 16 March 2014. <http://www.wyg.com.tr/News/TabId/81/ArtMID/678/ArticleID/44/Social-Inclusion-and-Employment-in-Turkey-Conference.aspx>

¹⁰⁵⁹ Turkey: Selected Issues Paper, International Monetary Fund (Washington DC) December 2013. Access Date: 16 March 2014. <http://www.imf.org/external/pubs/ft/scr/2013/cr13364.pdf>

¹⁰⁶⁰ 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. Access Date: 16 March 2014. <http://www.ebrd.com/pages/news/press/2014/140307b.shtml>

¹⁰⁶¹ 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. Access Date: 16 March 2014. <http://www.ebrd.com/pages/news/press/2014/140307b.shtml>

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 that "this project is 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."¹⁰⁶²

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.¹⁰⁶³

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."¹⁰⁶⁴

On 17 December 2013 the UK government, published a strategy which proposes several initiatives to "to help more disabled people and those with health conditions get into and stay in work."¹⁰⁶⁵

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.¹⁰⁶⁶

On 3 March 2014, the government of the United Kingdom launched a "Job Fit," pilot program in a London neighbourhood that targets ethnic minorities who experience larger rates of un-employment than rest of the country.¹⁰⁶⁷

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

¹⁰⁶² Millions in government funding made available to target industrial strategy skills training, Department of Business, Innovation and Skills (London) 9 September 2013. Date Accessed: 9 March 2014. <https://www.gov.uk/government/news/millions-in-government-funding-made-available-to-target-industrial-strategy-skills-training>

¹⁰⁶³ See A Doctor Or Lose Your Benefits, DWP Orders Britain's Sick, Welfare News Service (London) 4 November 2013. Access Date: 9 March 2014. <http://welfarenewsservice.com/see-doctor-lose-benefits-dwp-orders-britains-sick/>

¹⁰⁶⁴ 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 Accessed: 9 March 2014. <https://www.gov.uk/government/news/work-programme-competitive-market-delivering-constant-improvement>

¹⁰⁶⁵ Disability and health employment strategy launched, Department for Work and Pensions (London) 17 December 2013. Access Date: 9 March 2014. <https://www.gov.uk/government/news/disability-and-health-employment-strategy-launched>

¹⁰⁶⁶ New government support to encourage manufacturing production back to the UK, UK Trade and Investment & the Prime minister's Office (London) 24 January 2014. Access Date: 10 March 2014. <https://www.gov.uk/government/news/new-government-support-to-encourage-manufacturing-production-back-to-the-uk>

¹⁰⁶⁷ New jobs pilots to tackle black and minority ethnic employment gap, Department for Work and Pensions (London) 3 March 2014. Access Date: 9 March 2014. <https://www.gov.uk/government/news/new-jobs-pilots-to-tackle-black-and-minority-ethnic-employment-gap>

courses, such as courses that teach balloon artistry.¹⁰⁶⁸ 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 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.¹⁰⁶⁹

On 11 March 2014, Science Minister David Willetts announced GBP300 million in funding to scientific research in new technologies as part of the governments long term economic plan. Once completed, the projects which received the funding are expected to “help grow new industries and create new jobs.”¹⁰⁷⁰

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.

Analyst: Harinya Shanthakumar

United States: +1

The United States fully complied with the commitment on labour and employment.

The employment rate in the United States has “plunged from 73% of the population in late 2007 to below 59% in 2009” and it has remained stuck ever since.¹⁰⁷¹ 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.”¹⁰⁷² The percentage of Americans who are “working-age adults on [disability insurance] has risen from 1.3 per cent in 1970 to 4. per cent% in 2013.”

On 17 September 2014, the 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

¹⁰⁶⁸ Government axe falls on 5,000 low value adult vocational qualifications, Department of Business, Innovation, and Skills (London) 5 March 2014. Date Accessed : 9 March 2014. <https://www.gov.uk/government/news/government-axe-falls-on-5000-low-value-adult-vocational-qualifications>

¹⁰⁶⁹ Work Programme – competitive market delivering constant improvement, Department of Work and Pension (London) 6 March 2014. Date Accessed : 9 March 2014. <https://www.gov.uk/government/news/work-programme-competitive-market-delivering-constant-improvement>

¹⁰⁷⁰ £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. Access Date: 11 March 2014. <https://www.gov.uk/government/news/300-million-investment-to-support-growth-and-jobs-in-uk-science>

¹⁰⁷¹ Unemployment in America: Closing the gap, The Economist (London) 15 February 2014. Access Date: 1 March 2014. <http://www.economist.com/news/finance-and-economics/21596529-americas-labour-market-has-suffered-permanent-harm-closing-gap>

¹⁰⁷² Labour Markets: Gone for good, The Economist (London) 2 October 2013. Access Date: 1 March 2014. <http://www.economist.com/blogs/freeexchange/2013/10/labour-markets>

disabilities.”¹⁰⁷³ The extension will “result in nearly two million direct care workers ... receiving the same basic protection already provided to most U.S. workers” and “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.” and “approximately 90 percent of direct care workers are women, and nearly 50 percent are minorities,” the extension of the Fair Labor Standards Act will increase the protection of vulnerable groups. The rule will take effect on 1 January 2015.

In November 2014, President Barack Obama committed USD100 million “in new grant funds for school like P-Tech to carry on their experiments in education.”¹⁰⁷⁴ 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 craft the curriculum so graduates are ready for good jobs”; (3) “the payoff: a promise of a job at graduation.” Currently only eight 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 (CBO) released the Budget and Economic Outlook: 2014 to 2024. This document revealed that while the real gross domestic product “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.”¹⁰⁷⁵ 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 14 February 2014, in “The Slow Recovery of the Labour Market” the CBO said 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.”¹⁰⁷⁶ The report 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 unemployment (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,

¹⁰⁷³ Minimum wage, overtime protections extended to direct care workers by US Labor Department, U.S Department of Labor (Washington) 17 September 2013. Access Date: 25 February 2014. <http://www.dol.gov/opa/media/press/whd/WHD20131922.htm>

¹⁰⁷⁴ The School That Is Changing American Education, The Time (New York) 13 February 2014. Access Date: 20 February 2014. <http://time.com/10038/the-school-that-is-changing-american-education/>

¹⁰⁷⁵ The Budget and Economic Outlook: 2014 to 2024, Congressional Budget Office (Washington) 4 February 2014. Access Date: 2 March 2014. <http://www.cbo.gov/publication/45010>

¹⁰⁷⁶ The Slow Recovery of the Labor Market, Congressional Budget Office (Washington) 14 February 2014. Access Date: 1 March 2014. <http://www.cbo.gov/sites/default/files/cbofiles/attachments/45011-LaborMarket-OneCol.pdf>

and also worth about one-half of a percentage point of the increase in the unemployment rate).” 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 U.S. 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: 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.¹⁰⁷⁷

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.”¹⁰⁷⁸ 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.¹⁰⁷⁹

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.¹⁰⁸⁰ It

¹⁰⁷⁷ Employment: Commission proposes to improve EURES job search network, European Commission(Brussels) 17 January 2014. Date Accessed: 5 March 2014. http://europa.eu/rapid/press-release_IP-14-206_en.htm

¹⁰⁷⁸ 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 Accessed: 9 March 2014. http://europa.eu/rapid/press-release_IP-14-40_en.htm

¹⁰⁷⁹ First ever “Jobs for Youth” financing for SMEs in Poland, European Investment Bank (Warsaw) 30 January 2014. Date Accessed: 5 March 2014. http://europa.eu/rapid/press-release_BEI-14-17_en.htm

¹⁰⁸⁰ 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 Accessed: 9 March 2014. http://europa.eu/rapid/press-release_IP-14-212_en.htm

has also proposed EUR3 million in funding for Italy to retrain to retrain the 1,146 redundant workers in their TV manufacturing industry.¹⁰⁸¹

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.

Analyst: Harinya Shanthakumar

¹⁰⁸¹ Employment: Commission proposes € 3 million from Globalisation Fund to help 1,146 redundant workers in TV manufacturing industry in Italy, European Commission (Brussels) 5 March 2014. Date Accessed: 9 March 2014. http://europa.eu/rapid/press-release_IP-14-213_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	Partial Compliance	Full Compliance
Argentina			+1
Australia		0	
Brazil			+1
Canada			+1
China		0	
France			+1
Germany			+1
India			+1
Indonesia		0	
Italy			+1
Japan		0	
Korea		0	
Mexico		0	
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey		0	
United Kingdom			+1
United States		0	
European Union			+1
Average		+0.60	

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 programs 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 to 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 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.¹⁰⁸² In return, beneficiaries of the stipend must regularly attend classes to graduate from primary or secondary school, enroll in a university course or participate in another type of formal education or training. The ProgresAr program will reach 1.5 million eligible youth and also provide support for vocational training, counseling and job placement through Argentina’s Ministry of Labour and Employment.¹⁰⁸³

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.¹⁰⁸⁴

¹⁰⁸² ProgresAr, El Nuevo Plan Del Gobierno Para Los Jóvenes 'ni-ni', La Nacion Argentina (Buenos Aires), 22 January 2014. Access Date: 23 March 2014. <http://www.lanacion.com.ar/1657619-progresar-el-nuevo-plan-del-gobierno-para-los-jovenes-ni-ni>

¹⁰⁸³ ANSES receives 106,000 applications to enter ‘Progresar’ program, Buenos Aires Herald (Buenos Aires), 30 January 2014. Date of Acces: 23 March 2014. <http://www.buenosairesherald.com/article/150972/anses-receives-106000-applications-to-enter-‘progresar’-program>

¹⁰⁸⁴ La Ciudad ofrece más de 3500 cursos gratuitos de capacitación laboral, City of Buenos Aires (Buenos Aires), 21 February 2014, Access Date: 23 March 2014. <http://www.buenosaires.gob.ar/noticias/cursos-gratuitos-de-capacitacion-laboral-para-los-jovenes>

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 has thus, earned an overall score of +1.

Analyst: Stacey Bocknek

Australia: 0

However, Australia has only partially complied with its country-specific 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 \$14 billion to higher education.”¹⁰⁸⁵ The funding will be administered through the Higher Education Support Act.

On 17 December 2013 the Australian government announced, “No further projects would be funded under the EIF Regional Priorities Round.”¹⁰⁸⁶ 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 funding rounds is yet to be determined and is a matter for Government.”

The Australian Department of Education has also promised AUD209 million for Round 5 of the Trades Skills Centres program.¹⁰⁸⁷ This funding would benefit 136 centres in more than 220 schools nationally, including Tasman District School.¹⁰⁸⁸

Australia has declared its intent to fund the creation of additional vocational training centres. Although Australia has also announced further funding for higher education, it has also announced the end of further funding under the Education Investment Fund for the foreseeable future.

Australia has been awarded a 0 for only partially adhering to its commitments.

Analyst: Andy Li

Brazil: +1

Brazil has fully 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.

¹⁰⁸⁵ Funding, Australian Government Department of Education, 26 November 2013. Access Date: 22 February 2014. <http://education.gov.au/funding>

¹⁰⁸⁶ Education Investment Fund, Australian Government Department of Education, 29 January 2014. Access Date: 22 February 2014. <http://education.gov.au/education-investment-fund>

¹⁰⁸⁷ Trade Training Centres in Schools Program, Australian Government Department of Education, 23 January 2014. Access Date: 22 February 2014. <http://education.gov.au/trade-training-centres-schools-program>

¹⁰⁸⁸ Tasman District School Gets New Trade Skills Centre, Eric Hutchinson MP, 31 January 2014. Access Date: 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>

Brazil also committed to increase labour productivity nationwide through scholarship programs for undergraduate students, both domestically and abroad (101,000 students and researchers to attend high-level foreign universities by 2015 and USD3.3 billion in scholarships in 2013), and by means of the establishment of new institutions of higher education (four new public universities by 2018 and 208 new technical and vocational training centres by the end of 2014).

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.”¹⁰⁸⁹

On 22 October 2013, Angel Gurría, secretary general of the Organisation for Economic Co-operation and Development, 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,”¹⁰⁹⁰ the increase in vocational training programs due to the PRONATEC program, and the aid provided to school drop-outs to help them acquire necessary workplace skills.¹⁰⁹¹

According to the government of Canada, the Brazilian government will “be implementing a national program to support access to technical and vocational training by vulnerable women.”¹⁰⁹² Programs developed through 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.”

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.¹⁰⁹³

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. With regards to Brazil’s country specific commitments, Brazil has maintained its scholarship programs for tertiary level students. Brazil has received a +1 for complying with the stated commitments.

Analyst: Andy Li

¹⁰⁸⁹ BRICS ministers agree on high-level HE collaboration, University World News, 8 November 2013. Access Date: 21 February 2014. <http://www.universityworldnews.com/article.php?story=20131107163621596>

¹⁰⁹⁰ Brazil should continue efforts to boost education and improve young people’s job prospects, OECD, 22 October 2013. Access Date: 21 February 2014.

<http://www.oecd.org/education/brazilshouldcontinueeffortstoboosteducationandimproveyoungpeoplesjobprospects.htm>

¹⁰⁹¹ Brazil should continue efforts to boost education and improve young people’s job prospects, OECD, 22 October 2013. Access Date: 21 February 2014.

<http://www.oecd.org/education/brazilshouldcontinueeffortstoboosteducationandimproveyoungpeoplesjobprospects.htm>

¹⁰⁹² Brazil, Foreign Affairs, Trade and Development Canada (Ottawa) 6 September 2013. Access Date: 21 February 2014.

<http://www.acdi-cida.gc.ca/brazil>

¹⁰⁹³ Education and Training, Export.gov. Access Date: 22 February 2014.

http://export.gov/brazil/static/CC_BR_DoingBusiness_CCG_PDF_Chap4_EducationandTraining_Latest_eg_br_062843.pdf

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. When fully implemented in 2017-18, approximately 130,000 people will have access to training each year.¹⁰⁹⁴

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 CAD100 million.
- To support entrepreneurs, it invested CAD40 million into the Canada Accelerator and Incubator Program, which provides mentorship and other resources to help Canadians start and develop new businesses.¹⁰⁹⁵

Canada announced CAD26.4 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, CAD15 million over three years is earmarked for the Canadian Association for Community Living's Ready, Willing and Able initiative.¹⁰⁹⁶

Recognizing the challenges faced by those with autism spectrum disorder, Canada set aside CAD11.4 million over four years to support their vocational training.¹⁰⁹⁷

Additionally, Canada introduced the Flexibility and Innovation in Apprenticeship Technical Training pilot project for apprentice technical training.¹⁰⁹⁸

Addressing the vulnerable seniors' employment difficulties, Canada invested CAD75 million in the Targeted Initiative for Older Workers to help them transition into the job market.¹⁰⁹⁹

¹⁰⁹⁴ 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.

¹⁰⁹⁵ 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>

¹⁰⁹⁶ 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

¹⁰⁹⁷ 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

¹⁰⁹⁸ 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>

¹⁰⁹⁹ 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-breitkreuz>

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.

Analyst: Rui Kelly Li

China: 0

China has partially complied with its commitment to create vocational training programs.

On 26 February 2014, China's state council met to discuss deploying a modern vocational program. It was agreed that such a program will be necessary for China's future growth and economic development. The council agreed on measure to increase the autonomy of vocational schools, and to develop a talent cultivation mechanism. They also discussed how to attract non-governmental investment.¹¹⁰⁰

On 24 February 2014, Chinese officials met with Canadian education to discuss education collaboration between the two countries. Vocational training was among the subjects covered.¹¹⁰¹

By October 10th, 2013, the World Bank reported on it Guangdong Technical and Vocational Education and Training Project. The project's goal is improve vocational school policy development from learning innovations in technical schools. Progress was found to be satisfactory by the report.¹¹⁰²

Also in October 2013, China hosted the China International Education Cooperation and Innovation Expo.¹¹⁰³ On October 2nd, the Vocational Training Council started the new technology training scheme programme in Hong Kong. This would increase the technology and training for it previously unavailable in Hong Kong.¹¹⁰⁴

From September 2-5, 2013 China hosted a China-ASEAN Vocational Education Summit, where leaders discussed how to improve the quantity and quality of vocational education.¹¹⁰⁵ China continues to cooperate with the members of the Association of Southeast Asian Nations to develop vocational training to develop regional economic transformation.¹¹⁰⁶

Addressing the problems arising from the 2008 recession and increase the quality of its workforce, China has seen a great increase in technical and vocational training.¹¹⁰⁷ Employment services for young

¹¹⁰⁰ China plans modern vocational education, Asia Pacific Skills and Employability Network, (Beijing), 26 February 2014. Date Accessed: 3 March 2014. <http://apskills.ilo.org/news/china-plans-modern-vocational-education>

¹¹⁰¹ Third high-level consultation on education collaboration between the Provinces and Territories of Canada and the Ministry of Education, People's Republic of China, Canadian Intergovernmental Conference Secretariat, 24 February 2014. Accessed 4 March 2014. <http://www.scics.gc.ca/english/Conferences.asp?a=viewdocument&id=2140>

¹¹⁰² China - Guangdong Technical and Vocational Education and Training Project : P096707 - Implementation Status Results Report : Sequence 07, World Bank, (Guangdong), 23 October 2013. Access Date: 4 March 2014.

¹¹⁰³ 2013 China International Education Cooperation and Innovation Expo, Education Forum for Asia, http://www.asia-edu.org/en/NewsCenter_view.asp?classid=231&id=895

¹¹⁰⁴ New Technology Training Scheme, 2 October 2013. <http://www.dragon-star.eu/call/new-technology-training-scheme/>

¹¹⁰⁵ RCP at the 2013 China ASEAN Vocational Education Exhibition and Forum, Regional Cooperation Platform, (Shanghai), 8 October 2013 <http://rcp-platform.com/rcp-at-the-2013-china-asean-vocational-education-exhibition-and-forum/>

¹¹⁰⁶ China, ASEAN to develop vocational education, China Daily USA, (Washington DC), 5 September 2013. Date Accessed: 28 February 2014. http://usa.chinadaily.com.cn/china/2013-09/05/content_16947005.htm

¹¹⁰⁷ China: Vocational Education Matches Youth with Jobs and Helps Sustain Growth, The World Bank (New York), 17 February 2012. Date Accessed: 28 February 2014. <http://www.worldbank.org/en/news/feature/2012/02/17/china-vocational-education-provides-jobs-sustains-economic-growth>

graduates have been a focus in China, and they have significantly expanded training opportunities for workers facing adjustments.¹¹⁰⁸

There are still areas China needs to develop in regarding vocational training and employment. China's uneven development has left some training facilities in rural areas with limited resources.¹¹⁰⁹

Vocational school grads have also expressed discontent over an out of date curriculum, teachers with limited practical skills, and few clear minimum standards.¹¹¹⁰

China intends to follow G20 St. Petersburg Summit objectives to establish vocational programs and increase labour employment. It has already taken domestic policy measures to do so. However, the initiatives remain tentative at this point so China receives a compliance score of zero. Therefore, China is awarded a score of 0.

Analyst: Madeline Torrie

France: +1

France has fully complied with its commitment to create vocational training programs.

On 27 February 2014 France adopted a vocational training law intended to increase the number of apprentices in France by 500,000 per year. This law will also remove bureaucratic boundaries and non-wage costs to employment, while providing more mentorship to individual's skill training.¹¹¹¹ The bill would also provide support services for individuals through training and employee mentorship.

Boundaries to employment removed include 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.¹¹¹² This was replaced by a "duty to train" framework which has levels of contribution determinant on company size while ensuring that the funds 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.¹¹¹³

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 the future positions, a 50 per cent

¹¹⁰⁸ G20 Task Force on Employment: Addressing employment, labour market and social protection challenges in G20 countries: Key measures since 2010, International Labour Organisation (New York), 17 July 2013. Date Accessed: 28 February 2014. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_217544.pdf

¹¹⁰⁹ Vocational Education and Training in China Strengths, Challenges and Policy Options, OCED, June 2010. Date Accessed: 28 February 2014. <http://www.oecd.org/edu/skills-beyond-school/46144487.pdf>

¹¹¹⁰ China: Vocational Education Matches Youth with Jobs and Helps Sustain Growth, The World Bank (New York), 17 February 2012. Date Accessed: 28 February 2014. <http://www.worldbank.org/en/news/feature/2012/02/17/china-vocational-education-provides-jobs-sustains-economic-growth>

¹¹¹¹ 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. Access Date : 4 March 2014. http://www.doleta.gov/ETA_News_Releases/20132231.cfm

¹¹¹² Address by Minister Labour, Employment and Social Affairs Michel Sapin at the French National Assembly (Paris) 26 February 2014. Access Date 28 February 2014 <http://travail-emploi.gouv.fr/actualite-presse,42/discours,2142/discours-de-michel-sapin-projet-de,17558.html>

¹¹¹³ Formation professionnelle : la réforme définitivement adoptée, MYTF1 News. 27 February 2014. Access Date : 4 March 2014. <http://lci.tf1.fr/economie/entreprise/formation-professionnelle-la-reforme-definitivement-adoptee-8373981.html>

increase from its 2013 target.¹¹¹⁴ The program, which provides training for youth without postsecondary education, ended 2013 just shy of reaching its target.¹¹¹⁵

France has complied through both their recently passed vocational training law and continued success of its “jobs for the future” initiative.

Thus, France has been rewarded a score of +1 for its commitment to vocational training programs.

Analyst: Iain McCauley

Germany: + 1

Germany has fully complied with its commitment. It has both declared its intent to adhere to its commitment and 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 8 January 2014, German Federal Labour Minister Andrea Nahles made 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.”¹¹¹⁶

On 3 December 2013, the German Federal Ministry of Labour and Social Affairs reaffirmed its intent to “increase vocational training rates” through special initiatives such as the Perspective 50-plus program.¹¹¹⁷ 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.

On 1 November 2013, Germany made 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 12 weeks of multi-language support during the preparatory training placement.¹¹¹⁸ Furthermore, the new guidelines provide support to aid youth with previous vocational training in finding placement in a similar field.

Germany has complied with its commitments, as it has maintained its vocational training programmes, many of which target the specific focus groups. Germany has been awarded a score of +1.

Analyst: Andy Li

¹¹¹⁴ Budget 2014: l’essentiel de l’effort de redressement repose sur des économies, View Publique. 20 February 2014. Access Date 4 March 2014. <http://www.vie-publique.fr/actualite/dossier/budget-2014/budget-2014-essentiel-effort-redressement-repose-economies.html>

¹¹¹⁵ Sapin: succès dans le dialogue social, revers sur l’emploi, Le Monde. 26 February 2014. Access Date : 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

¹¹¹⁶ “Create new opportunities on the labour market,” Federal Ministry of Labour and Social Affairs (Berlin) 8 January 2014. Access Date: 19 February 2014. <http://www.bmas.de/EN/Service/Press/press-releases/labour-market-figures-december-2013.html?nn=46168>

¹¹¹⁷ Initial and continuing training, Federal Ministry of Labour and Social Affairs (Berlin) 3 December 2013. Access Date: 18 February 2014. <http://www.bmas.de/EN/Our-Topics/Initial-and-Continuing-Training/start-initial-and-continuing-training.html?nn=45510>

¹¹¹⁸ Seit 1.11.2013 gibt’s was Neues, Bundesagentur für Arbeit (Berlin) 1 November 2013. Access Date: 18 February 2014. <http://www.thejobofmylife.de/de/neuigkeiten.html>

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 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.¹¹¹⁹

The budget provided further funding for the NSDC allowing to scale up its jobs training programme significantly.¹¹²⁰ 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 19 December 2013 the Government of India passed the NSQF.¹¹²¹ 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.

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: Iain McCauley

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, and low-skilled workers.

The Technical Vocational Education and Training (TVET) conference took place on 1-2 April 2014 in Jakarta. Several ministries — the Indonesian Ministry of Education and Culture, the Ministry of Manpower and Transmigration (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 practices for technical and vocational

¹¹¹⁹ Expenditure Budget, Ministry of Finance (New Delhi) 17 February 2014. Access Date: 7 March 2014.

<http://indiabudget.nic.in/ub2014-15/eb/sbe62.pdf>

¹¹²⁰ Address by Minister of Finance Papaniappan Chidambaram at Parliament of India (New Delhi) 17 February 2014. Access Date: 7 March 2014. <http://indiabudget.nic.in/ub2014-15/bs/bs.pdf>

¹¹²¹ National Skills Qualifications Framework, Press Information Bureau (Mumbai) 19 December 2014. Access Date: 4 March 2014. <http://pib.nic.in/newsite/erelease.aspx?relid=102050>

education and training (TVET) while stimulating TVET networking within member countries of the Association of South East Asian Nations.¹¹²²

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."¹¹²³

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.¹¹²⁴

In report published on 17 December 2013, the International Labour Organization (ILO) pointed out "limited linkages and synergies between various AMLPs [active labour market policies and programs]," 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.¹¹²⁵

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.¹¹²⁶

On 20 November 2013, Indonesia secured a USD400,000,000 development policy loan from the World Bank.¹¹²⁷ 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

¹¹²² Ensuring TVET Quality, 10 January 2014. Access Date: 25 February 2014. <https://www.regional-tvet-conference-indonesia.org/en/article/67.ensuring-tvet-quality.html>

¹¹²³ Soekarwo inaugurated as E. Java governor, The Jakarta Post (Surabaya, East Java), 13 February 2014. Access Date: 29 February 2014. <http://www.thejakartapost.com/news/2014/02/13/soekarwo-inaugurated-e-java-governor.html>

¹¹²⁴ Enterprise Forum, Better Work Indonesia, 4 February 2014. Access Date: 25 February 2014. <http://betterwork.org/indonesia/?p=4622>

¹¹²⁵ Labour and social trends in Indonesia in 2013: Reinforcing the role of decent work in equitable growth, World Bank, 17 December 2013. Access Date: 21 February 2014. http://www.ilo.org/jakarta/whatwedo/publications/WCMS_233249/lang-en/index.htm

¹¹²⁶ Reducing Poverty and Boosting Growth with Financial Inclusion Program, Ministry of Finance (Jakarta), 16 December 2013. Access Date: 21 February 2013. <http://www.kemenkeu.go.id/en/Berita/reducing-poverty-and-boosting-growth-financial-inclusion-program>

¹¹²⁷ Official Documents- Loan Agreement, L8304-ID (Closing Package), World Bank (Washington, DC), 20 November 2013. Access Date: 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).¹¹²⁸

On 13-14 November 2013, the Indonesian Coordinating Ministry for Economic Affairs, the MOMT, 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.¹¹²⁹

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."¹¹³⁰

On November 6, 2013, 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.¹¹³¹

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.¹¹³²

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. As such, Indonesia has partially complied with its vocational training commitment and is award a score of 0.

Analyst: Victoria Wicks

Italy: +1

Italy has fully complied with its St. Petersburg Summit commitments in regards to labour and employment, specifically dealing with vocational training programs.

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. This complicated scheme of business taxes hurt the local and international markets for Italian products and services.

¹¹²⁸ Second Institutional Strengthening for Social Inclusion (Second Institutional, Tax Administration, Social and Investment) Development Policy Loan Project. World Bank (Washington, DC), 21 October 2013. Access Date: 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>

¹¹²⁹ Indonesia Employment Forum, International Labour Organization, 13 – 14 November 2013. Access Date: 21 February 2014. http://www.ilo.org/jakarta/whatwedo/eventsandmeetings/WCMS_229967/lang--en/index.htm

¹¹³⁰ Economic slowdown drives up unemployment rate, The Jakarta Post (Jakarta), 7 November 2013. Access Date: 21 February 2014. <http://www.thejakartapost.com/news/2013/11/07/economic-slowdown-drives-unemployment-rate.html>

¹¹³¹ Regular Discussion Held with Indonesian Government Liaison. Access Date: 24 February 2014. http://www.jitco.or.jp/english/engagement_sending_out/indonesia/2013/1210/

¹¹³² Students to learn about retail management, The Jakarta Post (Jakarta), 26 October 2013. Access Date: <http://www.thejakartapost.com/news/2013/10/26/students-learn-about-retail-management.html>

On 15 January 2014, the European Union acknowledged it received Italy's Youth Guarantee Implementation Plan. With an allocation of EUR530.18 million to begin the process of instating such policies, Italy is expected to match those funds doled to them by the European Social Fund. Now, members will receive feedback in-order to ensure their plans are realistic and verified to succeed.¹¹³³

On 9 October 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."¹¹³⁴

In 2013, Ernst 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.

Italy has taken the appropriate measures to comply with its commitment to create vocational and training programs. Therefore, Italy receives a score of +1.

Analyst: Max Stern

Japan: 0

Japan has partially complied with its commitment to create vocational training programs.

In addition to the above commitment, Japan also committed to implement labour reform measures, such as increasing the capacities of childcare services, to raise the employment rate of women (age 25-44) to 73 per cent by 2020.

While pledging measures to address youth unemployment and acknowledging the need for increased participation of women in the workforce, statistics show that in practical terms Japan is stagnating and has as yet to show progress towards compliance with its stated G20 goals.

Article 4-2 of the 1969 Human Resources Development Act states that the government and prefectures are responsible to "provide vocational training for workers who intend to change their jobs and other persons who need special assistance for the development and improvement of their vocational abilities."¹¹³⁵

For the fiscal year (FY) 2013, there were nationwide 261 facilities for such training, continuing what is overall a downward trend in the number of such facilities from 275 in FY 2008-2009, to 269 in FY 2009-2010, to 264 in FY 2010-2011 and 265 in 2011-2012.¹¹³⁶ The policy focuses mainly on youth unemployment, with most measures having as their goal addressing unemployment among the youth

¹¹³³ Press Release, European Commission (Brussels) 15 January 2014. Access Date: 7 March 2014. http://europa.eu/rapid/press-release_MEMO-14-13_en.htm

¹¹³⁴ "Coping with the crisis in Italy: Employment relations and social dialogue amidst the recession", International Labour Office (Geneva) 9 October 2014. Access Date: 7 March 2014. http://www.ilo.org/ifpdial/information-resources/publications/WCMS_223695/lang--en/index.htm

¹¹³⁵ Japan Ministry of Health, Labour and Welfare, Annual Health, Labour and Welfare Report 2012-2013. Access Date: 16 March 2014. <http://www.mhlw.go.jp/english/wp/wp-hw7/dl/06e.pdf>

¹¹³⁶ Based on reports for the years stated posted by the Japan Ministry of Health, Labour and Welfare. Access Date: 16 March 2014. <http://www.mhlw.go.jp/english/wp/>

demographic, working through existing institutions (“Hello Work,” the government’s Employment Service Centre) and expanding vocational training, notably among the so-called NEETs (“Not in Education, Employment, or Training”).¹¹³⁷

As of March 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), and few improvements for women in the workplace.¹¹³⁸ As the *Japan Times* sums up, based on World Economic Forum report, “Japan’s educated women continue to be underutilized,” even as the Prime Minister has pledged a target of 30 per cent of senior management positions to be filled by women by 2020.^{1139,1140,1141}

Japan has taken partial measures to comply with its commitment to create vocational and training programs. Therefore, Japan received a score of 0.

Analyst: Rui Kelly Li

Korea: 0

Korea has partially complied with its commitment to enhance labour participation of women and youth by continuously strengthening childcare support, launching an apprenticeship system and providing incentives for small and medium-sized enterprises (SMEs) to hire more young persons. It has reaffirmed its intention to introduce these measures, but have implemented them selectively.

In addition to the above commitment, Korea has also committed to enhance labour participation for women by enhancing childcare support and for youth by launching an apprenticeship system and providing incentives for SMEs to hire more young persons and increase the employment rate. This is part of an overall strategy to increase the employment rate from 64 per cent to 70 per cent by 2017.

On 19 December 2013, President Park Geun-hye introduced a more flexible system of working hours.¹¹⁴² This measure responds to the many Korean women who found it difficult to shoulder both workplace and child-caring responsibilities.

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 launch an apprenticeship system in response to youth unemployment and skills mismatch.¹¹⁴³

¹¹³⁷ Japan Ministry of Health, Labour and Welfare, Annual Health, Labour and Welfare Report 2012-2013. Access Date: 16 March 2014. <http://www.mhlw.go.jp/english/wp/wp-hw7/dl/05e.pdf>

¹¹³⁸ Based on reports for the years stated posted by the Japan Ministry of Health, Labour and Welfare. Access Date: 16 March 2014. <http://www.mhlw.go.jp/english/wp/>

¹¹³⁹ World Economic Forum, "The Global Gender Gap Report" (WEF_GenderGap_Report_2013.pdf). Access Date: March 16, 2014. <http://www.weforum.org/reports/global-gender-gap-report-2013>

¹¹⁴⁰ Education in 2013: an ‘A’ for ambition, but Japan will have to do better, The Japan Times, 29 December 2013. Teru Clavel. Access Date: 16 March 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/>

¹¹⁴¹ "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: March 16, 2014. <http://www.oecd.org/g20/meetings/saint-petersburg/St-Petersburg-Action-Plan.pdf>

¹¹⁴² S. Korea’s unemployment rate rises, China Daily (Beijing) December 2013. Access Date: 11 March 2014. http://usa.chinadaily.com.cn/world/2013-12/19/content_17184451.htm.

¹¹⁴³ 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>.

Korea has taken partial measures to comply with its commitment to create vocational and training programs. Therefore, Korea receives a score of 0.

Analyst: Rui Kelly Li

Mexico: 0

Mexico has partially complied with its St. Petersburg 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. Thus, it receives a score of 0.

On 29 November 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 1 December 2012, its content was diluted in-order to pass it through the legislature. Labour reform still is a pressing issue the government is trying to address.¹¹⁴⁴

Mexico has taken partial measures to comply with its commitment to create vocational and training programs. Therefore, Mexico receives 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 2013-2020.¹¹⁴⁵

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."¹¹⁴⁶ 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.¹¹⁴⁷

¹¹⁴⁴ "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. Access Date: 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>

¹¹⁴⁵ 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>.

¹¹⁴⁶ Presidential National Council for Professional Qualifications created, President of Russia 16 April 2014. <http://eng.kremlin.ru/acts/7032>.

¹¹⁴⁷ Statute of the Presidential National Council for Professional Qualifications, President of Russia 16 April 2014. <http://state.kremlin.ru/council/39/statute>.

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.¹¹⁴⁸

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

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 7 March 2014 the Saudi Industrial Property Authority launched a project to establish an “industrial city for women workers” located in Yanbu.¹¹⁴⁹ 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 2,000 plants are under construction.

On 25 February 2014 Canada’s 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.¹¹⁵⁰

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.¹¹⁵¹

On 11 November 2013 the Technical and Vocational Training Corporation (TVTC) announced a skills and training program being implemented for approximately 450,000 trainees across 300 vocational training facilities. Training in technical skills including automotive, plastics, energy, electricity and similar occupations will be offered. The centres are expected to be operational within three years.¹¹⁵²

Saudi Arabia has implemented training facilities, vocational programmes and is working to enhance the employability of women, a target group. Additional vocational programs 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 in order to provide for a more skilled citizenry, particularly among youth.

¹¹⁴⁸ On the training of women on leave for childcare purposes, Russian Government 11 May 2014. <http://government.ru/orders/12269>.

¹¹⁴⁹ 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>

¹¹⁵⁰ 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>

¹¹⁵¹ Polytechnic to build skills for petroleum services industry, Arab News, 28 February 2014. Date Accessed: 4 March 2014. <http://www.arabnews.com/news/532351>

¹¹⁵² 450,000 Saudis to be trained, Arab News, 12 November 2013. Date Accessed: 4 March 2014. <http://www.arabnews.com/news/476171>

In addition to the above commitment, South Africa also committed to build two new public universities, starting in 2013.

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.¹¹⁵³ Implementation of the ZAR71 million program will commence on 1 April 2014. Davies states 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. 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.”

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 Education and Training. Nzimande addressed training as it relates to adequate training facilities, and in the context of the variety of courses offered. Nzimande acknowledged the importance of education and training not only for the purpose of economic growth, but also for “the achievement of greater social justice,” through equal access to quality education across the diverse population.¹¹⁵⁴

The White Paper for Post-School Education will provide training and learning opportunities, especially for youth and adults who have no access to formal education. Nzimande said 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.”¹¹⁵⁵ Emphasis will be on technical and vocational education, so an expansion of technical and vocational education training (TVET) colleges is necessary. The need for consistent monitoring of education quality is addressed, as is cooperation between vocational training and community colleges, universities, employers, and employees for better coherence, and improved quality among educational and training programs. Financial aid for the underprivileged is also prioritized. The White Paper introduces the goal of establishing at least one institution offering education and vocational training within every district by 2030.

The Government of South Africa has been consistent in its efforts to increase and sustain economic development through its support of technical and vocational training.¹¹⁵⁶ On 14 May 2012, Nzimande hosted a round table conference on the importance of TVET. He acknowledged that further development requires substantial “growth of technical and vocational skills among workers.”¹¹⁵⁷ He expressed that, “the quest for decent work in South Africa will only be possible and sustainable if we develop a skilled workforce. This will strengthen the working class and make workers less expendable and more central to further economic development.” He further discussed future transformation of

¹¹⁵³ Skills Development is Vital in Reducing Youth Unemployment – Minister Davies, South Africa Government Online (Pretoria) 04 March 2014. Access Date: 25 February 2014 <http://www.gov.za/speeches/view.php?sid=44130>

¹¹⁵⁴ Speech 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, South Africa Government Online (Pretoria) 16 January 2014. Access Date: 20 February 2014 <http://www.gov.za/speeches/view.php?sid=43020>

¹¹⁵⁵ Speech 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, South Africa Government Online (Pretoria) 16 January 2014. Access Date: 20 February 2014 <http://www.gov.za/speeches/view.php?sid=43020>

¹¹⁵⁶ Minister Nzimande Chairing International Discussion on role of Technical and Vocational Education and Training, South Africa Government Online (Shanghai) 14 May 2012. Access Date: 20 February 2014 <http://www.gov.za/speeches/view.php?sid=27337&tid=67763>

¹¹⁵⁷ Minister Nzimande Chairing International Discussion on role of Technical and Vocational Education and Training, South Africa Government Online (Shanghai) 14 May 2012. Access Date: 20 February 2014. <http://www.gov.za/speeches/view.php?sid=27337&tid=67763>

informal economies to formal economies through further government assistance, and the implementation of training programs.

South Africa's recent efforts reflect its commitment to the growth and improvement of vocational training programs. South Africa has consistently supported the training of youth in the past, and is taking further steps in promoting the education and training of both youth and adults who lack access to tertiary education.

Thus, South Africa receives a score of +1 for full compliance.

Analyst: Kertia Johnson

Turkey: 0

Turkey has partially complied with its commitment to create vocational training programs.

On 14 February 2014, the General Directorate of the Turkish International Cooperation and Coordination Agency signed the "Cooperation in Vocational and Technical Education Protocol."¹¹⁵⁸ The Protocol will allow the Turkish government and the Turkish International Cooperation and Coordination Agency to work together to develop applications, curriculum and practices associated with the provisions of new technologies and knowledge sharing practices for vocational and technical education systems.

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.¹¹⁵⁹ The Protocol will allow the directors of schools and institutions working in the food and beverages service area to develop teacher competence in the area, update current programs, Turkish cuisine related joint work executions, increase students adequacy to employed in the sector, and developing competency certification.

On 6 November 2013, Gokhan Cetinsaya, President of the Council of Higher Education (YOK), announced Turkey's first academic freedom declaration.¹¹⁶⁰ The declaration includes nine articles that relate to the academic freedom of faculty members and students. This is a major steps as the YOK had previously been known for its rigid and authoritarian policies such as banning headscarves on campuses, which forced some students to drop out of school and its so called "coefficient" system that limited students learning opportunities from vocational and religious schools.

On 1-3 November 2013, during the Turkish Government's Consultation and Evaluations meeting, Prime Minister announced his determination to close down private tutoring schools known as "dershane"

¹¹⁵⁸ General Directorate of the Turkish International Cooperation and Coordination Agency "Cooperation in Vocational and Technical Education" Protocol was signed, Republic of Turkey Ministry of National Education (Ankara) 14 February 2014. Date of Access: 10 May 2014. <http://mtegm.meb.gov.tr/www/genel-mudurlugumuz-ile-turk-isbirligi-ve-koordinasyon-ajansi-baskanligi-arasinda-mesleki-ve-teknik-egitimde-isbirligi-protokolu-imzalandi/icerik/574>.

¹¹⁵⁹ 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/mesleki-ve-teknik-egitim-genel-mudurlugu-ile-ascilar-ve-pastacilar-federasyonu-aspafed-arasinda-egitimde-is-birligi-protokolu-imzalandi/icerik/564>.

¹¹⁶⁰ Turkey's First Academic Freedom Declaration, Hurriyet Daily News (Ipek Coskun) 11 November 2014. Access Date: 10 May 2014. <http://www.hurriyetdailynews.com/turkeys-first-academic-freedom-declaration.aspx?pageID=238&nID=57702&NewsCatID=396>.

in Turkish, suggesting that such schools violate the principle of equal opportunity in education.¹¹⁶¹ Education Minister Nabi Avci announced that during the 2014-2015 academic year no dershanes will be present in the education system.¹¹⁶² Recip Tayyip Erdogan also suggested that employing the teachers who lose their jobs after the closure of the dershanes in public schools.

In May 2012, the Improving the Quality of Vocational Education and Training in Turkey (METEK) Project was launched in collaboration with the European Union.¹¹⁶³ 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 which would meet the needs of the business world and students. The project is set to run until May 2014. Below are a variety of activities that have taken place to improve vocational training in Turkey during the compliance cycle.¹¹⁶⁴

From 10 to 18 April 2013, several informational seminars were held on “Vocational Guidance and Career Counseling” and “Vocational Guidance for Disadvantages Groups” in several cities in the province of Gaziantep.¹¹⁶⁵ Seminar participants had the opportunity to partake in a variety of sessions including; career counselor roles and competencies, career counseling paradigm shifts and results, professional development process and stages of career development processes that affect the internal and external factors and theories of career counselling.

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.¹¹⁶⁶

Between 17 and 21 February 2013 a Teacher Training on Vocational Counselling and Career Guidance seminar was held in Rize Dedeman Otel.¹¹⁶⁷ The training participants consisted of a total of 107 staff, including 102 teachers and academics from primary and secondary as well as post-secondary educational

¹¹⁶¹ Turkish government determined to close private tutoring schools, Hurriyet Daily News (Ankara) 5 November 2015. Access Date: 10 May 2014. <http://www.hurriyetdailynews.com/turkish-government-determined-to-close-private-tutoring-schools.aspx?PageID=238&NID=57375&NewsCatID=338>.

¹¹⁶² Turkish government determined to close private tutoring schools, Hurriyet Daily News (Ankara) 5 November 2015. Access Date: 10 May 2014. <http://www.hurriyetdailynews.com/turkish-government-determined-to-close-private-tutoring-schools.aspx?PageID=238&NID=57375&NewsCatID=338>.

¹¹⁶³ Project, METEK Project (Ankara) Access Date: 10 May 2014. <http://metek.meb.gov.tr/index.php/en/project>.

¹¹⁶⁴ Turkish government determined to close private tutoring schools, Hurriyet Daily News (Ankara) 5 November 2015. Access Date: 10 May 2014. <http://www.hurriyetdailynews.com/turkish-government-determined-to-close-private-tutoring-schools.aspx?PageID=238&NID=57375&NewsCatID=338>.

¹¹⁶⁵ 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/press-room/news/446-metek-projesi-mesleki-rehberlik-ve-kariyer-danismanligi-ve-dezavantajli-gruplara-yonelik-mesleki-rehberlik-konulu-bilgilendirme-seminerleri-corum-sivas-agri-ve-gaziantep-te-gerceklestirildi>.

¹¹⁶⁶ 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/press-room/news/397-post-secondary-education-schools-discussed-quality-in-education-and-training>.

¹¹⁶⁷ METEK Project “Teacher Training on Vocational Counseling and Career Guidance” Completed in Rize Dedemen Otel, METEK Project (Rize) 20 February 2013. Access Date: 11 May 2014. <http://metek.meb.gov.tr/index.php/en/press-room/news/368-metek-project-teacher-training-on-vocational-counselling-and-career-guidance-completed-in-rize-dedeman-otel>.

institutions, and representatives from the Ministry of National Education.¹¹⁶⁸ The training seminar informed participants of the new transformations in business life, labour market, the factors affecting choice of profession, theories of career guidance, assessment and evaluation techniques, career management competence, and job-seeking techniques.

On 17 December 2013, the International Conference on “Building Mutual Trust Between the Labour Market and Vocational Education and Training” was held in Istanbul.¹¹⁶⁹ The objective of the conference was to create mutual trust between the labour market and vocational education by drawing attention to the quality system in vocational education and training. During the conference a variety of panels were held include; 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 30 September 2013, the Republic of Turkey and the European Union, funded by the Ministry of 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.¹¹⁷⁰ The programme involved ten curriculum development workshops that were held in Gaziantep and had 110 educational institutions participating.

On 6 September 2013, Turkey and the European Union, funded by Ministry of Education and Labour and Social Security Ministry of Human Resources Development Operational Programme, carried out in partnership a Vocational and Technical Education Quality Improvement Project.¹¹⁷¹ The project will create nine curriculum development workshops in Mardin. The workshops under the Ministry of Education will include 57 area teachers from secondary institutions, 78 academics, as well as public, private and civil society organizations, and two industry representatives.

Although Turkey has take many steps to through its Improving the Quality of Vocational Education (METEK) Project and other initiatives, its programs have not be targeted towards vulnerable groups. Turkey has been awarded a score of 0 for partial compliance.

Analyst: Antonia Tsapralis

United Kingdom: +1

The United Kingdom has fully complied with the commitment to creating an educated workforce through vocational education and training programs. Consistent efforts have been made to improve

¹¹⁶⁸ METEK Project “Teacher Training on Vocational Counseling and Career Guidance” Completed in Rize Dedemen Otel, METEK Project (Rize) 20 February 2013. Access Date: 11 May 2014. <http://metek.meb.gov.tr/index.php/en/press-room/news/368-metek-project-teacher-training-on-vocational-counselling-and-career-guidance-completed-in-rize-dedemen-otel>.

¹¹⁶⁹ 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/press-room/news/315-international-conference-on-building-mutual-trust-between-the-labour-market-and-vocational-education-held-in-istanbul>.

¹¹⁷⁰ 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/press-room/news/243-metek-projesi-mesleki-rehberlik-ve-kariyer-danismanligi-egitimi-ile-10-mufredat-gelistirme-calistayi-gaziantep-tugcan-otel-de-yapildi>.

¹¹⁷¹ 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/training-performed-activities/234-metek-projesi-dokuzuncu-mufredat-gelistirme-calistayi-mardin-de-yapildi>. (Accessed using Google Translate.)

technical education and funding has been allocated to this endeavor. Much attention has been given to reform the vocational education system, through the implementation of policies, and consistent cooperation with corporate enterprises.

Skills Minister Matthew Hancock spoke on technical and vocational training on 28 January 2014. Minister Hancock addresses the 1944 Butler Education Act, and the importance of “equal prestige for vocational and academic routes.”¹¹⁷² Hancock expressed the need for a refocusing on the vocational system in order to increase the prospect of success for youth. He outlines 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 calls 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 olds to choose programs and acquire qualifications that will lead to employment. Meanwhile, traineeships and extended work experience allows for a better integration into the workforce.¹¹⁷³ He further addresses “reforming qualifications to meet employers’ needs,” and the commitment to fund the education and training for every child up to the age of 18. So far, over GBP7 billion has been spent on the education and training for 16 and 17 year olds within this year. Further planning is underway for new facilities in order to provide advanced training, such as the GBP18 million engineering facility investment.

A total of GBP238 million has been made accessible to multiple companies within the UK, through government funding. Corporations have also collaborated with government initiative to fund vocational training.¹¹⁷⁴ The pilot program will “[deliver] training for young people in low employment areas,” thus providing for the appropriate skills suitable for a variety of industries.¹¹⁷⁵ On 11 September 2013, Secretary of State for Business Innovation and Skills, Vince Cable addressed the Employer Ownership Pilot Round Two, and its contribution to this initiative. The Industrial Strategy comprises of eleven sectors, including the manufacturing, construction, automotive, and transport sectors.¹¹⁷⁶

The UK government has implemented policy for the improvement of the Further Education system. It is concerned with the supplience of quality education and vocational training, and “creating the skilled

¹¹⁷² The Skills Summit: Importance of Technical and Vocational Training, Government UK Department for Business, Innovation & Skills and Department for Education (London) 28 January 2014. Access Date: 20 February 2014.

¹¹⁷³ The Skills Summit: Importance of Technical and Vocational Training, Government UK Department for Business, Innovation & Skills and Department for Education (London) 28 January 2014. Access Date: 20 February 2014.

¹¹⁷⁴ Millions in Government Funding Made Available to Target Industrial Strategy Skills Training, Government UK, Department for Business, Innovation and Skills (London) 9 September 2013. Access Date: 18 February 2014. <https://www.gov.uk/government/news/millions-in-government-funding-made-available-to-target-industrial-strategy-skills-training>

¹¹⁷⁵ North East Companies to Play Key Role in Skills Training with Millions of Government Investment, BIS Press Office, Department for Business, Innovation and Skills (London) 09 September 2013. Access Date: 18 February 2014 <http://news.bis.gov.uk/Press-Releases/North-East-companies-to-play-key-role-in-skills-training-with-millions-of-government-investment-692be.aspx>

¹¹⁷⁶ North East Companies to Play Key Role in Skills Training with Millions of Government Investment, BIS Press Office, Department for Business, Innovation and Skills (London) 09 September 2013. Access Date: 18 February 2014 <http://news.bis.gov.uk/Press-Releases/North-East-companies-to-play-key-role-in-skills-training-with-millions-of-government-investment-692be.aspx>

workforce employers need.”¹¹⁷⁷ 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.¹¹⁷⁸

The UK government has allocated funds have been allocated to technical/vocational training programs and facilities. The UK government has also taken significant steps towards the improvement of this educational system through a variety of reforms and policies, as well as through the encouragement of the private sector, students and parents to play an active role in restructuring and enhancing the vocational training system.

Therefore, the United Kingdom is given a +1 for compliance.

Analyst: Kertia Johnson

United States: 0

The United States has partially complied with its commitment to creating vocational programs.

US President Barack Obama has included funding for jobs training in his 2014 budget proposal but the Speaker of the House of Representatives, John Boehner, has indicated that Obama’s budget will not be approved. The US has implemented new vocational training pilot programs and small scale programs but has not provided a clear nation strategy.

In addition to the above commitment, the United States has committed to enhance the growth potential of the economy and continue to make progress on the recovery of the labour market, in particular for the long-term unemployed, by investing in the training and skills of the United States workers.

On 4 March 2014 Obama provided within his budget request USD7.7 billion in spending on apprenticeships, and job training.¹¹⁷⁹ This proposal would seek to double the number of apprenticeships in the U.S. and provide a summer jobs program for low-income youth. The program would train 1 million people who have been out of work for six months or more. Boehner’s statement of displeasure with Obama’s proposal suggests that the bill will not pass the house floor.¹¹⁸⁰

In January 2014 Vice President Joe Biden was tasked to review federal job training. The review will seek to ensure that job training programs will be more responsive to market demands.¹¹⁸¹ On 23 December 2013 the US Department of Labour launched the “Self-Employment Training pilot program” in Los

¹¹⁷⁷ Improving the Quality of Further Education and Skills Training, Government UK, Department for Business, Innovation and Skills and Department for Education (London) 06 November 2013. Access Date: 18 February 2014
<https://www.gov.uk/government/policies/improving-the-quality-of-further-education-and-skills-training>

¹¹⁷⁸ Improving the Quality of Further Education and Skills Training, Government UK, Department for Business, Innovation and Skills and Department for Education (London) 06 November 2013. Access Date: 18 February 2014
<https://www.gov.uk/government/policies/improving-the-quality-of-further-education-and-skills-training>

¹¹⁷⁹ Obama budget would spend big on job training, Reuters (Washington) 4 March 2014. Access Date: 5 March 2014.
<http://www.reuters.com/article/2014/03/04/us-usa-fiscal-training-idUSBREA231WJ20140304>

¹¹⁸⁰ Boehner: This Might Just Be Obama’s ‘Most Irresponsible Budget Ever’, Business Insider 4 March 2014. Access Date: 5 March 2014. <http://www.businessinsider.com/obama-budget-republican-reaction-boehner-2014-3>

¹¹⁸¹ Obama seeks to revamp federal job training programs, Los Angeles Times (Waukesha, Wis.) 30 January 2014. Access Date: 26 February 2014. <http://www.latimes.com/nation/politics/politicsnow/la-pn-obama-federal-job-training-programs-20140130,0,2828955.story#axzz2uXGK5KIL>

Angeles City and County, California.¹¹⁸² 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.¹¹⁸³ This will make USD100 million available to provide high school students with programs that provide education and skill development relevant to industry needs.

The U.S. does not have a clear path toward a formalized agreement on a national vocational training strategy. Thus, it has been awarded a score of 0 for its commitment to vocational training programs.

Analyst: Iain McCauley

European Union: +1

The European Union has fully complied with this commitment, as it has taken numerous steps and courses of action to continue in assisting EU members with the implementation of vocational training programs, particularly in regard to addressing the issue of youth unemployment.

In addition to the above commitment, the EU also committed to support youth employment, notably through the implementation of the “Youth Employment Initiative” to be fully operational by January 2014, which would support young people not in education, employment or training in the Union’s regions with a youth unemployment rate in 2012 at above 25 per cent by integrating them into the labour market.

Since 2002 and under the Copenhagen process, the EU 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 based on mutually agreed priorities and are continuously reviewed.¹¹⁸⁴

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), by supporting skills competitions, by supporting an EU-wide “toolkit” that to 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.

¹¹⁸² US Department of Labour unveils Self-Employment Training pilot program to help unemployed workers create their own business, US Department of Labour (San Francisco). 23 December 2013. Access Date: 26 February 2014. http://www.doleta.gov/ETA_News_Releases/20132467.cfm

¹¹⁸³ Youth CareerConnect Grants, US Department of Labour (Washington) November 19 2013. Access Date: 26 February 2014. http://www.doleta.gov/ETA_News_Releases/20132231.cfm

¹¹⁸⁴ The Copenhagen process: enhanced European cooperation in vocational education and training, Europa (Belgium). 8 April 2011, Access Date: 14 April 2014. http://europa.eu/legislation_summaries/education_training_youth/vocational_training/ef0018_en.htm

Furthermore, in 2010 the EU launched the Agenda for New Skills and Jobs initiative, one that the Commission will use to help the EU reach its 75% employment target of the working-age population (20-64) by 2020.¹¹⁸⁵

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 its 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.¹¹⁸⁶

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 effective use of structural funds and Erasmus+, initiatives that are being put forth by the Commission between 2014-2020.¹¹⁸⁷

Due to the European Commission's many initiatives and continuous efforts to address the issue of youth unemployment and labour-market deficiencies through VETs. Therefore, the EU receives a score of +1.

Analyst: Stacey Bocknek

¹¹⁸⁵ Vocational Education and Training (VET), European Commission (Belgium), 11 April 2014, Access Date: 14 April 2014. http://ec.europa.eu/education/policy/vocational-policy/index_en.htm

¹¹⁸⁶ Report on the implementation of the Recommendation of the European Parliament and of the Council of 18 June 2009 on the establishment of a European Quality Assurance Reference Framework for Vocational Education and Training, European Commission (Belgium), 28 January 2014, Access Date: 14 April 2014. http://ec.europa.eu/education/policy/vocational-policy/doc/eqavet_en.pdf

¹¹⁸⁷ European policies: catalysts for innovation and youth employment, European Centre for the Development of Vocational Training (Belgium), 11 April 2014, Access Date: 14 April 2014. http://www.cedefop.europa.eu/EN/Files/2014-04-11_Industrial-technologies-conference_Cedefop-Director.pdf

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		0	
Australia		0	
Brazil			+1
Canada		0	
China		0	
France		0	
Germany		0	
India			+1
Indonesia		0	
Italy	-1		
Japan	-1		
Korea	-1		
Mexico		0	
Russia			+1
Saudi Arabia	-1		
South Africa		0	
Turkey	-1		
United Kingdom			+1
United States		0	
European Union			+1
Average		-0.00	

Background

The G20 has repeatedly affirmed its commitment to combating crime and corruption since the 2009 Pittsburg 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.”¹¹⁸⁸ 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.

¹¹⁸⁸ 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 Pittsburgh 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."¹¹⁸⁹

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."¹¹⁹⁰

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."¹¹⁹¹

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."¹¹⁹²

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.¹¹⁹³ The G20 stated that the "Global Forum [would] draw on the work of the FATF on

¹¹⁸⁹ The G20 Leaders Statement: The Pittsburgh Summit, G20 Information Centre (Toronto) 25 September 2009. Access Date: 14 March 2014. <http://www.g20.utoronto.ca/2009/2009communique0925.html>.

¹¹⁹⁰ 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>.

¹¹⁹¹ 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>.

¹¹⁹² 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>.

¹¹⁹³ 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.”¹¹⁹⁴

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.¹¹⁹⁵ 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.”¹¹⁹⁶ 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.”¹¹⁹⁷

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.¹¹⁹⁸ 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.

¹¹⁹⁴ 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>.

¹¹⁹⁵ 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>.

¹¹⁹⁶ 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>.

¹¹⁹⁷ 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>.

¹¹⁹⁸ 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 ¹¹⁹⁹
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.¹²⁰⁰

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.”¹²⁰¹ 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

¹¹⁹⁹ FATF Members and Observers, Financial Action Task Force (Paris) 2014. Access Date: 26 March 2014. <http://www.fatf-gafi.org/pages/aboutus/membersandobservers/>.

¹²⁰⁰ 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>.

¹²⁰¹ 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.”¹²⁰²

The revised recommendations solidify FATF expectations regarding beneficial ownership requirements and outline specific measures that countries are expected to take.¹²⁰³

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.”¹²⁰⁴

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

¹²⁰² 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.

¹²⁰³ 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.

¹²⁰⁴ 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: 0

Argentina has partially 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.¹²⁰⁵ 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.¹²⁰⁶ 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.¹²⁰⁷ 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 2013.¹²⁰⁸ 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

¹²⁰⁵ Para mejorar la supervisión de los mercados de capitales, National Commission of Values (Buenos Aires) 19 September 2013. Access Date: 26 February 2014.

<http://www.cnv.gob.ar/InfoFinan/Comunicados/acuerdoDeColaboracionConIndia.asp>.

¹²⁰⁶ Improving Global AML/CFT Compliance: On-going Process, Financial Action Task Force (Paris) 18 October 2013. Access Date: 24 February 2014. <http://www.fatf-gafi.org/countries/a-c/argentina/documents/fatf-compliance-oct-2013.html>.

¹²⁰⁷ Outcomes from the Plenary meeting of the FATF, Financial Action Task Force (Paris) 18 October 2013. Access Date: 24 February 2014. <http://www.fatf-gafi.org/countries/a-c/argentina/documents/plenary-outcomes-oct-2013.html>.

¹²⁰⁸ Improving Global AML/CFT Compliance: on-going process, Financial Action Task Force (Paris) 14 February 2014. Access Date: 24 February 2014. <http://www.fatf-gafi.org/countries/a-c/argentina/documents/fatf-compliance-feb-2014.html>.

the framework for freezing terrorist-related assets and enhancing the range and proportionality of the sanctions available for non-compliance with AML/CFT requirements.¹²⁰⁹

Therefore, Argentina has received a score of 0 for continually strengthening its legislation and taking measures to comply with the FATF AML/CFT standards.

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.

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 2015.¹²¹⁰

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.”¹²¹¹ 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.”¹²¹² AUSTRAC cites FATF regulations as its regulatory guide.¹²¹³

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.”¹²¹⁴ However, the paper recognized that the FATF had “identified a number of deficiencies in Australia’s regulatory obligations.” Specifically, the paper stated that “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

¹²⁰⁹ 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>.

¹²¹⁰ Australia, Countries Financial Action Task Force (Paris). Access Date: 10 February 2014. <http://www.fatf-gafi.org/countries/a-c/australia/>.

¹²¹¹ 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.

¹²¹² 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.

¹²¹³ 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.

¹²¹⁴ 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.

financial flows.”¹²¹⁵ 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).¹²¹⁶

Thus, Australia has partially complied with its commitment. It has recognized compliance deficiencies via the FATF identification and the discussion paper. The 2013 OECD report found that Australia has partially complied with recommendations to establish transparency mechanisms in identifying beneficial owners. Australia has only partially complied with FATF recommendations on transparency in identifying beneficial owners, although there is cooperation and coordination between government agencies, law enforcement and the business community. Therefore, Australia receives a 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.¹²¹⁷ 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.¹²¹⁸ 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.¹²¹⁹ 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.¹²²⁰

¹²¹⁵ 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/>.

¹²¹⁶ 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://www.oecd.org/dac/governance-development/IFFweb.pdf>.

¹²¹⁷ CGU participa da Operação Esopo para desarticular esquema de fraudes em licitações, The Office of the Comptroller General (CGU) (Brasilia) 9 September 2013. Access Date: 24 February 2014. <http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia10313.asp>.

¹²¹⁸ CGU participa em Alagoas da Operação “Suseranos”, The Office of the Comptroller General (CGU) (Brasilia) 19 September 2013. Access Date: 25 February 2014. <http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia10813.asp>.

¹²¹⁹ 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: 24 February 2014. <http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia11413.asp>.

¹²²⁰ 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: 24 February 2014. <http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia11413.asp>.

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.¹²²¹

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.¹²²² 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, partnered with the U.S Securities and Exchange Commission, promoted the Transnational Bribery Investigation Training Conference.¹²²³ 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.¹²²⁴ 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 2014.¹²²⁵

Brazil has taken steps toward combating corruption and ensuring cooperation to tackle illegal schemes, as well as toward increasing govt transparency through website transparency portals. Therefore, Brazil has received a score of +1.

Analyst: Artur Pereira

¹²²¹ 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: 24 February 2014.
<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia12713.asp>.

¹²²² 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: 25 February 2014.
<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia13513.asp>.

¹²²³ CGU realiza Conferência de Treinamento para Investigação de Suborno Transnacional, The Office of the Comptroller General (CGU) (Brasília) 22 November 2013. Access Date: 25 February 2014.
<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia13613.asp>.

¹²²⁴ CGU participa da Operação Esopo para desarticular esquema de fraudes em licitações, The Office of the Comptroller General (CGU) (Brasília) 9 September 2013. Access Date: 25 February 2014.
<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia13913.asp>.

¹²²⁵ 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: 25 February 2014.
<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia15113.asp>.

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.¹²²⁶

On 1 February 2014, the newly updated Guideline 6G: Record Keeping and Client Identification for Financial Entities came into effect.¹²²⁷ 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.¹²²⁸ Specifically, the guideline stipulates that financial institutions have to identify every client who conducts a suspicious transaction.

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.¹²²⁹

Moreover, the recent amendments to the PCMLTFA have “brought Canada into substantial compliance with the 2003 FATF standards on the identification of beneficial ownership.”¹²³⁰

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 steps to strengthen coordination between government agencies since the St. Petersburg Summit. Canada, however, has not taken action to boost coordination and cooperation between government agencies, law enforcement, and the business community since the St. Petersburg Summit. 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.

Analys: Vera V. Gavrilova

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.

¹²²⁶ 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>.

¹²²⁷ 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>.

¹²²⁸ 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>.

¹²²⁹ 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>.

¹²³⁰ 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>.

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.”¹²³¹ 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 2013.¹²³²

On 12-15 November 2013 China attended the 19th Eurasian Group plenary meeting and working group meetings that took place in Ashgabat (Turkmenistan).¹²³³

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.¹²³⁴ 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.¹²³⁵

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 delivered a speech calling to develop a “coalition to promote a culture of zero tolerance for corruption.”¹²³⁶ 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.”

As demonstrated by these measures above, China has partially complied with its commitment on crime and corruption and receives a 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.

¹²³¹ 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>.

¹²³² 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>.

¹²³³ 19th EAG Plenary Meeting Public Statement, Eurasian Group on Combating Money Laundering and Financing of Terrorism (Moscow) 18 November 2013. Access Date: 3 March 2014. http://www.eurasiangroup.org/detail/news1/19th_eag_plenary_meeting_public_statement/.

¹²³⁴ 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.

¹²³⁵ 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.

¹²³⁶ 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.

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 going forward."¹²³⁷ 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.¹²³⁸ 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."¹²³⁹ 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." The provision

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.

Germany has been a member of the FATF since 1990.¹²⁴⁰ 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).¹²⁴¹ Although compliance commitments do not

¹²³⁷ 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>.

¹²³⁸ 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. Date of Access: 29 July 2014. http://www.legifrance.gouv.fr/affichTexte.do;jsessionid=CA2B8CFF2C9DFC93EB3250E62337C30C.tpdjo03v_3?cidTexte=JORFTEXT000028278976&categorieLien=id.

¹²³⁹ MEPs vote to abolish secret company ownership, EUobserver (Brussels) 21 February 2014. Access Date: 25 February 2014. <http://euobserver.com/justice/123221>.

¹²⁴⁰ Germany, Countries, Financial Action Task Force (Paris). Access Date: 17 February 2014. <http://www.fatf-gafi.org/countries/d-i/germany/>.

¹²⁴¹ 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>.

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.¹²⁴² 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 that “Germany is committed to further strengthening its regime and related implementation measures.”¹²⁴³ 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.”¹²⁴⁴ 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).¹²⁴⁵

Although, Germany has outlined in its action plan seven key features for preventing misuse of legal persons and arrangements. The December 2013 OECD report found that Germany has not complied with the recommendations to take actions to establish transparency mechanisms in identifying beneficial owners. Germany has not complied with FATF recommendations regarding transparency in identifying beneficial owners, but 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

¹²⁴² 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>.

¹²⁴³ 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.

¹²⁴⁴ 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.

¹²⁴⁵ 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://www.oecd.org/dac/governance-development/IFFweb.pdf>.

India: +1

India has fully complied with its commitment to the Financial Action Task Force (FATF)'s work including fighting money laundering and terrorism financing. Contributions made by the FATF through tackling crimes such as tax crimes, corruption, terrorism, and drug trafficking, as well as supporting strategic anti-money laundering/combating terrorist financing (AML/CFT) are noted.

On 25 June 2013, the FATF released the 2013 Mutual Evaluation Report on India. It affirmed that India has achieved the FATF's key recommendations, and removed it from the regular follow-up process. Since the first report in 2010, the AML/CFT regime in India has been greatly strengthened.¹²⁴⁶

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.¹²⁴⁷

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.¹²⁴⁸

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.¹²⁴⁹ A series of bills still await approval by the government, including: the Public Procurement Bill, the Prevention of Bribery of 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.¹²⁵⁰

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.¹²⁵¹

India is well underway to achieving the anti-corruption standards set by many international regulatory bodies including the FATF.

Therefore, India receives a score of +1.

Analyst: Sevda Sparks

¹²⁴⁶ 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>.

¹²⁴⁷ 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>.

¹²⁴⁸ 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>.

¹²⁴⁹ 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.

¹²⁵⁰ India: Countering Corruption in the Private Sector: A Shared Responsibility, United Nations Office on Drugs and Crime (Vienna) 2013. Access Date: March 14 2014. <http://www.unodc.org/southasia/frontpage/2013/may/india-countering-corruption-in-the-private-sector-a-shared-responsibility.html>.

¹²⁵¹ 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>.

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 2013.¹²⁵²

Indonesia ratified the United Nations Convention against Corruption (UNCAC) on 19 September 2006.¹²⁵³

On 19 October, 2013, according to 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.”¹²⁵⁴

On 14 February 2014, the FATF issued another public statement in which it continued to voice its concerns with Indonesia. It has commended the country on initiating the implementation process of United 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.”¹²⁵⁵

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.”¹²⁵⁶

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

¹²⁵² 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-antigrift-judge-shows-depth-of-indonesias-corruption-crisis/>.

¹²⁵³ 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>.

¹²⁵⁴ 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>.

¹²⁵⁵ 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>.

¹²⁵⁶ 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>.

Forum which brings together the government and civil society organizations to enhance cooperation in anti-corruption drive.”¹²⁵⁷

Indonesia has made efforts at combating crime and corruption through several international agreements and projects, but amidst a corruption scandal it has made little 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.

Analyst: Israa Hamad

Italy: -1

Italy has not 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 plan prepared by the Department of Public Administration.”¹²⁵⁸ The plan “focuses on preventive and transparency measures for the public administration, but also comprises few measures aimed at increasing detection of corrupt practices.”¹²⁵⁹ Some performance indicators are also provided, while deadlines for fulfillment of the measures are not defined in detail.¹²⁶⁰

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.”¹²⁶¹

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 Informativo].”¹²⁶²

¹²⁵⁷ 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>.

¹²⁵⁸ 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.

¹²⁵⁹ 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.

¹²⁶⁰ 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.

¹²⁶¹ United States: Recent Developments In The Italian Anti-Money Laundering Legislation, Mondaq (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>.

Although Italy has been working to enhance its anti-corruption legislation, no actions were taken to meet the FATF standards on identifying the beneficial owners of companies. Thus, Italy warrants a score of -1.

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.¹²⁶³ 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.¹²⁶⁴

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.¹²⁶⁵

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. Hence, Japan has failed to comply with the commitment and receives a score of -1.

Analyst: Sevda Sparks

¹²⁶² United States: Recent Developments In The Italian Anti-Money Laundering Legislation, Mondaq (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>.

¹²⁶³ 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>.

¹²⁶⁴ 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/>.

¹²⁶⁵ 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.

Korea: -1

Korea has 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 not taken actions specifically in relation to the identification of the beneficial owners of companies.

Korea became a member of the FATF in October 2009.¹²⁶⁶

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.¹²⁶⁷

Korea has not been compliant with the commitment. Since the St. Petersburg Summit, Korea has not made steps towards the enactment of the FATF's standards relating to the identification of beneficial owners of companies. Thus, for the lack of compliance Korea receives a score of -1.

Analyst: Senda 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.¹²⁶⁸ 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.¹²⁶⁹ Among the main points of the Constitutional

¹²⁶⁶ Republic of Korea (South Korea), Asia-Pacific Group on Money Laundering (Bangkok) 2014. Access Date: 14 March 2014. <http://www.apgml.org/members-and-observers/members/details.aspxm=b9d16e34-607e-4850-8c92-3a6cdfa70254>.

¹²⁶⁷ 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=searchDetailViewInc&menuId=020501&boardNum=35634>.

¹²⁶⁸ U.S. and Mexican AML/CFT Supervisors Sign First-Ever MOU to Exchange Financial Information to Thwart Drug Crime, Financial Crimes Enforcement Network (Washington) 24 October 2013. Access Date: 26 February 2014. http://www.fincen.gov/news_room/nr/html/20131024.html.

¹²⁶⁹ 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 2012.¹²⁷⁰

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 “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.”¹²⁷¹

On 27 May 2014, the Russian Ministry of Finance published 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.¹²⁷²

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.¹²⁷³

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.¹²⁷⁴ 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

¹²⁷⁰ Outcomes from the meeting of the FATF Plenary, Paris 12-14 February 2014, Financial Action Task Force (Paris) 14 February 2013. Access Date: 26 February 2014. <http://www.fatf-gafi.org/countries/j-m/mexico/documents/plenary-outcomes-feb-2014.html>.

¹²⁷¹ Presidential Address to the Federal Assembly, President of Russia 12 December 2013. <http://eng.kremlin.ru/transcripts/6402>.

¹²⁷² 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.

¹²⁷³ 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>.

¹²⁷⁴ 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>.

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. It has therefore been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: -1

Saudi Arabia has failed to comply with its commitment to fight crime and corruption by establishing transparency mechanisms in identifying beneficial owners and establishing cooperation and coordination between government agencies, law enforcement and the business community.

On 29 September 2013, Saudi Arabia ratified the United Nations Convention against Crime (UNCAC).¹²⁷⁵ In this light, 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."¹²⁷⁶ The training included a number of departments that are related to anti-corruption and combating money laundering 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.¹²⁷⁷

Saudi Arabia has failed to comply with the commitment as it has taken no steps to adhere to the FATF standards in relation to beneficial ownership. Thus, Saudi Arabia has received a score of -1.

Analyst: Israa Hamad

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.

South Africa has been a member of the FATF since 2003.¹²⁷⁸ 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

¹²⁷⁵ 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>.

¹²⁷⁶ 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.

¹²⁷⁷ 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>.

¹²⁷⁸ South Africa, Countries, Financial Action Task Force (Paris) 2014. Access Date: 20 February 2014. <http://www.fatf-gafi.org/countries/s-t/southafrica/>.

framework and operational capacity to oversee compliance and to provide high quality, timely financial intelligence for use in the fight against crime, money laundering and terror financing.”¹²⁷⁹

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.¹²⁸⁰ 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.¹²⁸¹ 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.¹²⁸² 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.”¹²⁸³ 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. Thus, South Africa receives a compliance score of 0.

Analyst: Irene Ferro Colmenares

¹²⁷⁹ 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>.

¹²⁸⁰ 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>.

¹²⁸¹ 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>.

¹²⁸² 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>.

¹²⁸³ 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>.

Turkey: -1

Turkey has failed to comply with its commitment to combat crime and corruption. Since the St. Petersburg Summit, Turkey has taken no actions to meet the standards of the Financial Action Task Force (FATF) regarding the identification of the beneficial owners of companies.¹²⁸⁴

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.”¹²⁸⁵

In October 2013, a public statement by 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 continued on to state 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.”¹²⁸⁶

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 [anti-money laundering/combating terrorist financing] 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.”¹²⁸⁷

Turkey has taken measures to implement the FATF regulations, especially with relation to terrorist financing. However, it has not advanced legislation on the standards outlined by the FATF regarding beneficial ownership. Thus, Turkey has not complied with the commitment and receives a score of -1.

Analyst: Israa Hamad

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.¹²⁸⁸ He also announced that an ownership list of “shell” corporations that keep profits offshore to avoid tax will also be published.¹²⁸⁹ 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

¹²⁸⁴ 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>.

¹²⁸⁵ 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>.

¹²⁸⁶ 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>.

¹²⁸⁷ Turkey, only NATO country on FATF's gray list, Today's Zaman (Istanbul) 16 February 2014. Access Date: 6 March 2014. <http://www.todayszaman.com/news-339617-turkey-only-nato-country-on-fatfs-gray-list.html>.

¹²⁸⁸ 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/>.

¹²⁸⁹ 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>.

shareholdings or through an agreement to act in concert.”¹²⁹⁰ 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.¹²⁹¹ 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.¹²⁹² 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.¹²⁹³ 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.”¹²⁹⁴ The NCA will work alongside a variety of crime prevention organisations including “the Anti-Money 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.¹²⁹⁵ 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.

¹²⁹⁰ 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/>.

¹²⁹¹ 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>.

¹²⁹² 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>.

¹²⁹³ 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.

¹²⁹⁴ 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.

¹²⁹⁵ 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.

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.”¹²⁹⁶

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.

Lead 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 2011.¹²⁹⁷ 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.”¹²⁹⁸

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 corporations.¹²⁹⁹ The first of the two bills, introduced by Representative Maxine Waters, entitled “the Holding Individuals Accountable and Deterring 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

¹²⁹⁶ 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>.

¹²⁹⁷ 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.

¹²⁹⁸ 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.

¹²⁹⁹ 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/>.

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.”¹³⁰⁰ 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.¹³⁰¹

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. Although the United States government has begun the process of implementing beneficial ownership legislation, it has not begun work on its commitment to establish cooperation and coordination between government agencies, law enforcement and the business community. Therefore, the United States receives a compliance score of 0.

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.¹³⁰² 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.”¹³⁰³

On 20 February 2014 the members of the European Parliament voted to end anonymity of owners of companies and trusts.¹³⁰⁴ 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.

¹³⁰⁰ 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/>.

¹³⁰¹ Leading House Democrats Introduce Bills to Deter Money Laundering and Hold Executives Responsible, Committee on Financial Services - Democrats (Washington) 24 October 2014. <http://democrats.financialservices.house.gov/press/PRArticle.aspx?NewsID=1597>.

¹³⁰² 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.

¹³⁰³ 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.

¹³⁰⁴ 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>.

On 24 February 2014, the “Council of the European Union published a compromise proposal on the proposed Fourth Money Laundering Directive or MLD4.”¹³⁰⁵ 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).”

As demonstrated by these measures above, the European Union has fully complied with its commitment on crime and corruption and therefore receives a compliance score of +1.

Analyst: Angel Chu

¹³⁰⁵ 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>.

11. Development: Tax Administration

“[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

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		0	
Japan			+1
Korea		0	
Mexico		0	
Russia		0	
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.45	

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.¹³⁰⁶ 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. At Pittsburgh 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 Seoul Summit the 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)

¹³⁰⁶ About the Group, G20 DWG IEF. Access Date: 19 February 2014. <http://www.g20dwg.org/>.

knowledge sharing. The eighth pillar, domestic resources 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.”¹³⁰⁷ The Action Plan also calls for international organisations such as the Organisation for Economic Co-operation and Development (OECD), United Nations, International Monetary Fund (IMF) and World Bank to support the development of more effective tax systems in developing countries.

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.¹³⁰⁸ 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, 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, leaders welcomed the report by the OECD on automatic exchange and “encouraged all countries to join this practice” and in July 2013 it became the new global standard.¹³⁰⁹ 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.¹³¹⁰ 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 per cent of gross domestic product in tax revenues, which is well below the 20 per cent 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 members 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 ways in which G20 countries can better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts: leading by

¹³⁰⁷ Annex II: Multi-Year Action Plan on Development, The Seoul Summit Document (Seoul) 12 November 2010. Access Date: 19 February 2014. <http://www.g20dwg.org/documents/pdf/view/323/>.

¹³⁰⁸ Tax Annex to the St. Petersburg G20 Leaders Declaration, G20 Leaders Declaration (St. Petersburg) 5 September 2013. Access Date: 19 February 2014. <http://www.g20.utoronto.ca/2013/2013-0905-tax.html>.

¹³⁰⁹ Tax Annex to the St. Petersburg G20 Leaders Declaration, G20 Leaders Declaration (St. Petersburg) 5 September 2013. Access Date: 19 February 2014. <http://www.g20.utoronto.ca/2013/2013-0905-tax.html>.

¹³¹⁰ 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. Access Date: 19 February 2014. <http://www.imf.org/external/np/g20/pdf/110311.pdf>.

example in addressing common issues and furthering common interests, and as shareholders or member of the international organizations most closely concerned with taxation and development.¹³¹¹

In order to fulfill these two mandates the report developed several recommendations for G20 leaders on capacity building:

1. Estimate and publish tax expenditures, and the cost of special provisions, in regular tax expenditure and budgets. G20 members 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 foreign direct investment, and provide guidelines for countries which use such incentives.
3. Disclose and consider reducing the scope of tax exemptions required by G20 members from country recipients of aid-funded projects.
4. Undertake “spillover” analyses of proposed changes to tax law in G20 members, for example in trade and international taxation — which could have effects on the fiscal circumstances of developing countries.¹³¹²

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 members to provide assistance, including through international organizations. 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 as well as as stakeholders or member of international organizations.

¹³¹¹ 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. Access Date: 19 February 2014.
<http://www.imf.org/external/np/g20/pdf/110311.pdf>.

¹³¹² 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. Access Date: 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 a stakeholder or member of international organizations.
0	Member assists developing countries in capacity building through national actions that address common issues and common interests OR as a stakeholder or member 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 a stakeholder or member of international organizations.

Lead Analyst: Stacey Bocknek

Argentina: +1

Argentina has fully 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.¹³¹³ Relatedly, according to an OECD report published in January 2014, Argentina's percentage of tax revenues to gross domestic product was of 37.3 per cent in 2012, which makes it the highest in Latin America. This is viewed positively by the OECD, which argues that it speaks of improved tax collection capacity.¹³¹⁴

From 17 to 20 September 2014, 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.¹³¹⁵

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."¹³¹⁶

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

¹³¹³ "Phases 1 and 2 Review," Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD. Access Date: 14 June 2014. <http://www.oecd.org/tax/transparency/GF%20ratings%20april%202014.pdf>.

¹³¹⁴ OECD Notes Improved Latin American Tax Collection, Public Finance International, 20 January 2014. Access Date: 13 June 2014. <http://www.publicfinanceinternational.org/news/2014/01/oecd-notes-improved-latin-american-tax-collection/>.

¹³¹⁵ "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>.

¹³¹⁶ "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>.

thorough collaboration between the two countries with regards to information sharing in all tax matters.¹³¹⁷

Argentina represents a model within Latin America with regards to tax collection and transparency standards application and shares its expertise with regional counterparts. Furthermore, it has also engaged at the international level with the OECD. Finally, it has entered into bilateral partnerships for the automatic transfer of tax information. Overall, therefore, Argentina receives the score of +1 for having fully complied with the commitment under assessment.

Analyst: Sarah Mathieu-Comtois

Australia: +1

Australia has fully complied with the commitment on assisting developing countries in building capacity in the area of tax administration.

On 14 November 2013, when Julie Bishop, Australia's Minister for Foreign Affairs, addressed Commonwealth foreign ministers meeting in Sri Lanka for a Heads of Government Meeting, she took the opportunity to outline Australia's vision for the G20 Brisbane summit agenda.¹³¹⁸ She stated, "an area we hope to focus upon is in taxation, reforming taxation systems."¹³¹⁹ She explained that not only did she want to implement tax reform in her own country but she wanted to extend this priority to developing nations, as she explains that "some developing countries lose more revenue in tax evasion than they receive in foreign aid and we certainly want to support stronger tax administration and reform where necessary and appropriate."

Australia's annual Tax Expenditures Statement provides a description of the tax expenditures provided to taxpayers by the Australian government. This report published in 2014 outlines the major changes from 2012 that were seen throughout 2013. According to the report, the carbon pricing mechanism benchmark (a point of reference for representing standard taxation treatments) has been set at zero from 2014-15, reflecting the government's policy to repeal the carbon tax.¹³²⁰ In addition, the report outlines that the natural resources benchmark has been modified to reflect the government's policy to repeal the minerals resource rent tax from 1 July 2014.

On 19 February 2014, according to the *The Guardian*, it was alleged that the mining boom in Australia has resulted in a huge extraction of wealth and is reducing companies' profits. Luke Mansillo, a reporter for the Guardian claimed the allegation was false since "within the last year alone, there has been a 20% increase in BHP Billiton's Western Australian iron ore exports." However, in spite of the growth, the

¹³¹⁷ "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>.

¹³¹⁸ With 365 days until the Brisbane summit, Bishop outlines Australia's G20 agenda, *The Interpreter* (Australia), 15 November 2013, Access Date: 23 March 2014. <http://www.lowyinterpreter.org/post/2013/11/15/With-365-days-until-the-Brisbane-summit-Bishop-outlines-Australias-G20-agenda.aspx?COLLCC=1824936132&>

¹³¹⁹ The G20 2014 Agenda - Address to Commonwealth Foreign Ministers, Minister for Foreign Affairs (Australia), 14 November 2013, Access Date: 23 March 2014. http://foreignminister.gov.au/speeches/2013/jb_sp_131114.html

¹³²⁰ Tax Expenditures Statement 2013, Australian Government Treasury (Australia), 30 January 2014, Access Date: 23 March 2014. <http://www.treasury.gov.au/~media/Treasury/Publications%20and%20Media/Publications/2014/TE%202013/Documents/PDF/TE-13-Consolidated.ashx>

minerals resource rent tax only cost USD29 million, which disproves the original allegation and proves that the mining tax is allowing BHP to remain competitive, as shown by its bumper profits.¹³²¹

As part of the Australian government's reform of trust taxation, it has recently been announced that the Australian Taxation Office (ATO) will be receiving AUD67.9 million over a period of four years, for the purpose of targeting compliance activity aimed at high-wealth individual taxpayers who have been involved in criminal and offensive tax avoidance.¹³²² This reform will reduce the possibility for individual taxpayers to conceal income, mischaracterize transactions and underpay tax.

On the ATO's website, it was announced that no changes to the income tax rates or thresholds (which pertains to consumers and individual taxpayers) had been proclaimed.¹³²³ The regular tax table calculators provided on the website for the most part can still be used.

On 14-15 April 2014, the Tax Administration Conference, a biennial event that brings together leading tax administrations, academics, and practitioners from around the world is scheduled to take place at the Australian School of Business at the University of New South Wales in Sydney.¹³²⁴ The conference will be paneled by an esteemed list of speakers who will discuss a variety of issue areas, within and beyond Australia, including the undermining of tax integrity, agent-based modeling of tax compliance, building trust through leadership, Australasian judicial responses to taxpayer claims against tax officials, the case of Greece, tax compliance in New Zealand, Korea, the United States and Malaysia.

Since the St. Petersburg Summit, Australia has implemented a number of initiatives to address tax reform and improved tax administration, both within and outside Australia. With a clear agenda throughout 2014 on how to address these issues of development (through conferences, fora, discussions), 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.¹³²⁵ It is part of Brazil's larger project, "Brazil Without Poverty," which hopes to include another 600,000 families in the

¹³²¹ Mining tax: it's time for all Australians to realise they are being ripped off, The Guardian (Australia), 19 February 2014, Access Date: 23 March 2014. <http://www.theguardian.com/commentisfree/2014/feb/19/mining-tax-its-time-for-all-australians-to-realise-they-are-being-ripped-off>

¹³²² Monthly PAYG instalments to be extended, PWC Australia, Access Date: 23 March 2014. <http://www.pwc.com.au/tax/federal-budget/2013/tax-administration.htm>

¹³²³ Tax Tables, Australian Taxation Office, 2014. Access Date: 23 March 2014. <http://www.ato.gov.au/Rates/Tax-tables/>

¹³²⁴ Atax 11th International Tax Administration Conference, UNSW Australia (Sydney), April 2014, Access Date: 23 March 2014. http://www.asb.unsw.edu.au/schools/taxationandbusinesslaw/newsandevents/conferencesandevents/Documents/2014_tax_admin_conference_program.pdf

¹³²⁵ 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>

program this year.¹³²⁶ 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.¹³²⁷ 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.¹³²⁸ 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.¹³²⁹ 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.¹³³⁰ Overall, Brazil has launched many initiatives to create inclusive and sustainable development. However, due to the inadequacy of these initiatives in their ability to address fiscal transparency, Brazil receives a score of a 0.

Analyst: Jasmine Vallve

Canada: 0

Canada has partially complied with the commitment on assisting developing countries in building capacity in the area of tax administration.

Canada will contribute \$18.5 million by 2021 to Benin to help increase internal revenues and strengthen public financial management including through tax capacity building.¹³³¹

On 5 February 2014 Canada and the United States reached agreement on Foreign Account Tax Compliance Act (FACTA).¹³³² FACTA has “acted as a catalyst for the move towards automatic

¹³²⁶ 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>

¹³²⁷ 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>

¹³²⁸ “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>

¹³²⁹ 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>

¹³³⁰ Tax Transparency 2013: Report on Progress (Paris), OECD 2013. Access Date: 22 February 2014.

http://www.oecd.org/tax/transparency/draft%20annual%20report%202013%20for%20GF_2.pdf

¹³³¹ Trade, Tax and Transparency: The 2013 UK G8 Presidency Report, Prime Minister’s Office (United Kingdom) 19 December 2013. Access Date: 22 February 2014.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/271676/G8_report_WEB_FINAL.PDF

¹³³² Canada and U.S. Reach Agreement on Foreign Account Tax Compliance Act, Department of Finance (Canada) 5 February 2014. Access Date: 22 February 2014. <http://www.fin.gc.ca/n14/14-018-eng.asp>

exchange of information in a multilateral context.”¹³³³ The act’s 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 U.S. Internal Revenue Service.¹³³⁴ Instead information on accounts held by US residents and U.S. citizens will be reported to the Canadian Revenue Agency. This agreement is consistent with Canada’s support in promoting tax fairness and automatic exchange of information.

On 27 January 2014, an agreement between Canada and Liechtenstein on tax information exchange was entered into force.¹³³⁵ The same agreement between Canada and Panama was entered into force on 6 December 2013.¹³³⁶ Canada has signed Tax Information Exchange Agreements with Bahrain, the British Virgin Islands, Brunei and, Uruguay but these agreements have not been entered into force.¹³³⁷

On 21 November 2013 the Government of Canada ratified the Convention on Mutual Administrative Assistance in Tax Matters which will enter into force on 1 March 2014.¹³³⁸ Its purpose is to improve cooperation between countries who have ratified the convention by countering international tax avoidance and evasion. In ratifying this convention, Canada will exchange tax information as outlined by the Organisation for Economic Co-operation and Development (OECD) with other parties to the convention.

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 been resisting some measures that would lead to greater tax transparency because Canada believes that “competitive tax systems are important drivers of investment.”¹³³⁹

Canada has acted as a member of international organizations by ratifying agreements that will improve tax administration and promote the automatic exchange of information. Canada has not done enough work in assisting developing countries in capacity building. Thus, it has been awarded a score of 0.

Analyst: Carol Drumm

China: +1

China has fully complied with its commitment to better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts.

¹³³³ Standard for Automatic Exchange of Financial Account Information, OECD 13 February 2014. Access Date: 22 February 2014. <http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-of-financial-account-information.htm>

¹³³⁴ Canada and U.S. Reach Agreement on Foreign Account Tax Compliance Act, Department of Finance (Canada) 5 February 2014. Access Date: 22 February 2014. <http://www.fin.gc.ca/n14/14-018-eng.asp>

¹³³⁵ Canada Signs Tax Information Exchange Agreement with Liechtenstein, Department of Finance (Canada) 31 January 2013. Access Date: 22 February 2014. <http://www.fin.gc.ca/n13/13-014-eng.asp>

¹³³⁶ Canada Partners with Panama to Fight International Tax Evasion, Department of Finance (Canada) 17 March 2013. Access Date: 22 February 2014. <http://www.fin.gc.ca/n13/13-037-eng.asp>

¹³³⁷ Tax Information Exchange Agreements, Department of Finance (Canada) 5 June 2013. Access Date: 22 February 2014. <http://www.fin.gc.ca/treaties-conventions/tieaaerf-eng.asp>

¹³³⁸ Ratification of the Convention on Mutual Administrative Assistance in Tax Matters, Department of Finance (Canada) 21 November 2013. Access Date: 22 February 2014. <http://www.fin.gc.ca/treaties-conventions/notices/maatm-aammf-eng.asp>

¹³³⁹ Canada seen as holdout on G8 pledge tax reform, The Globe and Mail (Ireland), 18 June 2013. Access Date: 22 February 2014. <http://www.theglobeandmail.com/report-on-business/international-business/european-business/g8-seen-striking-pact-aimed-at-cracking-secret-havens/article12630105/>

No instances of direction 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.¹³⁴⁰

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 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.¹³⁴¹

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.¹³⁴²

In 2003, China's SAT worked on implementing general anti-avoidance rules and is known to be ambitious in this area. Although no date has been set for their availability, these rules will likely be announced in 2014. China will continue to closely monitor and challenge location-specific advantages, treaty shopping and restructuring without reasonable commercial purpose.¹³⁴³

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.¹³⁴⁴

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.¹³⁴⁵

¹³⁴⁰ 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

¹³⁴¹ 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>

¹³⁴² 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>

¹³⁴³ Erst 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)

¹³⁴⁴ 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>

¹³⁴⁵ 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>

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.¹³⁴⁶

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.¹³⁴⁷

During the compliance period China has taken measures to be a stakeholder and member of international organizations and international efforts to promote international tax administration but failed to directly assist developing countries with capacity building. Thus, China receives a score of +1.

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 to have committed to early adoption of the new single standard for the automatic exchange of information between tax authorities set by the Organisation for Economic Co-operation and Development (OECD).¹³⁴⁸ The OECD formally presented this standard during a meeting of G20 finance ministers on 22 February 2014.

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.¹³⁴⁹ 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.

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).¹³⁵⁰ 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.

¹³⁴⁶ 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>

¹³⁴⁷ 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>

¹³⁴⁸ OECD delivers new single global standard on automatic exchange of information, OECD 13 February 2014. Access Date: 23 February 2014. <http://www.oecd.org/tax/exchange-of-tax-information/oecd-delivers-new-single-global-standard-on-automatic-exchange-of-information.htm>

¹³⁴⁹ Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD 21 November 2013. Access Date: 23 February 2014. <http://www.oecd.org/tax/transparency/ENG%20Jakarta%20Statement%20of%20Outcomes.pdf>

¹³⁵⁰ Tax Inspectors Without Borders, OECD. Access Date: 23 February 2014. <http://www.oecd.org/ctp/tax-global/tiwb-background.pdf>

Since the 1990s, France has provided support for International Monetary Fund projects on tax administration in 19 francophone countries in Sub-Saharan Africa.¹³⁵¹ France is still active in the 19 francophone countries, providing them with three types of support: sending French tax advisors to the francophone countries to assist with tax administration, training, 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, it 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.¹³⁵² It is an interactive, three-week course 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.”¹³⁵³ It also places emphasis on the fight against corruption. Overall, this course is meant to increase resource mobilization capacities and inter-agency cooperation throughout the world.

The Berlin School of Economics and Law, a public German academic institution, also offers, since 2012, a Master of Arts in Tax Policy and Administration specially targeting African professionals who intend on applying their skills at home. Although this initiative predates the St. Petersburg Summit, the sustained commitment of the German government in offering the degree and collaborating with partners such as the African Tax Administration Forum (ATAF), the South African Revenue Services, German Federal Ministry of Finance, German tax offices, the German parliament and the EU Commission.¹³⁵⁴

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.”¹³⁵⁵ The German government plans on having the ATAF established and functioning by 2016 and pledged financial support at least until then. It is relevant to note that the ATAF held a Consultative Conference on New Rules of the Global Tax Agenda in Johannesburg, South Africa, on 18-19 March 2014. This important

¹³⁵¹ Tax Administration Reform in the Francophone Countries of Sub-Saharan Africa, International Monetary Fund July 2013. Access Date: 23 February 2014. <http://www.imf.org/external/pubs/ft/wp/2013/wp13173.pdf>

¹³⁵² Conducting Financial Investigations, Course Programme, OECD. Access Date: 13 June 2014. <http://www.oecd.org/ctp/crime/capacity-building-brochure.pdf>

¹³⁵³ Conducting Financial Investigations, Course Programme, OECD. Access Date: 13 June 2014. <http://www.oecd.org/ctp/crime/capacity-building-brochure.pdf>

¹³⁵⁴ MA Tax Policy and Tax Administration, Berlin School of Economics and Law. Access Date: 13 June 2014. <http://www.mba-berlin.de/en/master-programmes/ma-tax-policy-and-tax-administration/content/>.

¹³⁵⁵ “State-Building through Taxation,” German Federal Enterprise for International Cooperation (GIZ). Access Date: 13 June 2014. <https://www.giz.de/en/worldwide/15810.html>.

step was supported by the German government and highlights the success of Germany's tax administration capacity building in sub-Saharan Africa.¹³⁵⁶

The German Agency for International Cooperation (GIZ) is currently involved in the conducting and funding of more than 30 development projects¹³⁵⁷ meant to address 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.¹³⁵⁸ 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."¹³⁵⁹ GIZ involvement in Ghana has been sustained for many years and replicated in other parts of the developing world.

On 9 May 2015 and 5 February 2014, BMZ is also one of the core partners of the International Tax Compact, "an informal platform supporting the establishment of better tax systems."¹³⁶⁰ It organizes workshops and conferences — most recently in Rio, Brazil and in Accra, Ghana — on topics pertaining to tax administration and fiscal issues relevant to public resource mobilization.¹³⁶¹

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. For those reasons, it is found that it has fully complied with this commitment and receives a score of +1.

Analyst: Sarah Mathieu-Comtois

India: 0

India has partially complied with its commitment 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. It has participated in international organizations and contributed to collective pressuring efforts to increase the transparency of tax information.

India first participated in the efforts to improve tax administration around the world in 2009 when it agreed to the International Standard for Tax Transparency and Exchange of Information and became a member of the Organisation for Economic Co-operation and Development's Global Forum on

¹³⁵⁶ "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.

¹³⁵⁷ German Agency for International Cooperation (GIZ). Access Date: 13 June 2014. <http://www.giz.de/en/html/searchresult.html?query=tax+administration&doc-types=html&hits=10#>.

¹³⁵⁸ Public Finances, German Agency for International Cooperation (GIZ). Access Date: 13 June 2014. <http://www.giz.de/expertise/html/3173.html>.

¹³⁵⁹ "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/>.

¹³⁶⁰ "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/>.

¹³⁶¹ International Tax Compact. Access Date : 13 June 2014. <http://www.taxcompact.net/index.html>.

Transparency and Exchange of Information for Tax Purposes. It has published Phase 1 of its findings and has been assessed as compliant.¹³⁶²

On 15 October 2011 at the G20 Finance Ministers and Central Bank Governors meeting on Development in France, India actively promoted other countries to join this commitment. Finance Minister Pranab Mukherjee emphasized the importance of having Automatic Exchange of Information among countries and declared it one of the most effective ways to improve voluntary tax compliance and decrease evasion.¹³⁶³ He then asked G20 “to call to the United Nations ... for developing internationally agreed guidelines on transfer pricing and international taxation.” Furthermore, Mukherjee expressed desires to expand the systems and standardized exchange of tax information when he said “the assistance in collection of taxes should also be part of the International Standards of Transparency and Exchange of Information for Tax Purposes.”¹³⁶⁴

In 2011, India declared it would work to develop the international tax administration and automatic exchange of information infrastructure when it announced it would contribute EUR320,000 to the Global Forum that would monitor effectiveness of tax avoidance and exchange information treaties.¹³⁶⁵

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 2015.¹³⁶⁶

India’s Finance Minister P. Chidambaram pressed in particular for increased transparency for effective system for getting financial information from other nations. Chidambaram urged to widen the 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.

While India has not participated through national actions that address common issues or further common interests, it has been an active participant as a member in international organizations and has advocated for strengthening the international structures that increase tax transparency around the world. Thus, India has been awarded a score of 0.

Analyst: Nancy Xue

Indonesia: 0

Indonesia has partially complied with its commitment to better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts.

¹³⁶² Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: India 2010: Phase 1, OECD Publishing 2010. Access Date: 25 February 2014. <http://dx.doi.org/10.1787/9789264095533-en>.

¹³⁶³ Carbon Tax Cannot be Additional Source of Climate Finance: Pranab, Livemint 15 Oct 2011. Access Date: 26 Feb 2014. <http://www.livemint.com/Politics/p3mcEbWpBnp79OUzbjFO/Carbon-tax-cannot-be-addl-source-of-climate-finance-Pranab.html>.

¹³⁶⁴ The Global Forum on Transparency and Exchange of Information for Tax Purposes Information Brief, The Global Forum on Transparency and Exchange of Information for Tax Purposes 16 April 2012. Access Date: 27 February 2014. <http://www.oecd.org/ctp/harmful/43757434.pdf>.

¹³⁶⁵ India Makes G20 Ministers Agree on Sharing Info on Tax Evasion, Deccan Herald (Paris) 15 October 2011. Access Date: 26 February 2014. <http://www.deccanherald.com/content/198151/india-global-action-against-tax.html>.

¹³⁶⁶ 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. Access Date 25 February 2014. <http://www.g20.utoronto.ca/2014/2014-0223-finance.html>.

In October 2013, the Financial Action Task Force pointed to Indonesia, as an entity displaying important weaknesses with regards to tax administration and transparency. Furthermore, Indonesia also ranks within the “top 15 illicit money providers” in the world, according to a Global Financial Integrity Report published in December 2013.¹³⁶⁷

Furthermore, while Indonesia signed the Convention on Mutual Administrative Assistance in Tax Matters on 3 November 2011, it still has not deposited any instrument of ratification, acceptance, or approval of the convention. In this sense, it has not taken any official steps towards implementing the provisions of this international agreement overseen by the Organisation for Economic Co-operation and Development.¹³⁶⁸

On 21 November 2013, Indonesia hosted the 2013 Global Forum on Transparency and Exchange of Information for Tax Purposes, which was held in Jakarta, Indonesia. The objective of the meeting was to agree on ways of more effectively implementing international cooperation against tax evasion and thereby perform better with regards to resource mobilization.¹³⁶⁹ At the Forum there was publication of new compliance ratings on countries’ work to implement the Global Forum’s information exchange standard.

The forum’s constituents — which include more than 80 countries and 10 international organizations — also took this opportunity to highlight the important ways in which the Indonesian government has collaborated with different international organizations on tax administration projects.¹³⁷⁰

The Indonesian government is currently undergoing national difficulties with regards to tax administration, and therefore does not seem to be in a position to offer bilateral assistance. The hosting of the 2013 Global Forum, a major multilateral platform for tax-related discussion, represents a considerable engagement with international organizations, as well as with their stakeholders. Overall, Indonesia receives a score of 0 for its partial compliance with the commitment under assessment.

Analyst: Sarah Mathieu-Comtois

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

¹³⁶⁷ “Enhancing Cooperation among Tax Administrators in Asia-Pacific,” International Tax Review, 28 January 2014. Access Date: 14 June 2014. <http://www.internationaltaxreview.com/Article/3302780/Enhancing-cooperation-among-tax-administrators-in-Asia-Pacific.html>.

¹³⁶⁸ Status of the Convention on Mutual Administrative Assistance in Tax Matters and Amending Protocol, OECD, 23 May 2014. Access Date: 14 June 2014. http://www.oecd.org/tax/exchange-of-tax-information/Status_of_convention.pdf.

¹³⁶⁹ Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD 21 November 2013. Access Date: 22 February 2014. <http://www.oecd.org/tax/transparency/ENG%20Jakarta%20Statement%20of%20Outcomes.pdf>

¹³⁷⁰ “Statement of Outcomes,” 2013 Global Forum on Transparency and Exchange of Information for Tax Purposes. Access Date: 14 June 2014. <http://www.oecd.org/tax/transparency/ENG%20Jakarta%20Statement%20of%20Outcomes.pdf>.

minor tax non-compliance issues; lower and more predictable energy costs; and a simpler legal system for businesses.¹³⁷¹ 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).¹³⁷²

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 published 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.”¹³⁷³ These efforts are meant to improve fiscal efficiency, reduce administration costs and increase the impact tax expenditures have on the economy.

This working paper initiated that process by first discussing why and how tax expenditures are evaluated and the benefits it could have for the economy and citizens. It went on to discuss what types of tax expenditures currently exist in Italy and concluded with which of these expenditures should be reformed to increase their efficiency and positive impact on the Italian economy.¹³⁷⁴ The clear, concise and approachable way in which this working paper was written serves as an excellent model for other countries to follow.

On February 13 2014 Italy, along with France and the United Kingdom, became one of 41 other 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 more fair 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.¹³⁷⁵ 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.¹³⁷⁶

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

¹³⁷¹ ‘Destination Italy’ Pro-Foreign Business Plan Unveiled, ANSAmed (Rome) 19 September 2013. Access Date: 15 June 2014. http://www.ansa.it/ansamed/en/news/nations/italy/2013/09/19/-Destination-Italy-pro-foreign-investment-plan-unveiled_9327534.html

¹³⁷² 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>

¹³⁷³ 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>

¹³⁷⁴ 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>

¹³⁷⁵ 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>

¹³⁷⁶ 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>

bureaucracy.¹³⁷⁷ 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.”¹³⁷⁸ 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 latest peer-review by the OECD, published on 4 April 2014, 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”¹³⁷⁹ 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.¹³⁸⁰

Italy has undertaken extensive national actions that address common issues and interests, but its comparatively little involvement as a stakeholder or member of an organization that directly assists or impacts developing countries. Italy is hence awarded a score of 0.

Analyst: Aurora Hudson

Japan: +1

Japan has fully complied with its commitment to better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts.

Japan has made some indirect efforts to assist developing countries with capacity building and to participate via international organizations to promote international taxation and development.

On 11 March 2014, the Japan International Cooperation Agency and United Nations Development Programme announced a reinforcement agreement to strengthen their partnership and accelerate the

¹³⁷⁷ 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/italy-politics-idUSL5N0MV4YW20140403>

¹³⁷⁸ 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

¹³⁷⁹ 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/italy/italy-increases-aid-contributions-but-should-address-working-practices-oecd-says.htm>

¹³⁸⁰ 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

implementation of infrastructure and economic development projects in Iraq, specifically in the areas of delegation of management, tax and duty exemption, and knowledge sharing.¹³⁸¹

As of 30 January 2014, Japan had concluded 60 tax treaties or agreements applicable to 79 countries, including developing countries and commitments to expand assistance in recovery.¹³⁸² Moreover, on 28 June 2013, Japan ratified the Convention on Mutual Administration Assistance in Tax Matters, which entered into force for Japan on 1 October.¹³⁸³

On 29 May 2013, India and Japan committed to enhancing bilateral economic cooperation and agree to work closely to develop a complimentary tax administration system and business environment.¹³⁸⁴ They agreed to continue working towards a greater understanding of all financial and taxation related issues including Indian rupee denominated finance by Japan Bank for International Cooperation and establishing a consultative mechanism between the two countries.¹³⁸⁵

Finally, the Japan External Trade Organization is committed to assisting business expansion to developing countries.¹³⁸⁶

For all these reasons, Japan had been rewarded a score of +1 for full compliance with its commitment to better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts.

Analyst: Justice Durland

Korea: 0

Korea has partially complied with its commitment to assist developing countries in capacity building as stakeholders or members of international organizations but not through national actions that address common issue and common interests.

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.¹³⁸⁷

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.¹³⁸⁸ IMF Managing

¹³⁸¹ UNDP. JICA (Japan) and UNDP Partnership Reinforcement Agreement to Accelerate Economic Recovery in Iraq. 11 March 2014. Access Date: April 1 2014.

<http://www.iq.undp.org/content/iraq/en/home/presscenter/pressreleases/2014/03/11/jica-japan-and-undp-partnership-reinforcement-agreement-to-accelerate-economic-recovery-in-iraq/>

¹³⁸² PwC. Japan Tax Update: Updates on the status of Tax Treaties/Agreements. January 2014. Access Date: 1 April 2014. <http://www.pwc.com/jp/en/taxnews/pdf/tax-treaties-2014-e.pdf>

¹³⁸³ Ministry of Finance Japan. Convention on Mutual Administrative Assistance in Tax Matters will Enter into Force for Japan. 1 July 2013. Access Date: 1 April 2014. http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20130701.htm

¹³⁸⁴ India, Japan to develop conducive tax regime to promote ties, the Economic Times. 29 May 2013. Access Date: 1 April 2014. http://articles.economictimes.indiatimes.com/2013-05-29/news/39602317_1_indian-institute-shinzo-abe-western-dedicated-freight-corridor

¹³⁸⁵ Joint Statement on the occasion of Official Visit of the Prime Minister of Japan to India, Ministry of External Affairs, Government of India. 25 January 2014. Access Date: 1 April 2014. <http://mea.gov.in/bilateral-documents.htm?dtl/22772>

¹³⁸⁶ Japan External Trade Organization. Assisting business expansion of developing countries. 2014. Access Date: 1 April 2014. <https://www.jetro.go.jp/en/jetro/activities/oda/>

¹³⁸⁷ 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>

Director Christine Lagarde called the development, “the beginning of a new stage in the strategic partnership between Korea and the IMF on capacity development.”¹³⁸⁹

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.¹³⁹⁰

Korea received a score of 0 for partially complying with its commitment to assist developing countries in capacity building as a stakeholder or member of international organizations.

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.¹³⁹¹

In February 2013 Mexico signed an agreement with Costa Rica on Cooperation for Development, which will open spaces for cooperation and outline an agenda for greater development impact.¹³⁹²

In September 2013, Mexico signed a technical cooperation agreement with Brazil to approve 13 projects in health, education, agricultural development and water.¹³⁹³ 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

¹³⁸⁸ 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>

¹³⁸⁹ 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>

¹³⁹⁰ SGATAR Communiqué, Organisation for Economic Cooperation and Development (Paris) 17 October 2014. Access Date: 27 February 2014. <http://www.oecd.org/site/ctpfta/43rd-SGATAR-Meeting-Final-Communique.pdf>

¹³⁹¹ 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>

¹³⁹² Mexico y Costa Rica Suscriben Convenio para el Desarrollo (Mexico City), 20 February 2013. Access Date: 27 February 2014. <http://amexcid.gob.mx/index.php/en/press/press-releases/1726-mexico-y-costa-rica-suscriben-convenio-de-cooperacion-para-el-desarrollo>

¹³⁹³ 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>

in October 2013.¹³⁹⁴ 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.¹³⁹⁵ 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.¹³⁹⁶

Although Mexico has made some agreements towards inclusive development, it has not made any direct commitments towards any tax administration initiatives, nor has it positioned itself as a stakeholder. Mexico thus is awarded a score of 0.

Analyst: Jasmine Vallh

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.”¹³⁹⁷ 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.¹³⁹⁸

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 better assist developing countries in strengthen their tax systems and support their revenue mobilization efforts.

¹³⁹⁴ 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>

¹³⁹⁵ 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>

¹³⁹⁶ 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>

¹³⁹⁷ About PEMPAL, PEMPAL. <http://www.pempal.org/about/about-pempal/>.

¹³⁹⁸ Directive No 222-r of 26 February 2010, Russian Government 2 March 2010. <http://archive.government.ru/gov/results/9565/>.

No instances of direct action have been made by Saudi Arabia during the compliance period in assisting developing countries with capacity building. However, Saudi Arabia has taken action as a stakeholder and member of international organizations to promote international taxation and development.

On 29 October 2013, Saudi Arabia signed the Organisation for Economic Co-operation and Development's Multilateral Convention on Mutual Administrative Assistance in Tax Matters, thus providing for spontaneous exchange of information, simultaneous tax examinations, and assistance in tax collection.¹³⁹⁹

On 29 May 2013, Saudi Arabia participated in a one-day special meeting to consider international cooperation in tax matters, including institutional arrangements to promote such cooperation, with the participation of representatives from national tax authorities and ministries of finance.¹⁴⁰⁰ Finally, on 7 May 2013, Saudi Arabia signed a double tax treaty with Luxembourg.¹⁴⁰¹

Saudi Arabia has partially complying with its commitment to better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts. While Saudi Arabia took actions as a stakeholder and member of international organizations, Saudi Arabia failed to directly assist developing countries with capacity building. Thus Saudi Arabia had been rewarded a score of 0.

Analyst: Justice Durland

South Africa: 0

South Africa has partially complied with capacity building among other developing countries in the area of tax administration.

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.¹⁴⁰² They willingly exchange information, and are contributing towards creating an international tax system that avoids evasion and is efficient and fair.

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.¹⁴⁰³ 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.¹⁴⁰⁴ 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.

¹³⁹⁹ KPMG. Saudi Arabia – International tax agreements, income tax treaties. 29 October 2013. Access Date 5 April 2014. <https://www.kpmg.com/global/en/issuesandinsights/articlespublications/taxnewsflash/pages/saudi-arabia-international-tax-agreements-income-tax-treaties.aspx>

¹⁴⁰⁰ FfDO/DESA. Special meeting of ECOSOC on "International Cooperation on Tax Matters", Newsletter 2013/6, June 2013. Access Date: 5 April 2014. http://www.un.org/esa/ffd/tax/2013ITCM/Tax_newsletter6_june2013.pdf

¹⁴⁰¹ Deloitte. Luxembourg Tax Alert, Luxembourg Tax Department. 24 July 2013. Access Date: 5 April 2014. http://www.deloitte.com/assets/Dcom-Luxembourg/Local%20Assets/Documents/Newsletters/Tax%20Alert/2013/lu_taxalert_saudiarabia_24072013.pdf

¹⁴⁰² 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>

¹⁴⁰³ 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>

¹⁴⁰⁴ 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>

The NDP also seeks to lower the cost of living, develop a green economy, increase infrastructure investment and reduce income inequality.¹⁴⁰⁵

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.¹⁴⁰⁶

South Africa has taken some national actions to address common issues and interests but has not explored the issues of tax administration as a stakeholder in any of its partnerships, and is therefore graded a 0.

Analyst: Jasmine Vallve

Turkey: 0

Turkey has partially complied with its commitment to better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts.

Turkey took actions as a stakeholder and member of international organizations to promote international taxation and development during the compliance period, including hosting the third Forum on Tax and Crime for the Organisation for Economic Co-operation and Development (OECD) and signing a memorandum of understanding regarding the OECD-Ankara Multilateral Tax Centre.

Turkey failed, however, to take action to directly assist developing countries with capacity building and taxation development.

On 7-8 November 2013, Turkey hosted the OECD Forum on Tax and Crime. In the Outcomes Statement, participating countries proposed seven aims, including “maximise the benefits of using Suspicious Transaction Reports in combating tax crimes” and “monitor tax crime and other risks associated with the growth in digital currencies.”¹⁴⁰⁷

On 5 May 2013, Turkey signed a memorandum of understanding with the OECD to establish the framework for co-operation in the implementation of the Multilateral Tax Programme at the OECD-Ankara Multilateral Tax Centre.¹⁴⁰⁸ The OECD Ankara Multilateral Tax Center operates in Ankara under the management of the Turkish Ministry of Finance.¹⁴⁰⁹

¹⁴⁰⁵ 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>

¹⁴⁰⁶ Speech by Nkosiphendule Kolisile MEC for the Gauteng Department of Economic Development at the Gauteng Business Lounge with South Sedan Delegation (Pretoria), 20 March 2013. Access Date: 5 April 2014.

<http://www.gov.za/speeches/view.php?sid=35411>

¹⁴⁰⁷ Outcomes Statement, 3rd OECD Forum on Tax and Crime. 8 November 2013. Access Date: 5 April 2014.

<http://www.oecd.org/ctp/crime/outcomes-third-forum-on-tax-crime.pdf>

¹⁴⁰⁸ The Implementation of the Multilateral Tax Programme at the OECD Ankara Multilateral Tax Centre, Memorandum of Understanding between The Government of Turkey and the OECD. 3 May 2013. Access Date: 5 April 2014.

<http://www.resmigazete.gov.tr/eskiler/2014/01/20140128-1-1.pdf>

¹⁴⁰⁹ Deloitte. Luxembourg Tax Alert, Luxembourg Tax Department. 24 July 2013. Access Date: 5 April 2014.

[http://www.deloitte.com/assets/Dcom-](http://www.deloitte.com/assets/Dcom-Luxembourg/Local%20Assets/Documents/Newsletters/Tax%20Alert/2013/lu_taxalert_saudi Arabia_24072013.pdf)

[Luxembourg/Local%20Assets/Documents/Newsletters/Tax%20Alert/2013/lu_taxalert_saudi Arabia_24072013.pdf](http://www.deloitte.com/assets/Dcom-Luxembourg/Local%20Assets/Documents/Newsletters/Tax%20Alert/2013/lu_taxalert_saudi Arabia_24072013.pdf)

Turkey signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in 2011, but has failed to ratify the agreement to date.¹⁴¹⁰ Since 1993, it has hosted education seminars on tax matters for over 4,000 participants from 45 countries.¹⁴¹¹

Turkey has partially complied with its commitment to better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts. Thus, Turkey has been rewarded a score of 0.

Analyst: 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.¹⁴¹² Additionally, it will provide GBP6 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 saying it will provide developing countries with advice to increase tax revenues.¹⁴¹³ It will support the funding of four international projects to improve revenue collection and avoid tax evasion. International Development Secretary Justine Greening stated that “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.¹⁴¹⁴ The OECD formally presented this standard during a meeting of G20 finance ministers on 22 February 2014.

On 21 November 2013, members of the Global Forum on Transparency and Exchange of Information for Tax Purposes met in Jakarta, Indonesia, to implement greater international cooperation against tax evasion.¹⁴¹⁵ At the forum there was 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.

¹⁴¹⁰ Analysis of OECD’s Multilateral Convention on Mutual Administrative Assistance in Tax Matters, Offtax.com. 30 May 2013. Access Date: 5 April 2014. <http://www.offtax.com/resources/articles/oecd-multilateral-convention-on-mutual-administrative-assistance-in-tax-matters.php>

¹⁴¹¹ Turkey’s Relations with the OECD, Republic of Turkey Ministry of Foreign Affairs. 2011. Access Date: 5 April 2014. <http://www.mfa.gov.tr/oecd.en.mfa>

¹⁴¹² Trade, Tax and Transparency: The 2013 UK G8 Presidency Report, Prime Minister’s Office (United Kingdom) 19 December 2013. Access Date: 22 February 2014. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/271676/G8_report_WEB_FINAL.PDF

¹⁴¹³ UK plans major boost to tax collection in developing countries, Department for International Development and HM Treasury (United Kingdom) 20 November 2013. Access Date: 22 February 2014. <https://www.gov.uk/government/news/uk-plans-major-boost-to-tax-collection-in-developing-countries>

¹⁴¹⁴ OECD delivers new single global standard on automatic exchange of information, OECD 13 February 2014. Access Date: 22 February 2014. <http://www.oecd.org/tax/exchange-of-tax-information/oecd-delivers-new-single-global-standard-on-automatic-exchange-of-information.htm>

¹⁴¹⁵ Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD 21 November 2013. Access Date: 22 February 2014. <http://www.oecd.org/tax/transparency/ENG%20Jakarta%20Statement%20of%20Outcomes.pdf>

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.¹⁴¹⁶

On 7 May 2013 the United Kingdom made long term commitments to assist Tanzania and Ethiopia set up more effective systems to collect tax.¹⁴¹⁷ The government has a new capacity building program, the Developing Countries Capacity Building Unit, which sets up projects to work with both countries 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.¹⁴¹⁸ 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.¹⁴¹⁹ However, while tax reform and improved tax administration — particularly tax evasion, broadening the tax base, and improving its fairness — are acknowledged as urgent issues, implementation of change has been almost non-existent domestically.¹⁴²⁰

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.¹⁴²¹ The U.S. has also implemented Foreign Account Tax Compliance Act, which improves the sharing of American citizen's financial information to recoup

¹⁴¹⁶ Tax transparency: what the government is doing internationally to reduce tax avoidance and evasion, HM Treasury (United Kingdom) Access Date: 22 February 2014.

http://embed.verite.co/timeline/?source=0AqU9_JLgk8C8dE9YWXRSbHoyS3liMEdfR3puM09Nanc&font=Bevan-PotanoSans&maptype=toner&lang=en&height=650

¹⁴¹⁷ UK government to assist Tanzania and Ethiopia in tax collection, HM Treasury (United Kingdom) 7 May 2013. Access Date: 22 February 2014. <https://www.gov.uk/government/news/uk-government-to-assist-tanzania-and-ethiopia-in-tax-collection>

¹⁴¹⁸ Reforming the Tax Code, The White House. Access Date: 14 June 2014.

<http://www.whitehouse.gov/economy/reform/tax-reform>

¹⁴¹⁹ Tax 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>

¹⁴²⁰ Move 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>

¹⁴²¹ Hong Kong and the United States Tax Agreement Promotes International Tax Transparency, Orangefield ICS 14 May 2014. Access Date: 14 June 2014. <http://ics.orangefield.com/news/news-archive/news-archive-2014/hong-kong-and-the-united-states-tax-agreement-promotes-international-tax-transparency/>

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.¹⁴²²

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.”¹⁴²³ 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 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.¹⁴²⁴ This multilateral commitment involves over 40 countries and builds on the United States ongoing FATCA efforts.

Overall, and as a result of the aforementioned and cumulative efforts, the United States receives a compliance score of +1.

Analyst: Taylor Grott

European Union: +1

The European Union has fully complied with the commitment on assisting developing countries in building capacity in the area of tax administration.

At the occasion of the 2014 Substantive Session of the United Nations Economic and Social Council, the EU declared that “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.¹⁴²⁵

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.¹⁴²⁶

¹⁴²² 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> AND

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>

US And France Agree to Combat Offshore Tax Evasion, US Department of the Treasury 14 November 2014. Access Date 14 June 2014. <http://www.treasury.gov/press-center/press-releases/Pages/jl2217.aspx>

¹⁴²³ 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/where-we-work/latin-american-and-caribbean/tax-administration>

¹⁴²⁴ OECD Delivers New Single Global Standard on Automatic Exchange of Information, OECD 13 February 2014. Date Accessed 14 June 2014. <http://www.oecd.org/tax/exchange-of-tax-information/oecd-delivers-new-single-global-standard-on-automatic-exchange-of-information.htm>

¹⁴²⁵ 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>.

¹⁴²⁶ 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>.

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)."¹⁴²⁷ 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.¹⁴²⁸

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. The EU, it was announced, will maintain its yearly EUR8 million contribution to those instances working towards better tax administration and fiscal fraud detection globally.¹⁴²⁹

The European Commission also agreed to support Georgia in its will to improve public fiscal management. On 5 March 2014, it was announced that the commission would in fact provide Georgia with EUR21 million in financial support the promotion of "transparency, while increasing efficiency and effectiveness of planning and governmental."¹⁴³⁰

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 year 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."¹⁴³¹

The European Union 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. For those reasons, it is found that it has fully complied with this commitment and receives a score of +1.

Analyst: Sarah Mathieu-Comtois

¹⁴²⁷ 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/>.

¹⁴²⁸ 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/>.

¹⁴²⁹ 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/>.

¹⁴³⁰ 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/>.

¹⁴³¹ 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		0	
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia	-1		
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.85	

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.¹⁴³² At the Cannes Summit, leaders set up the G20 Task Force on Employment to provide input to the G20 labour and employment ministerial meeting.¹⁴³³ 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

¹⁴³² 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>.

¹⁴³³ 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.”¹⁴³⁴ 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:¹⁴³⁵

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.¹⁴³⁶

¹⁴³⁴ St. Petersburg G20 Leaders’ Declaration, Russia’s G20 Presidency 6 September 2013. Access Date: 19 January 2014. <http://en.g20russia.ru/load/782795034>.

¹⁴³⁵ 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: 0

Argentina has partially complied with the commitment 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.”¹⁴³⁷

Argentina has taken steps to create formal jobs but only on the supply side. Thus, it has been awarded a score of 0.

Analyst: Yana Nursubina

Australia: +1

Australia has fully complied with the commitment on job creation.

On the supply side, 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.¹⁴³⁸

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.¹⁴³⁹

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.¹⁴⁴⁰

¹⁴³⁶ G20 Labour and Employment Ministers’ Declaration, Russian G20 Presidency 19 July 2013. Access Date: 21 January 2014. <http://en.g20russia.ru/load/781649316>.

¹⁴³⁷ Argentina ratifica el convenio sobre las trabajadoras y trabajadores domésticos. 25 March 2014. http://www.trabajo.gov.ar/downloads/otros/140325_convenio_eng.pdf.

¹⁴³⁸ 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>

¹⁴³⁹ 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>

In November 2013–January 2014, Hartsuyker held a roundtable discussions on the redesign and improved efficiency of Jobs Services Australia, the Australian government employment services system that supports job seekers and employers, beyond 2015. He reiterated the government’s commitment to create “one million jobs over the next five years and two million jobs over the next decade.”¹⁴⁴¹

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:¹⁴⁴²

- 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.¹⁴⁴³

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.¹⁴⁴⁴

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.¹⁴⁴⁵

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.¹⁴⁴⁶

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 Maslovskaya

¹⁴⁴⁰ 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>

¹⁴⁴¹ Minister’s roundtable discussion with Jobs Australia focuses on delivering improved employment services, Ministers’ Media Centre, Employment Portfolio 1 November 2013. Access Date: 22 February 2014. <http://ministers.employment.gov.au/hartsuyker/ministers-roundtable-discussion-jobs-australia-focuses-delivering-improved-employment>

¹⁴⁴² 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

¹⁴⁴³ 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

¹⁴⁴⁴ 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>

¹⁴⁴⁵ 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/>

¹⁴⁴⁶ 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>

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.¹⁴⁴⁷

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 stimulate the creation of formal jobs.

Canada's Economic Action Plan 2014 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.¹⁴⁴⁸ 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.¹⁴⁴⁹

The Economic Action Plan renegotiates the labour market development agreements to reorient training for labour market demand with CAD1.95 billion per year of federal contributions.

The Government of Canada intends to invest CAD15 million over three years in the Ready, Willing and Able initiative to support employers to recruit and hire people with developmental disabilities.¹⁴⁵⁰ The government also promises of CAD11.4 million over four years to support vocational training for Canadians living with autism spectrum disorders.

The Economic Action Plan supports the training and employment of Canada's youth by providing CAD100 million of the Canada Apprentice Loan and CAD40 million for 3,000 full-time internships.

The 2014 budget included CAD40 million over four years for the Canada Accelerator and Incubator Program to create new companies and realize the potential of their ideas.

The Economic Action Plan also invests CAD75 million to the Targeted Initiative for Older Workers and CAD11.8 million over two years and CAD3.3 million per year to launch the Job Matching Service.

¹⁴⁴⁷ 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.

¹⁴⁴⁸ Canada Promotes Jobs and Growth at G-20 Meeting in Australia. Access Date: 10 February 2014. <http://www.fin.gc.ca/n14/14-028-eng.asp>

¹⁴⁴⁹ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 10 February 2014. <http://actionplan.gc.ca>

¹⁴⁵⁰ Federal Budget 2014 to Invest in Ready, Willing and Able. Access Date: 14 February 2014. <http://readywillingable.ca/2014/02/federal-budget-2014-to-invest-in-ready-willing-and-able/>

Canada's International Education Strategy will also create at least 86,500 new jobs for Canadians, bringing the total of jobs sustained by international education in Canada to 173,100 new jobs, providing approximately CAD10 billion to the Canadian economy annually.¹⁴⁵¹

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.¹⁴⁵² 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.¹⁴⁵³

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.¹⁴⁵⁴ 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.¹⁴⁵⁵

On 27 December 2013, Yin Weimin, Minister of Human Resources and Social Security, said that China hopes to add over 10 million jobs in 2014.¹⁴⁵⁶

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

¹⁴⁵¹ Harper Government Launches Comprehensive International Education Strategy. Access Date: 10 February 2014. <http://travail-emploi.gouv.fr/actualite-presse,42/breves,2137/projet-de-loi-relatif-a-la,2453/>

¹⁴⁵² 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>

¹⁴⁵³ 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>

¹⁴⁵⁴ 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

¹⁴⁵⁵ 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>

¹⁴⁵⁶ 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.¹⁴⁵⁷

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.¹⁴⁵⁸

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.¹⁴⁵⁹

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.¹⁴⁶⁰ The quantity of such cards will increase to 650 million by the end of 2014.¹⁴⁶¹

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.¹⁴⁶²

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.

¹⁴⁵⁷ 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

¹⁴⁵⁸ 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/chinaneews/201312/20131200441530.shtml>

¹⁴⁵⁹ 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

¹⁴⁶⁰ 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

¹⁴⁶¹ 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/swsqwywb/Newsroom/201401/t20140122_1143689.html

¹⁴⁶² 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 7 February 2014, the National Assembly adopted a bill concerning vocational training, employment and social democracy. It creates formal jobs on the supply side by increasing the skills of workers, modernizing national social protection floors and setting social dialogue mechanisms.¹⁴⁶³

It also supports aggregate demand by accelerating application of the contract for generation in small and medium-sized enterprises.¹⁴⁶⁴

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.¹⁴⁶⁵

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.¹⁴⁶⁶

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.¹⁴⁶⁷

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.¹⁴⁶⁸

¹⁴⁶³ 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/>

¹⁴⁶⁴ Le contrat de génération. Access Date: 10 February 2014. <http://travail-emploi.gouv.fr/contrat-de-generation,2232/>

¹⁴⁶⁵ 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>.

¹⁴⁶⁶ 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>.

¹⁴⁶⁷ 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>.

¹⁴⁶⁸ 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.¹⁴⁶⁹

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.¹⁴⁷⁰

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 Shelepor

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.¹⁴⁷¹

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.¹⁴⁷²

On 14 February, 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.¹⁴⁷³

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

¹⁴⁶⁹ 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>.

¹⁴⁷⁰ 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>.

¹⁴⁷¹ 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>.

¹⁴⁷² 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>.

¹⁴⁷³ 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>.

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%.¹⁴⁷⁴

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.¹⁴⁷⁵

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.¹⁴⁷⁶

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.¹⁴⁷⁷

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.¹⁴⁷⁸

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.

¹⁴⁷⁴ 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/>.

¹⁴⁷⁵ 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>.

¹⁴⁷⁶ 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.depnakertrans.go.id/news.html,153,naker>.

¹⁴⁷⁷ 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/>.

¹⁴⁷⁸ 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.depnakertrans.go.id/news.html,159,naker>.

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.¹⁴⁷⁹

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.¹⁴⁸⁰

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.¹⁴⁸¹

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.¹⁴⁸²

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 Sakharov

Japan: +1

Japan has fully complied with the commitment on job creation.

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.¹⁴⁸³ 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.¹⁴⁸⁴ 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 2007.¹⁴⁸⁵

¹⁴⁷⁹ 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>.

¹⁴⁸⁰ Firmato il decreto sulle assunzioni congiunte nel settore agricolo, Ministero di lavoro e delle Politiche Sociali 27 March 2014. Access Date: 5 May 2014. http://www.lavoro.gov.it/Notizie/Pages/20140414_job_sh_sett_agr.aspx.

¹⁴⁸¹ Notizie, Ministero di lavoro e delle Politiche Sociali 1 May 2014. Access Date: 5 May 2014.

<http://www.lavoro.gov.it/Pages/default.aspx?Content=1>.

¹⁴⁸² 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.

¹⁴⁸³ Bank of Japan keeps monetary policy steady as expected, Gulf News 20 December 2013. Access Date: 21 February 2014. <http://gulfnnews.com/business/economy/bank-of-japan-keeps-monetary-policy-steady-as-expected-1.1269169>.

¹⁴⁸⁴ 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>.

¹⁴⁸⁵ 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>.

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 2010.¹⁴⁸⁶

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 Guschchin

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.¹⁴⁸⁷

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.¹⁴⁸⁸

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

¹⁴⁸⁶ 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.

¹⁴⁸⁷ 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.

¹⁴⁸⁸ 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

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.¹⁴⁸⁹

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.¹⁴⁹⁰

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.¹⁴⁹¹

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%.¹⁴⁹²

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.¹⁴⁹³

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

¹⁴⁸⁹ 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.

¹⁴⁹⁰ Employment in S. Korea beats expectations in 2013 Xinhua 2014-1-15

<http://www.globaltimes.cn/content/837568.shtml#.UwhdFmG0BI4>.

¹⁴⁹¹ 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.

¹⁴⁹² 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.

¹⁴⁹³ Acuerda 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.

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.¹⁴⁹⁴

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 in the state of Sonora. She also called for improving the business environment for investment, increasing education quality, etc.¹⁴⁹⁵ On 20 January 2014, local commissions on productivity and the eradication of child labour were also established in Guerrero.¹⁴⁹⁶

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.¹⁴⁹⁷

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.¹⁴⁹⁸

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.¹⁴⁹⁹

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

¹⁴⁹⁴ 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.

¹⁴⁹⁵ 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.

¹⁴⁹⁶ 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.

¹⁴⁹⁷ 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.

¹⁴⁹⁸ 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.

¹⁴⁹⁹ 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.

small business projects. For this purpose National Employment Service provided more USD13 million.¹⁵⁰⁰

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.¹⁵⁰¹

On 16 December 2013, Program of Innovative Development 2013–2018 was approved and published in the Official Journal of the Federation.¹⁵⁰² 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.¹⁵⁰³

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 250 multifunctional centres of applied qualifications and a basic centre of professional training will be created.¹⁵⁰⁴

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 2020.¹⁵⁰⁵

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

¹⁵⁰⁰ 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.

¹⁵⁰¹ Presentación de la Iniciativa de Reforma Financiera. Access Date: 23 February 2014.

http://hacienda.gob.mx/Biblioteca_noticias_home/reforma_financiera_08052013.pdf.

¹⁵⁰² Programa de Desarrollo Innovador 2013 – 2018. Access Date: 23 February 2014.

http://www.economia.gob.mx/files/marco_normativo/PRG5.pdf.

¹⁵⁰³ 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/>.

¹⁵⁰⁴ 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>.

¹⁵⁰⁵ 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>.

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 2020.¹⁵⁰⁶

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.¹⁵⁰⁷

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 not 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.¹⁵⁰⁸ However, after the expansionary 2013, only a modest spending rise was set for 2014: 19 per cent and 4.3 per cent correspondingly.¹⁵⁰⁹ This will be the lowest increase since 2003.¹⁵¹⁰

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.¹⁵¹¹ However, it does not result in concrete action. According to the International Monetary Fund, in July 2013 unemployment rate among the national was 12 per cent, among the youth 30 per cent, among women 35 percent.¹⁵¹² Private companies prefer not to employ national workers since there is a mismatch between the skills of Saudis and the needs of employers.

Saudi Arabia has taken measures to decrease the number of illegal foreign workers to provide more jobs to Saudis.¹⁵¹³ The illegal worker amnesty expired in November 2013, and the number of foreign workers decreased from approximately 9 to 8 million people.¹⁵¹⁴ 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.

¹⁵⁰⁶ 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>.

¹⁵⁰⁷ The law regulating trilateral legal relationship arising from outstaffing, President of Russia 5 May 2014. <http://kremlin.ru/acts/20956>.

¹⁵⁰⁸ 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>.

¹⁵⁰⁹ 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/#.Uwcwrf1_uVF.

¹⁵¹⁰ 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>.

¹⁵¹¹ 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>.

¹⁵¹² Unemployment in Saudi Arabia: a Ticking Time Bomb? Muftah 9 September 2013. Access Date: 7 February 2014. <http://muftah.org/unemployment-in-saudi-arabia-a-ticking-time-bomb/>.

¹⁵¹³ 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>.

¹⁵¹⁴ 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>.

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.¹⁵¹⁵

Government has been expanding women's rights and their employment opportunities.¹⁵¹⁶ 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.¹⁵¹⁷ However, the progress in the sphere of women employment is very slow.

Saudi Arabia has not taken steps to create formal jobs on either the supply or demand side. Thus, it has been awarded a score of -1.

Analyst: Tatiana Lanshina

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 450,000.¹⁵¹⁸

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."¹⁵¹⁹

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,

¹⁵¹⁵ Expats' stay in KSA might be restricted, Arab News 6 January 2014. Access Date: 7 February 2014. <http://www.arabnews.com/news/504356>.

¹⁵¹⁶ 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#>.

¹⁵¹⁷ 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>.

¹⁵¹⁸ 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/department-of-labour-places-more-than-16-000-in-job-opportunities-using-its-essa-electronic-platform>.

¹⁵¹⁹ 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>.

and to promote the rehabilitation and re-entry into employment of employees injured on duty or who have contracted an occupational disease.”¹⁵²⁰

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.”¹⁵²¹

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 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.¹⁵²²

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.¹⁵²³

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.¹⁵²⁴

¹⁵²⁰ 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>

¹⁵²¹ 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>.

¹⁵²² 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>

¹⁵²³ 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/IllerlemeRaporlari/2013_tr_progress_report.pdf.

¹⁵²⁴ 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>.

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.¹⁵²⁵

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.¹⁵²⁶

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.¹⁵²⁷

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.¹⁵²⁸

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.¹⁵²⁹

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

¹⁵²⁵ 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>.

¹⁵²⁶ 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>.

¹⁵²⁷ 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>

¹⁵²⁸ 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>

¹⁵²⁹ 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>

economy. The qualifications have been specifically designed by industry leaders and will help Britain's teenagers compete in the global jobs market.¹⁵³⁰

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.¹⁵³¹

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.¹⁵³²

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.¹⁵³³

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.¹⁵³⁴

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.¹⁵³⁵

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

¹⁵³⁰ 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>

¹⁵³¹ £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>

¹⁵³² 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>

¹⁵³³ 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>

¹⁵³⁴ 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>

¹⁵³⁵ 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>

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.¹⁵³⁶

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.¹⁵³⁷

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.¹⁵³⁸

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.¹⁵³⁹

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.¹⁵⁴⁰

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.¹⁵⁴¹

On 18 December 2013, the Federal Reserve System announced the reduction of its bond-buying program from USD85 billion to USD75 billion a month starting from January 2014.¹⁵⁴² This is an example of monetary tightening that may result in lower growth and lower demand for labour, although exit from the third round of quantitative easing program is a long expected and inevitable action.

¹⁵³⁶ 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>.

¹⁵³⁷ 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>.

¹⁵³⁸ 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>.

¹⁵³⁹ 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>.

¹⁵⁴⁰ 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>.

¹⁵⁴¹ 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>.

¹⁵⁴² Fed to taper bond buying by \$10 billion a month, CNBC 18 December 2013. Access Date: 23 February 2014. <http://www.cnbc.com/id/101279385>.

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 2020.¹⁵⁴³ 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.¹⁵⁴⁴

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.¹⁵⁴⁵

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.¹⁵⁴⁶

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

¹⁵⁴³ 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

¹⁵⁴⁴ 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

¹⁵⁴⁵ 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

¹⁵⁴⁶ 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

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.”¹⁵⁴⁷ 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.”¹⁵⁴⁸

¹⁵⁴⁷ 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>.

¹⁵⁴⁸ 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.”¹⁵⁴⁹

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.¹⁵⁵⁰

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.

¹⁵⁴⁹ Vulnerable Groups, World Bank. <http://go.worldbank.org/IHAHM1X3Q0>.

¹⁵⁵⁰ 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.¹⁵⁵¹

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.¹⁵⁵²
- 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.¹⁵⁵³
- 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.¹⁵⁵⁴

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.¹⁵⁵⁵

¹⁵⁵¹ La Presidenta lanzó el programa PROG.R.ES.AR 22 January 2014.

http://www.trabajo.gov.ar/ampliado.asp?id_nvd=1744.

¹⁵⁵² 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>

¹⁵⁵³ 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>

¹⁵⁵⁴ 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>

¹⁵⁵⁵ 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/>

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.¹⁵⁵⁶

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.¹⁵⁵⁷

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 prepare students from disadvantaged backgrounds, particularly indigenous Australians, to attend university.¹⁵⁵⁸

On 23 November 2013, the government announced additional AUD35.2 million to support students with disabilities through extra resources and teacher training opportunities.¹⁵⁵⁹

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.¹⁵⁶⁰

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.¹⁵⁶¹ Pronatec includes several initiatives.¹⁵⁶² One of them is the "Brasil Profissionalizado" program, which is designed to

¹⁵⁵⁶ 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>

¹⁵⁵⁷ 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>

¹⁵⁵⁸ \$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>

¹⁵⁵⁹ 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>

¹⁵⁶⁰ 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>

¹⁵⁶¹ O que é o Pronatec?, Pronatec. Access Date: 30 June 2014. <http://pronatec.mec.gov.br/institucional-90037/o-que-e-o-pronatec>.

¹⁵⁶² Objetivos e Iniciativas, Pronatec. Access Date: 30 June 2014. <http://pronatec.mec.gov.br/institucional-90037/objetivos-e-iniciativas>.

stimulate development of infrastructure, governance and quality education in the country. By 2014 Brazilian government spent approximately USD1.8 billion on this program.¹⁵⁶³

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.¹⁵⁶⁴

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.

Canada's Economic Action Plan 2014 provides CAD36 million for the Computers for Schools Program over four years to renew communications technology equipment.¹⁵⁶⁵

The plan confirmed funding of CA1.25 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 CAD160 million and CAD500 million respectively.¹⁵⁶⁶

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 2020.¹⁵⁶⁷

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 teaching materials, innovate in teaching methods for combat command and hone a performance-based reward and penalty mechanism for students.¹⁵⁶⁸

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

¹⁵⁶³ 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.

¹⁵⁶⁴ Quality Apprenticeships – OECD –Brazil, OECD. Access Date: 30 June 2014. http://www.oecd.org/els/emp/R_SZATMARTI-Quality%20Apprenticeships%20%E2%80%93%20OECD%20%E2%80%93%20Brazil.pdf.

¹⁵⁶⁵ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 10 February 2014. <http://actionplan.gc.ca>

¹⁵⁶⁶ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 10 February 2014. <http://actionplan.gc.ca>

¹⁵⁶⁷ 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

¹⁵⁶⁸ 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

disadvantaged families easier access to preschool education, especially those of migrant workers or with financial difficulties, or orphans and disabled children.¹⁵⁶⁹

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.¹⁵⁷⁰

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.¹⁵⁷¹

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.¹⁵⁷²

On 7 February 2014, National Assembly adopted the bill concerning vocational training, employment and social democracy. It emphasizes sustainable development as the over-arching social outcome of education.¹⁵⁷³

In 2014 the Ministry of Education continues its “Future Jobs Teaching” engagement that improves teacher performance and motivation.¹⁵⁷⁴

¹⁵⁶⁹ 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>

¹⁵⁷⁰ 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

¹⁵⁷¹ 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/chinaneews/201401/20140100469191.shtml>

¹⁵⁷² Refonder l'éducation prioritaire. Access Date: 10 February 2014. <http://www.education.gouv.fr/cid76427/refonder-education-prioritaire.html>

¹⁵⁷³ 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/>

¹⁵⁷⁴ Emplois d'avenir professeur. Access Date: 10 February 2014. <http://www.education.gouv.fr/cid61330/les-emplois-d-avenir-professeur.html>

In 2014 France will start a program to ensure the equal school teaching of girls and boys to respect human rights.¹⁵⁷⁵

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.¹⁵⁷⁶

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.¹⁵⁷⁷

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.¹⁵⁷⁸

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.¹⁵⁷⁹ In 2014 about EUR50 million will be allocated to “Education Alliances,” that is approximately 67 per cent more than in 2013.¹⁵⁸⁰

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

¹⁵⁷⁵ L'enseignement de l'égalité filles-garçons à l'École. Access Date: 10 February 2014.

<http://www.education.gouv.fr/cid76775/l-enseignement-de-l-egalite-filles-garcons-a-l-ecole.html>

¹⁵⁷⁶ Integration through Education, Federal Ministry of Education and Research. Access Date: 19 April 2014.

<http://www.bmbf.de/en/15624.php>.

¹⁵⁷⁷ 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>.

¹⁵⁷⁸ 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>.

¹⁵⁷⁹ 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>.

¹⁵⁸⁰ 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>.

programs improve functional literacy, provide support in learning German and ensure access to educational materials and facilities for pupils.¹⁵⁸¹

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.¹⁵⁸²

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 Shelepov

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 now. Education is no longer just the privilege of the elite, but a universal right. He said people must be open to all knowledge.¹⁵⁸³

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.¹⁵⁸⁴

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 Uchchatar 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

¹⁵⁸¹ 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.

¹⁵⁸² 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/hs.xsl/search.htm?content-url=10728.htm.

¹⁵⁸³ 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>

¹⁵⁸⁴ 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>

proposed model act for the state universities. Menon chairs the committee constituted by the state government for drafting the proposed act.¹⁵⁸⁵

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.¹⁵⁸⁶

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.

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.¹⁵⁸⁷

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.¹⁵⁸⁸

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

¹⁵⁸⁵ 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>

¹⁵⁸⁶ 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>

¹⁵⁸⁷ 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>

¹⁵⁸⁸ 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>

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.¹⁵⁸⁹

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 schools should aim to promote students' access to the wireless networks in classes and provide for transformation of study space to accommodate the changes.¹⁵⁹⁰

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.¹⁵⁹¹

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 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.¹⁵⁹²

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 Guschchin

Korea: 0

Korea has partially complied with the commitment on education.

¹⁵⁸⁹ DECRETO-LEGGE 12 settembre 2013, n. 104. Misure urgenti in materia di istruzione, università e ricerca, Italian Government 12 September 2013. Access Date: 5 May 2014. <http://www.governo.it/backoffice/allegati/72817-8928.pdf>.

¹⁵⁹⁰ Ministero dell'Istruzione, dell'Università e della Ricerca 9 October 2013. Access Date: 5 May 2014. http://www.istruzione.it/allegati/dm804_13.pdf.

¹⁵⁹¹ 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>.

¹⁵⁹² 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>.

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 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.¹⁵⁹³

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.¹⁵⁹⁴

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.¹⁵⁹⁵

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 security.¹⁵⁹⁶ 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

¹⁵⁹³ 4.37 million Students benefit from educational funding in 2013

<http://english.moe.go.kr/web/42208/en/board/enview.do?bbsId=265&boardSeq=50388&mode=view>.

¹⁵⁹⁴ Simpler College Admissions System.

<http://english.moe.go.kr/web/42208/en/board/enview.do?bbsId=265&boardSeq=50387&mode=view>

¹⁵⁹⁵ 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.

¹⁵⁹⁶ 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/>.

program began early November to provide computers for students in the fifth and sixth grades in public schools.¹⁵⁹⁷

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.¹⁵⁹⁸

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.¹⁵⁹⁹

On 4 February 2014, Peña announced the Plan Michoacán.¹⁶⁰⁰ 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.¹⁶⁰¹

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.¹⁶⁰² A total sum of 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.¹⁶⁰³

¹⁵⁹⁷ 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/articulos-press/estamos-decididos-a-transformar-a-mexico-y-colocar-lo-en-la-frontera-de-la-tecnologia-y-el-conocimiento-enrique-pena-nieto/>.

¹⁵⁹⁸ 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>.

¹⁵⁹⁹ 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>.

¹⁶⁰⁰ 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>.

¹⁶⁰¹ 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/>.

¹⁶⁰² Lineamientos Generales para la operación, aplicación de recursos, rendición de cuentas y transparencia del Programa Escuelas Dignas 2013. Access Date: 23 February 2014. http://inifed.gob.mx/escuelas_dignas/pdf/LINEAMIENTOS_PUBLICADOS_DOF.pdf.

¹⁶⁰³ 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>.

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.¹⁶⁰⁴

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.¹⁶⁰⁵

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 2020.¹⁶⁰⁶

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 2020.¹⁶⁰⁷

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 developing in Russia a system of professional qualifications."¹⁶⁰⁸ 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.¹⁶⁰⁹

¹⁶⁰⁴ 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>.

¹⁶⁰⁵ 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>.

¹⁶⁰⁶ 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>.

¹⁶⁰⁷ 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>.

¹⁶⁰⁸ Presidential National Council for Professional Qualifications created, President of Russia 16 April 2014. <http://eng.kremlin.ru/acts/7032>.

¹⁶⁰⁹ Statute of the Presidential National Council for Professional Qualifications, President of Russia 16 April 2014. <http://state.kremlin.ru/council/39/statute>.

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.¹⁶¹⁰

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.¹⁶¹¹

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.¹⁶¹²

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.¹⁶¹³

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

¹⁶¹⁰ On the training of women on leave for childcare purposes, Russian Government 11 May 2014. <http://government.ru/orders/12269>.

¹⁶¹¹ 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>.

¹⁶¹² State to pay for kindergarten education, Arab News 21 January 2014. Access Date: 7 February 2014. <http://www.arabnews.com/news/512571>.

¹⁶¹³ 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>.

child labour: “We have as a country in effect achieved the Millennium Development Goal of universal access to primary education before the year 2015.”¹⁶¹⁴

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.¹⁶¹⁵

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.¹⁶¹⁶

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

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.¹⁶¹⁷

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.¹⁶¹⁸

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

¹⁶¹⁴ 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>.

¹⁶¹⁵ 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>.

¹⁶¹⁶ 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>.

¹⁶¹⁷ Millî Eğitim Bakanlığı’ndan İl Müdürlüklerine 100 Minibüs Gönderiliyor, .

¹⁶¹⁸ Bakan Avcı’ 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>.

initiative to distribute milk to 6,330,000 elementary school pupils three days a week. This initiative contributes to pupils' mental and physical development.¹⁶¹⁹

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.¹⁶²⁰

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 2014.¹⁶²¹ The project titled Promoting Gender Equality in Education will be co-financed by Turkey.¹⁶²²

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.¹⁶²³

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

¹⁶¹⁹ 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-torenl-baslandi/haber/6665>.

¹⁶²⁰ 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>

¹⁶²¹ 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.

¹⁶²² 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.

¹⁶²³ 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>

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 2016.¹⁶²⁴

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 2015.¹⁶²⁵

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.¹⁶²⁶

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.¹⁶²⁷

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.¹⁶²⁸

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.

¹⁶²⁴ 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>

¹⁶²⁵ 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>

¹⁶²⁶ £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>

¹⁶²⁷ 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>

¹⁶²⁸ 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>

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.^{1629,1630,1631,1632}

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.¹⁶³³

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.¹⁶³⁴

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.¹⁶³⁵

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.¹⁶³⁶

¹⁶²⁹ 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-arou>.

¹⁶³⁰ 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>.

¹⁶³¹ 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>.

¹⁶³² 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-aroun>.

¹⁶³³ 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>.

¹⁶³⁴ 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->

¹⁶³⁵ 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>.

¹⁶³⁶ 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>.

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.¹⁶³⁷

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 vulnerable people.¹⁶³⁸

On 18 February 2014, the U.S. 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 disadvantaged young people complete high school or acquire critical occupational skills in high-demand fields.¹⁶³⁹

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 19 November 2013, the European Parliament approved Erasmus+, a program for education, training, youth and sport.¹⁶⁴⁰ It was launched on 13 January 2013, by Androulla Vassiliou, European Commissioner for Education, Culture, Multilingualism and Youth in Athens. 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.¹⁶⁴¹ Its objective is to improve people's skills, especially those of young people, and give them a better chance of finding sustainable employment.¹⁶⁴²

¹⁶³⁷ 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>.

¹⁶³⁸ 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>.

¹⁶³⁹ 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>.

¹⁶⁴⁰ Green light for Erasmus+: More than 4 million to get EU grants for skills and employability, European Commission 19 November 2013. Access Date 21 February 2014. http://europa.eu/rapid/press-release_IP-13-1110_en.htm

¹⁶⁴¹ Commissioner Vassiliou launches Erasmus+ in Greece, European Commission 16 January 2014. Access Date 21 February 2014. http://europa.eu/rapid/press-release_IP-14-23_en.htm

¹⁶⁴² Launch of McKinsey Report on 'Education to Employment: Getting Europe's Youth into Work', European Commission 13 January 2014. Access Date 21 February 2014. http://europa.eu/rapid/press-release_SPEECH-14-10_en.htm

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.¹⁶⁴³

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.¹⁶⁴⁴

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 be support young people also in education or training.¹⁶⁴⁵

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

¹⁶⁴³ 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

¹⁶⁴⁴ 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

¹⁶⁴⁵ 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

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		0	
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		+0.80	

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.¹⁶⁴⁶ 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.¹⁶⁴⁷

¹⁶⁴⁶ 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>.

¹⁶⁴⁷ 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,”¹⁶⁴⁸ 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.¹⁶⁴⁹

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).

¹⁶⁴⁸ 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.

¹⁶⁴⁹ Kicillof presentó un programa para incrementar las exportaciones. 6 January 2014. <http://www.mecon.gov.ar/wp-content/uploads/2014/01/gacetilla-padex.pdf>.

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.¹⁶⁵⁰

On 18 October 2013, the government announced its plans to transform the Federal Small Business Commissioner's role into a single entry point for small business to access small business programs and support, to contribute to making laws and regulations more small business friendly.¹⁶⁵¹

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 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.¹⁶⁵² More than 2,000 calls were received after just four days.¹⁶⁵³

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 Maslovskaya

Brazil: 0

Brazil has partially 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.¹⁶⁵⁴

No facts of Brazil's specific actions to support SMEs in creating new jobs have been registered during the monitoring period.

Brazil has implemented policies to support the development of SMEs, failing to take actions that directly lead to creating new jobs and increasing the level of employment. Thus, it has been awarded a score of 0.

Analyst: Andrei Sakharov

Canada: +1

Canada has fully complied with the commitment on small and medium-sized enterprises (SMEs).

¹⁶⁵⁰ 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/>

¹⁶⁵¹ Government outlines plans for small business and family enterprise ombudsman, Minister for Small Business 18 October 2013. Access Date: 22 February 2014. <http://bfb.ministers.treasury.gov.au/media-release/005-2013/>

¹⁶⁵² 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>

¹⁶⁵³ 2000 calls to Small Business Helpline in just four days, Ministers' Media Centre, Employment Portfolio 11 December 2013. Access Date: 2 February 2014. <http://ministers.employment.gov.au/abetz/2000-calls-small-business-helpline-just-four-days>

¹⁶⁵⁴ 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>

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.¹⁶⁵⁵

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.¹⁶⁵⁶

The business tax rate is reduced to 11 per cent for businesses with income of CAD500,000 or less, providing an estimated CAD2.2 billion per year in tax relief for these micro-businesses in 2014.¹⁶⁵⁷ The Economic Action Plan 2014 continues to reduce the tax compliance and regulatory burden for SMEs and other tax filers.¹⁶⁵⁸ 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.¹⁶⁵⁹

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.¹⁶⁶⁰

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.¹⁶⁶¹ 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

¹⁶⁵⁵ Government of Canada launches tool to help canadian businesses grow and create jobs. Access Date: 10 February 2014. <http://news.gc.ca/web/article-en.do?mthd=advSrch&crtr.page=2&nid=798369&crtr.kw=SMEs>

¹⁶⁵⁶ Harper Government Reducing Red Tape to Create Jobs and Opportunities. Access Date: 10 February 2014. <http://news.gc.ca/web/article-en.do?mthd=advSrch&crtr.page=2&nid=812219&crtr.kw=SMEs>

¹⁶⁵⁷ Chapter 3.2: Fostering Job Creation, Innovation and Trade. Access Date: 10 February 2014. <http://www.budget.gc.ca/2014/docs/plan/ch3-2-eng.html>

¹⁶⁵⁸ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 10 February 2014. <http://actionplan.gc.ca>

¹⁶⁵⁹ 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>

¹⁶⁶⁰ Economic Action Plan 2014: Supporting Jobs and Growth. Access Date: 10 February 2014. <http://actionplan.gc.ca>

¹⁶⁶¹ 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

for one-person limited liability companies and joint-stock companies is CNY100,000 and CNY5 million.¹⁶⁶²

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.¹⁶⁶³

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.¹⁶⁶⁴

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 7 February 2014, National Assembly adopted a bill concerning vocational training, employment and social democracy. The bill supports aggregate demand by accelerating application of the contract for generation in SMEs.¹⁶⁶⁵

On 18 February 2014, the National Assembly passed a bill on crafts, trade and small businesses to revitalize shops, strengthen commercial diversity and evaluate the know-how of artisans. Sylvia Pinel, Minister of Crafts, Trade and Tourism, said the bill will support 3 million small French companies, which represent 25 per cent of gross domestic product.¹⁶⁶⁶

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

¹⁶⁶² 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>

¹⁶⁶³ 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>

¹⁶⁶⁴ 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

¹⁶⁶⁵ Le contrat de génération. Access Date: 10 February 2014. <http://travail-emploi.gouv.fr/contrat-de-generation,2232/>

¹⁶⁶⁶ Le projet de loi artisanat, commerce et très petites entreprises adopté par l'Assemblée nationale. Access Date: 10 February 2014. <http://www.artisanat-commerce-tourisme.gouv.fr/mesures-adoptees-projet-de-loi-artisanat-commerce-et-tres-petites-entreprises>

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.¹⁶⁶⁷

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.¹⁶⁶⁸

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.¹⁶⁶⁹ 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.¹⁶⁷⁰

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 Shelepon

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

¹⁶⁶⁷ 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.

¹⁶⁶⁸ 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.

¹⁶⁶⁹ 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/informationsbroschuere-zim-englisch.pdf>.

¹⁶⁷⁰ 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>.

initiatives that shall enrich and enhance the capabilities of both entrepreneurs and Development Financial Institutions.¹⁶⁷¹

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 17.¹⁶⁷²

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.¹⁶⁷³

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.¹⁶⁷⁴ 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.¹⁶⁷⁵ 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, Management Development Programmes, and Industrial Motivation Campaigns.^{1676,1677, 1678}

¹⁶⁷¹ 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/>

¹⁶⁷² 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>

¹⁶⁷³ 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>

¹⁶⁷⁴ 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>.

¹⁶⁷⁵ 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>.

¹⁶⁷⁶ Vocational and Educational Training, Indian Ministry of Micro, Small & Medium Enterprises 2014. Access Date: 22 February 2014. <http://www.dcmsme.gov.in/VOCDetail.htm>.

¹⁶⁷⁷ Management Development Programmes, Indian Ministry of Micro, Small & Medium Enterprises 2014. Access Date: 22 February 2014. <http://www.dcmsme.gov.in/mdpDetail.htm>.

¹⁶⁷⁸ Industrial Motivation Campaigns, Indian Ministry of Micro, Small & Medium Enterprises 2014. Access Date: 22 February 2014. <http://www.dcmsme.gov.in/imcDetail.htm>.

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.¹⁶⁷⁹

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.¹⁶⁸⁰

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.¹⁶⁸¹

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.¹⁶⁸²

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).

¹⁶⁷⁹ 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>.

¹⁶⁸⁰ 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>.

¹⁶⁸¹ Tax Imposition on SMEs for Easy Financial Access, Ministry 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>.

¹⁶⁸² 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.depkop.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.

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.¹⁶⁸³

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.¹⁶⁸⁴

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.¹⁶⁸⁵

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 Guschchin

Korea: +1

Korea has fully complied with the commitment on small and medium-sized enterprises (SMEs).

On 26 December 2013, Hyun Oh-seok, Finance Minister, 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 "we 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."¹⁶⁸⁶

On 14 January 2014, the Government of Korea announced that in 2014 the government 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 county's faltering long-term economic expansion.¹⁶⁸⁷

¹⁶⁸³ 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.

¹⁶⁸⁴ 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.

¹⁶⁸⁵ 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.

¹⁶⁸⁶ 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>.

¹⁶⁸⁷ The Economist Intelligence Unit. [http://country.eiu.com/\(F\(b0wLCbwTUg7VKcgYqCWa7eqoV2-3xqWq8N82DH61SKq_plsfKJqVMIMZTFMPqU2s7F1I40jsZay6IRMBqs3-OfnaIMLa7aXneOjAhqE8fN41\)\)/article.aspx?articleid=721424056&Country=South%20Korea&topic=Economy](http://country.eiu.com/(F(b0wLCbwTUg7VKcgYqCWa7eqoV2-3xqWq8N82DH61SKq_plsfKJqVMIMZTFMPqU2s7F1I40jsZay6IRMBqs3-OfnaIMLa7aXneOjAhqE8fN41))/article.aspx?articleid=721424056&Country=South%20Korea&topic=Economy)

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.¹⁶⁸⁸

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 Zburavleva

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.¹⁶⁸⁹

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.¹⁶⁹⁰

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.¹⁶⁹¹ 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.¹⁶⁹²

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.¹⁶⁹³

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

¹⁶⁸⁸ SME criteria reform.

http://www.smba.go.kr/board/boardView.do?mc=usr0001705&board_id=SMBA000006&seq=44096.

¹⁶⁸⁹ 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.

¹⁶⁹⁰ 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>.

¹⁶⁹¹ Border Zone Support Program 28 November 2013. Access Date: 16 February 2014.

<http://en.presidencia.gob.mx/border-zone-support-program/>.

¹⁶⁹² 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/>.

¹⁶⁹³ 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.¹⁶⁹⁴ 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.¹⁶⁹⁵

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.¹⁶⁹⁶

On 4 February 2014, Mexican President Enrique Peña Nieto announced the Plan Michoacán.¹⁶⁹⁷ 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.¹⁶⁹⁸

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.¹⁶⁹⁹

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

¹⁶⁹⁴ 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.

¹⁶⁹⁵ 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>.

¹⁶⁹⁶ 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/>.

¹⁶⁹⁷ 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>.

¹⁶⁹⁸ 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/>.

¹⁶⁹⁹ 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/>.

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.¹⁷⁰⁰

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.¹⁷⁰¹

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.¹⁷⁰²

On 5 May 2014, the Russian legislation was amended in order to simplify the procedure of registering limited liability companies.¹⁷⁰³

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.¹⁷⁰⁴

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.¹⁷⁰⁵

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).

¹⁷⁰⁰ The Federal Law On Accounting amended, President of Russia 3 November 2013. <http://kremlin.ru/acts/19545>.

¹⁷⁰¹ 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>.

¹⁷⁰² Federal Law On Electrical Energy Industry amended, President of Russia 21 April 2014. <http://kremlin.ru/acts/20832>.

¹⁷⁰³ Federal Law On Limited Liability Companies amended, President of Russia 5 May 2014. <http://kremlin.ru/acts/20943>.

¹⁷⁰⁴ On the creation of the Agency of Credit Guaranties, Russian Government 6 May 2014. <http://government.ru/docs/12165>.

¹⁷⁰⁵ Training for Women in Small Businesses, Arab News 7 December 2013. Access Date: 21 February 2014. <http://www.arabnews.com/news/488821>.

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 million of loans to 44 youth-owned enterprises after the signing of the Youth Employment Accord earlier in 2013.¹⁷⁰⁶

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."¹⁷⁰⁷

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.¹⁷⁰⁸

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).¹⁷⁰⁹

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

¹⁷⁰⁶ 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>.

¹⁷⁰⁷ 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.

¹⁷⁰⁸ 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>.

¹⁷⁰⁹ 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>.

stimulating productive investment in SMEs projects in Turkey “to promote job creation and preservation.”¹⁷¹⁰ 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.¹⁷¹¹

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.¹⁷¹²

On 8 October 2013, Business Secretary Vince Cable announced a GBP25 million boost that will be given to small but innovative UK businesses.¹⁷¹³

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 GBP10 million synthetic biology start up fund to help entrepreneurial scientists working in synthetic biology get their business off the ground.¹⁷¹⁴

¹⁷¹⁰ 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>.

¹⁷¹¹ 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.

¹⁷¹² 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>

¹⁷¹³ 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>

¹⁷¹⁴ 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>

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.¹⁷¹⁵

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.¹⁷¹⁶

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.¹⁷¹⁷

On 30 January 2014, the Department for Business, Innovation and Skills announced that thirteen 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.¹⁷¹⁸

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.¹⁷¹⁹

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

¹⁷¹⁵ £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>

¹⁷¹⁶ £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>

¹⁷¹⁷ 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>

¹⁷¹⁸ 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>

¹⁷¹⁹ £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>

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.¹⁷²⁰

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.¹⁷²¹

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.¹⁷²²

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.¹⁷²³

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.¹⁷²⁴

¹⁷²⁰ 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>.

¹⁷²¹ 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>.

¹⁷²² 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>.

¹⁷²³ 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

¹⁷²⁴ 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

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

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		0	
Brazil	-1		
Canada			+1
China		0	
France			+1
Germany			+1
India		0	
Indonesia		0	
Italy		0	
Japan		0	
Korea		0	
Mexico		0	
Russia	-1		
Saudi Arabia		0	
South Africa	-1		
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.15	

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).¹⁷²⁵ 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.¹⁷²⁶ However, neither green growth nor environmental protection were included as a separate MYAP pillar.

¹⁷²⁵ Annex I: Seoul Development Consensus for Shared Growth, G20 Information Centre 12 November 2010. <http://www.g20.utoronto.ca/2010/g20seoul-consensus.html>.

¹⁷²⁶ 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.”¹⁷²⁷

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.”¹⁷²⁸

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.¹⁷²⁹ 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.¹⁷³⁰

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.¹⁷³¹

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.”¹⁷³²

¹⁷²⁷ 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.

¹⁷²⁸ 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/>.

¹⁷²⁹ 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/>.

¹⁷³⁰ 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.

¹⁷³¹ St. Petersburg Development Outlook, 5 September 2013.

http://www.g20.utoronto.ca/2013/Saint_Petersburg_Development_Outlook.pdf.

¹⁷³² 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.”¹⁷³³ IFC points out that the word “inclusive” makes “clear the need to address social justice and distributional concerns in growth.”¹⁷³⁴

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”:¹⁷³⁵

- 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:¹⁷³⁶

- 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 that ‘Los Cabos Leaders’ Declaration mandated the DWG to explore ways to scale up private finance

¹⁷³³ Towards Green Growth, OECD 2011. <http://www.g20dwg.org/documents/pdf/download/240/>.

¹⁷³⁴ 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/>.

¹⁷³⁵ Putting Green Growth at the Heart of Development. Summary for Policymakers, OECD 5 June 2013. <http://www.oecd.org/dac/environment-development/greengrowthanddevelopment.htm>.

¹⁷³⁶ Putting Green Growth at the Heart of Development. Summary for Policymakers, OECD 5 June 2013. <http://www.oecd.org/dac/environment-development/greengrowthanddevelopment.htm>.

for IGG investments in developing countries.”¹⁷³⁷ 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.¹⁷³⁸ 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 could be found of any action taken by Argentina to promote inclusive green growth in developing countries during the compliance period. Thus, it is awarded a score of -1.

Analyst: Yana Nursubina

Australia: 0

Australia has partially 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.¹⁷³⁹ 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.¹⁷⁴⁰ It aims at deepening existing partnerships and creating new ones, with an emphasis on private sector and emerging economies.¹⁷⁴¹

¹⁷³⁷ 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.

¹⁷³⁸ G20 Leaders Declaration, G20 Information Centre 19 June 2012. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

¹⁷³⁹ 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

¹⁷⁴⁰ 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>

¹⁷⁴¹ 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.¹⁷⁴²

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.¹⁷⁴³

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.¹⁷⁴⁴

Australia has taken actions to mobilize encourage inclusive green growth in developing countries. However, there were no concrete funding actions aimed directly at fulfilling environmental objectives during the monitoring period. Thus, it has been awarded a score of 0.

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 support biofuel development and implementation. Brazil contributed by developing detailed feasibility studies for biofuel implementation in the abovementioned states.¹⁷⁴⁵

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 2014.¹⁷⁴⁶

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.¹⁷⁴⁷

¹⁷⁴² 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

¹⁷⁴³ 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

¹⁷⁴⁴ 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

¹⁷⁴⁵ 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>.

¹⁷⁴⁶ 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>.

¹⁷⁴⁷ 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>.

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 Sakbarov

Canada: +1

Canada has fully complied with the commitment on promoting green growth in developing countries.

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.¹⁷⁴⁸ 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.¹⁷⁴⁹

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.¹⁷⁵⁰

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.¹⁷⁵¹

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 green growth and sustainable development objectives of WTO economies by creating a win-win situation for trade and the environment.¹⁷⁵²

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,

¹⁷⁴⁸ New institute promotes sustainable mining in developing countries. Access Date: 10 February 2014. <http://www.ciieid.org/new-institute-promotes-sustainable-mining-in-developing-countries/>

¹⁷⁴⁹ New institute promotes global sustainable mining. Access Date: 17 February 2014. http://www.the-peak.ca/2014/02/new-institute-promotes-global-sustainable-mining/?doing_wp_cron=1392745627.8527719974517822265625

¹⁷⁵⁰ Minister Yelich Promotes Nuclear Energy Cooperation with China, Foreign Affairs, Trade and Development Canada, 26 February 2014. <http://www.international.gc.ca/media/comm/photos/2014/02/26b.aspx?lang=eng>

¹⁷⁵¹ Minister Oliver and Deputy Chairman Ahluwalia Conclude a Successful First Meeting Under the Canada-India Ministerial Energy Dialogue, Natural Resources Canada, 28 October 2013. <http://www.nrcan.gc.ca/media-room/news-release/2013/11544>

¹⁷⁵² Joint Statement by Foreign Affairs Minister John Baird and Kazakhstan's Minister of Foreign Affairs Erlan Idrissov, Foreign Affairs, Trade and Dev Canada, 14 November 2013. <http://www.international.gc.ca/media/aff/news-communiques/2013/11/14a.aspx?lang=eng>

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.¹⁷⁵³

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.¹⁷⁵⁴

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 and the island countries' efforts on environmental protection and build them an array of green energy projects, including solar, hydropower and methane.¹⁷⁵⁵

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.¹⁷⁵⁶

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.¹⁷⁵⁷

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.¹⁷⁵⁸ A total of 6,000 employees of local workers were trained

¹⁷⁵³ Canada to Join WTO Talks Toward Global Free Trade in Environmental Goods, Foreign Affairs, Trade and Dev Canada, 24 January 2014. <http://www.international.gc.ca/media/comm/news-communiques/2014/01/24a.aspx?lang=eng>

¹⁷⁵⁴ 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/jmhz/t1083399.htm>

¹⁷⁵⁵ 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>

¹⁷⁵⁶ 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

¹⁷⁵⁷ 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/mtsy/t1105830.htm>

¹⁷⁵⁸ 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 Cameroun 26 December 2013. Access Date: 15 February 2014. <http://cm2.mofcom.gov.cn/article/chinanews/201312/20131200439936.shtml>

by Chinese specialists. Thus this project greatly promoted the development of Ghana's human resource for future construction projects.¹⁷⁵⁹

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.¹⁷⁶⁰

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.¹⁷⁶¹

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.

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.¹⁷⁶²

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.¹⁷⁶³

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.¹⁷⁶⁴

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

¹⁷⁵⁹ 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/zxxx/t1110649.htm>

¹⁷⁶⁰ 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/jmhzt1120281.htm>

¹⁷⁶¹ 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

¹⁷⁶² Forum Afrique – 100 innovations pour un développement durable. <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/>

¹⁷⁶³ Nouveau soutien à la banque Mandiri pour le financement de projets d'énergies renouvelables. http://www.afd.fr/home/projets_afd/AFD-et-environnement/changement_climatique

¹⁷⁶⁴ Plus d'eau pour la capitale Nairobi / Une énergie moins chère et plus verte pour le Kenya. http://www.afd.fr/home/projets_afd/infrastructures_energie/Energie

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.”¹⁷⁶⁵

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 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.¹⁷⁶⁶

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.¹⁷⁶⁷

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.¹⁷⁶⁸

On 31 October 2013, the winners of the annual SEED Awards were announced. SEED Awards are supported by the German Federal Environment Ministry through its International Climate Initiative. The winners, representing developing countries, “receive a support package ... tailored to each company’s individual needs,” including access to relevant institutions, technical advice and funding of up to USD5000. This year, 34 winners were announced, and 10 of them received a special award for “particularly innovative” projects in climate action and adaptation to climate change.¹⁷⁶⁹

¹⁷⁶⁵ 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.

¹⁷⁶⁶ 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=4a75f6dd80b80524170e3a861eeee674.

¹⁷⁶⁷ 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.

¹⁷⁶⁸ 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.

¹⁷⁶⁹ SEED Awards 2013 presented, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 6 November 2013. Access Date: 19 April 2014. <http://www.bmub.bund.de/en/topics/europe-international/international-environmental-policy/seed-initiative-incentives-for-investments-in-environmental-protection/>.

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 Shelepov

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 information and data; know-how and technology transfer in non-commercial terms, and for organization of workshops, seminars and working groups.”¹⁷⁷⁰

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.¹⁷⁷¹

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.¹⁷⁷²

¹⁷⁷⁰ 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>.

¹⁷⁷¹ 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>.

¹⁷⁷² 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.

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.¹⁷⁷³

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

Italy: 0

Italy has partially 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.¹⁷⁷⁴ Another goal is to raise environmental awareness through communication campaigns.¹⁷⁷⁵

Italy has taken actions to mobilize public financing for inclusive green growth in developing countries, but failed to mobilize private finance to that end. Thus, it has been awarded a score of 0.

Analyst: Andrei Sakharov

Japan: 0

Japan has partially 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.¹⁷⁷⁶

¹⁷⁷³ 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.

¹⁷⁷⁴ 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.

¹⁷⁷⁵ 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).

¹⁷⁷⁶ 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.

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.¹⁷⁷⁷

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.¹⁷⁷⁸

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.¹⁷⁷⁹

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.¹⁷⁸⁰

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 Development Project, which is going to improve the stability of power supply along with lowering the environmental burden.¹⁷⁸¹

During the compliance period Japan has taken actions to mobilize only public financing for inclusive green growth in developing countries. Thus, it has been awarded a score of 0.

Analyst: Evgeny Gushechin

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.¹⁷⁸²

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.¹⁷⁸³

¹⁷⁷⁷ 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.

¹⁷⁷⁸ 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.

¹⁷⁷⁹ 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

¹⁷⁸⁰ 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

¹⁷⁸¹ 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.

¹⁷⁸² 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.¹⁷⁸⁴

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 Zhuravleva

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 USD45,000.¹⁷⁸⁵

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

Saudi Arabia: 0

Saudi Arabia has partially complied 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

¹⁷⁸³ 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)

¹⁷⁸⁴ 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/>

¹⁷⁸⁵ 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>.

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.¹⁷⁸⁶

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.¹⁷⁸⁷ Key priorities of the bank include green energy projects and promoting of indigenous energy efficiency initiatives in member countries and Muslim communities.¹⁷⁸⁸ 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.¹⁷⁸⁹ Among other projects, AFESD supports renewable energy capacity building in developing countries. However, no information on such projects has been found since 6 September 2013.¹⁷⁹⁰

There is no evidence that Saudi Arabia is contributing to stand-alone projects or mobilizing private financing for inclusive green growth in developing countries have been found. Thus, Saudi Arabia has been awarded a score of 0.

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

Turkey: +1

Turkey has fully complied with the commitment on promoting green growth in developing countries.

¹⁷⁸⁶ 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>.

¹⁷⁸⁷ Member Countries, Islamic Development Bank. Access Date: 12 February 2014.

http://www.isdb.org/irj/servlet/prt/portal/prtpos/com!252esap!252eportall!252enavigation!252eportallauncher!252eanonymous!7b!3b2!7d/prttarget/pcd!253aportal_content!252fidb!252een!252elDBEnglish!252fcom!252eidb!252eenglish!252elDBApplications!252fcom!252eidb!252eenglish!252eFrameworkContents!252fcom!252eidb!252eenglish!252eDesktop_Rules!252fcom!252eidb!252eenglish!252elDBEnglish!252fframeworkPages!252fIDBInternetEnLightFrame.com!252esap!252eportall!252elightinnerpage.com!252esap!252eportall!252elightcontentarea.content.com!252eidb!252eenglish!252eMembercountries/prteventname/HtmlbEvent/prtroot/com.sap.portal.navigation.portallauncher.anonymous.

¹⁷⁸⁸ 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.

¹⁷⁸⁹ 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).

¹⁷⁹⁰ Activities during 2013, Arab Fund for Economic & Social Development. Access Date: 12 February 2014.

<http://www.arabfund.org/Default.aspx?pagelid=442>.

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.¹⁷⁹¹

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.¹⁷⁹²

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.¹⁷⁹³

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.¹⁷⁹⁴

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.¹⁷⁹⁵

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

United Kingdom: +1

United Kingdom has fully complied with the commitment on promoting green growth in developing countries.

¹⁷⁹¹ 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>.

¹⁷⁹² 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.

¹⁷⁹³ 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=.

¹⁷⁹⁴ 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>.

¹⁷⁹⁵ 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/>.

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.¹⁷⁹⁶

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 2020.¹⁷⁹⁷

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.¹⁷⁹⁸

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 provider. This loan will help to begin the construction of a 50.7 megawatt-peak solar power plant in Chile in the first quarter of 2014.¹⁷⁹⁹

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.¹⁸⁰⁰

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.¹⁸⁰¹

¹⁷⁹⁶ 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>

¹⁷⁹⁷ 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>

¹⁷⁹⁸ 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>

¹⁷⁹⁹ 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>

¹⁸⁰⁰ 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>

¹⁸⁰¹ 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>

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 2013.¹⁸⁰² 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.¹⁸⁰³

On 17 September 2014, the U.S. African Development Foundation, a public corporation that fund 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.¹⁸⁰⁴

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 innovations. USAID and DuPont will cooperate to introduce innovations and climate-resilient crops helping smallholders sustainably address climate change.¹⁸⁰⁵

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

¹⁸⁰² 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>.

¹⁸⁰³ 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>.

¹⁸⁰⁴ 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>.

¹⁸⁰⁵ 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>.

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 2020.¹⁸⁰⁶

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.¹⁸⁰⁷

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.¹⁸⁰⁸

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.¹⁸⁰⁹

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

¹⁸⁰⁶ 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

¹⁸⁰⁷ 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

¹⁸⁰⁸ 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

¹⁸⁰⁹ 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

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		0	
Brazil	-1		
Canada	-1		
China	-1		
France			+1
Germany		0	
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		-0.35	

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.”¹⁸¹⁰ Remittance flows reached USD401 billion in 2012, and are expected to grow at an average of 8.8 per cent annually from 2013 to 2015.¹⁸¹¹

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.¹⁸¹²

¹⁸¹⁰ General Principles for International Remittance Services, World Bank (Washington) January 2007. Access Date: 20 January 2014. http://siteresources.worldbank.org/INTPAYMENTREMITTANCE/Resources/New_Remittance_Report.pdf.

¹⁸¹¹ 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>.

¹⁸¹² 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.¹⁸¹³ These decisions were also supported at the 2008 G8 Hokkaido Summit.¹⁸¹⁴

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.¹⁸¹⁵

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.¹⁸¹⁶ 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.”¹⁸¹⁷

Finally, at the 2012 Los Cabos 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.¹⁸¹⁸

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

¹⁸¹³ 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>.

¹⁸¹⁴ 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>.

¹⁸¹⁵ 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>.

¹⁸¹⁶ 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.

¹⁸¹⁷ 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>.

¹⁸¹⁸ 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.¹⁸¹⁹ 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.¹⁸²⁰

Details of each principle and possible actions to implement them are provided by the World Bank.¹⁸²¹ 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.¹⁸²² 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.¹⁸²³

Thus, possible actions are listed in Annex 1 to the General Principles for International Remittance Services,¹⁸²⁴ the Guidance Report for the Implementation of the CPSS-World Bank General Principles

¹⁸¹⁹ 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.

¹⁸²⁰ 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.

¹⁸²¹ 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.

¹⁸²² 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.

¹⁸²³ 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.

¹⁸²⁴ 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.¹⁸²⁵ 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: 0

Australia has partially complied with the commitment on remittances.

The Australian government regularly provides financial support to two remittance prices comparison websites: Send Money Pacific (since 2009)¹⁸²⁶ and Send Money Asia (since 2012).¹⁸²⁷ These websites allow comparing the cost of transferring remittances from Australia, New Zealand and the US to eight Pacific Island and five Asian countries.

Australia has implemented policies that reduce remittance transfer costs but there is no evidence of new actions taken to stimulate remittance service providers during the compliance monitoring period. Thus, it has been awarded a score of 0.

Analyst: Ekaterina Maslovskaya

Brazil: -1

Brazil has failed to comply with the commitment on remittances.

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.

¹⁸²⁵ 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.

¹⁸²⁶ Send Money Pacific. Date of Access: 11 August 2014. <http://www.sendmoneypacific.org/>.

¹⁸²⁷ Send Money Asia. Date of Access: 11 August 2014. <http://www.sendmoneyasia.org/>.

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.

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.¹⁸²⁸

The Agence française du développement has implemented an online instrument to stimulate remittance service providers to reduce remittance transfer costs.¹⁸²⁹ The total average cost of French remittances decreased in fourth quarter from third quarter of 2013 due to World Bank.¹⁸³⁰

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: 0

Germany has partially 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 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.¹⁸³¹

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.^{1832,1833}

¹⁸²⁸ 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>

¹⁸²⁹ Envoi d'argent. <http://www.voidargent.fr/content/acteurs-cles>

¹⁸³⁰ Sending money from FRANCE. <http://remittanceprices.worldbank.org/en/corridor/France/>

¹⁸³¹ 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

¹⁸³² Weltbank Zertifikat, Geldtransfair.de. Access Date: 19 April 2014. <http://www.geldtransfair.de/?q=weltbank-zertifikat>.

¹⁸³³ 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>.

Facilitating remittances is considered to be one of the action areas of the Federal Ministry for Economic Cooperation and Development.¹⁸³⁴ 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.¹⁸³⁵

Germany has implemented policies and adopted legislation in accordance with the World Bank's General Principles for International Remittance Services. However, Germany has not taken any action to stimulate remittance service providers to further reduce their fees during the compliance period.

Germany 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: Andrey Shelepon

India: +1

India has fully complied with the commitment on remittances.

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 30.¹⁸³⁶ 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.¹⁸³⁷

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.¹⁸³⁸

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.¹⁸³⁹

¹⁸³⁴ 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.

¹⁸³⁵ 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.

¹⁸³⁶ 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>.

¹⁸³⁷ 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>

¹⁸³⁸ 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>.

¹⁸³⁹ 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>.

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.

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 Juhur Hidayatsaid pledged to empower the “foreign exchange earners” through the launch of various financial education entrepreneurship programs.¹⁸⁴⁰

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.¹⁸⁴¹ BNI representatives said that the expansion of their services contributes to stronger competition among remittance service providers and reduces average remittance costs.¹⁸⁴²

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).¹⁸⁴³

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 transparency and clarity of information and encouraging those operating in the market to improve the products and services offered to migrants.”¹⁸⁴⁴ The site has received the World Bank certification that it is compliant with the global standards for price databases.¹⁸⁴⁵

¹⁸⁴⁰ 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>.

¹⁸⁴¹ 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>.

¹⁸⁴² 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>.

¹⁸⁴³ 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.

¹⁸⁴⁴ About us, Manda Soldi a Casa. Access Date: 7 May 2014. <http://www.mandasoldiacasa.it/en/about-us>.

¹⁸⁴⁵ EU Remittances for Developing Countries, Remaining

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 Sakbarov

Japan: -1

Japan has not complied with the commitment on remittances.

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 Gushechin

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 Zhuravleva

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 2.16 per cent in the first quarter of 2014 was the lowest among all G20 members. It had decreased from the average of 2.44 per cent in the fourth quarter of 2013. The report of the World Bank's Remittance Price Worldwide Project 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."¹⁸⁴⁶

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 Rakhmangulov

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.

¹⁸⁴⁶ Remittance Prices Worldwide report Issue n. 9, World Bank March 2014.
https://remittanceprices.worldbank.org/sites/default/files/RPW_Report_Mar2014.pdf.

Saudi Arabia: -1

Saudi Arabia has not complied with the commitment on remittances.

Saudi Arabia's average outgoing transfer cost for the last quarter of 2013 is valued below the G20 target at 4.12 per cent for a transfer amount of USD200 and at 2.50 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 for a transfer amount), Saudi Arabia–Nepal (USD500) and Saudi Arabia–Yemen (USD500) are among the five least expensive corridors.¹⁸⁴⁷

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.¹⁸⁴⁸ 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).¹⁸⁴⁹ As a result, the amount of transfers is expected to decrease by 20 per cent.¹⁸⁵⁰ 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 19.8 per cent for sending remittances was the highest among all G20 members in the first quarter of 2014. This was an increase from the 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 7.63 per cent in the first quarter of 2014.¹⁸⁵¹

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

¹⁸⁴⁷ Remittance Prices Worldwide, World Bank (Washington) 2014. Access Date: 9 February 2014. <http://remittanceprices.worldbank.org/>.

¹⁸⁴⁸ 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>.

¹⁸⁴⁹ 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>.

¹⁸⁵⁰ 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>.

¹⁸⁵¹ Remittance Prices Worldwide report Issue n. 9, World Bank March 2014. https://remittanceprices.worldbank.org/sites/default/files/RPW_Report_Mar2014.pdf.

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.¹⁸⁵²

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 2013.¹⁸⁵³

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.¹⁸⁵⁴

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

United States: -1

The United States has not complied with the commitment on remittances.

The U.S. average outgoing transfer cost for the last quarter of 2013 is higher than the G20 target of 6.57 per cent for a transfer amount of USD200 and below the target at 4.37 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.¹⁸⁵⁵

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.

¹⁸⁵² 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>

¹⁸⁵³ 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>

¹⁸⁵⁴ 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>

¹⁸⁵⁵ Remittance Prices Worldwide, World Bank (Washington) 2014. Access Date: 9 February 2014. <http://remittanceprices.worldbank.org/>.

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.¹⁸⁵⁶

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.

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¹⁸⁵⁶ 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/>