

**Sea Island Final Compliance Results  
June 10, 2004, to June 1, 2005  
Final Report**

**July 1, 2005**

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## Preface

Each year since 1996, the G8 Research Group has produced a compliance report on the progress made by the G8 member countries in meeting the commitments issued at each leaders' summit. Since 2002, the group has published an interim report, timed to assess progress at the transition between one country's year as host and the next, and then a final report issued just before the leaders meet at their annual summit. These reports, which monitor each country's efforts on a carefully chosen selection of the many commitments announced at the end of each summit, 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 G8 more transparent and accessible, and to provide scientific data to enable meaningful analysis of this unique and informal institution. The full compliance report is available at the G8 Information Centre at [www.g8.utoronto.ca](http://www.g8.utoronto.ca).

The G8 Research Group is an independent organization based at the University of Toronto. Founded in 1987, it is an international network of scholars, professionals and students interested in the activities of the G8. The group oversees the G8 Information Centre, which publishes, free of charge, analysis and research on the G8 as well as makes available official documents issued by the G8.

The work of the G8 Research Group would not be possible without the dedication of many people around the world. In particular, this report is the product of a team of energetic and hard-working analysts directed by Dr. Ella Kokotsis, Director of Analytical Research, and Anthony Prakash Navaneelan.

The G8 Research Group encourages responses to this report. Any comments or questions should be directed to [g8@utoronto.ca](mailto:g8@utoronto.ca). Indeed, we are grateful to the many individuals from many communities who responded to our invitation to comment on an earlier draft of this report. Responsibility for its contents lies exclusively with the authors and analysts of the G8 Research Group.

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## **Introduction**

The final compliance results reveal that from the period following the 2004 Sea Island Summit until June 2005, G8 members (plus the EU) complied with their priority commitments across the 18 major priority commitments 55% of the time (see Table A). This average is based on a scale whereby 100% equals perfect compliance and –100% means that the member governments are either non-compliant or are, in fact, doing the opposite of what they committed to.<sup>1</sup>

### **The Overall Final Compliance Scores**

This overall final compliance score of 55% for the Sea Island Summit indicates a compliance increase of 15% since the release of the interim report in February 2005. This score also falls on the high end of compliance historically, as only post-Okinawa in 2000 were the G8 leaders able to achieve higher overall compliance results than at Sea Island (see Table C).

### **Compliance by Country**

Similar to previous compliance studies, the highest complying member across the 18 priority commitments is Canada at 72%. However, joining the ranks of compliance leaders, and tied for first place with Canada, are the US and the EU. In all three cases, significant compliance increases have taken place since the interim scores where Canada was at 50%, followed by the US and EU, each at 44%. The United Kingdom, next in the hosting rotation, places a close second, with a score of 67%, confirming trends found in earlier compliance reports suggesting that countries next in the hosting rotation are consistently among the highest to comply with commitments reached the year before. Tied with the UK is also Germany, which increased its compliance score by 17% from the time of the interim study. France follows next with a compliance score of 50%, followed by Italy at 44%, Japan at 39% and finally Russia at 6%. None of the G8 members scored overall compliance results in the negative range.

### **The Compliance Gap by Country**

Although compliance scores during the interim and final compliance reports vary considerably by country, this study finds that the compliance gap between member states for Sea Island increases significantly for the final report. During the interim period, the compliance gap between the lowest and highest complying G8 countries was 50%; a number which increases to 66% for the final report (72% vs. 6%). This could suggest that those countries on the lower end of the compliance performance spectrum tend to stay within their earlier range as the year progresses, whereas those countries on the higher end of the performance spectrum from the outset tend to produce even better compliance results as time lapses and the next summit approaches.

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<sup>1</sup> A complete methodological explanation is available from the University of Toronto G8 Information Centre at [www.g8.utoronto.ca/g7/evaluations/methodology/g7c2.htm](http://www.g8.utoronto.ca/g7/evaluations/methodology/g7c2.htm).

## **Compliance by Issue Area**

Similar to the interim scores, the final compliance results also indicate that compliance during this period varied considerably by issue area. Commitments focused on democracy assistance through the Broader Middle East and North Africa (BMENA) initiative as well as those on debt relief for the heavily indebted poor countries (HIPC) and the environment score perfect compliance results across all G8 countries and the EU. Compliance scores are also high in the area of regional security issues as they relate to Darfur and support for the Iraqi elections (through the BMENA), both scoring 89%. Following closely behind are commitments relating to trade and the Doha round at 88%. Energy commitments as well as those relating to weapons of mass destruction also rank high in overall terms with compliance scores of 78%. Commitments relating to peace building and famine/food security in Africa each score 67%, followed by infectious diseases (HIV/AIDS) and trade (as it relates to technical assistance) each at 56%. Infectious diseases (Polio), commitments on the world economy, and transport security score below the overall average at 44%, 22 % and 11% respectively. Transnational crime is the only commitment with a score of “0” — or a work in progress — across all G8 countries. Similarly, finance development is the only commitment of the 18 assessed to score within the negative range across all G8 countries with a score of -1.0, indicating that the G8 and the EU have not taken any concrete measures to fulfill their priority commitments in this particular issue area in the post-Sea Island period.

These findings reveal some striking differences with the compliance results from Evian and Kananaskis where political security issues (primarily terrorism) yielded the highest compliance scores by the G8 across both years. By contrast, issues post-Sea Island around terrorist financing, transnational crime and transport security have fallen well below the overall average on the compliance performance spectrum. The most striking development, however, has been on the debt relief and trade fronts which have shifted from the middle range in previous years to secure top marks post-Sea Island. This trend sets an interesting tone for PM Tony Blair as he elevates issues around African development and the environment to the apex of the leaders’ agenda when they meet at Gleneagles, Scotland from July 6-8, 2005.

## **Interim and Final Compliance Scores Compared**

Given that the final results for Sea Island are in, an overall assessment of year-over-year compliance scores is now possible. The 2004 score of 55% for Sea Island compares very favourably with other years, scoring higher than any other summit in the post-Lyon period (1996) with the exception of Okinawa (2000), where the leaders secured a compliance score of 80% (see Table C).

## **Special Considerations**

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

- Compliance has been assessed against a selected set of priority commitments, rather than all commitments the last summit produced. The priority commitments selected were not randomly chosen but identified according to a disciplined and systematic process intended to produce a representative subset of the total according to such dimensions as issue areas, ambition,

specified time for completion, instruments used and, more generally, the degree of precision, obligation and delegation of each. The aim is to provide a comprehensive portrait of the compliance performance of the summit as a whole. As such, the individual commitments selected cannot in all cases claim to be the most important ones in their appropriate issue area, nor do they necessarily represent that issue area lodged.

- In addition to the specific commitments assessed here, summits have value in establishing new principles in normative directions, in creating and highlighting issue areas and agenda items, and in altering the publicly allowable discourse used. Furthermore, some of the most important decisions reached and consensus forged at summits may be done entirely in private and not encoded in the public communiqué record.
- Some commitments inherently take longer to be complied with than the time available between one summit and the next.
- In some cases, it may be wise not to comply with a summit commitment, if global conditions have dramatically changed since the commitment was made or if new knowledge has become available about how a particular problem can best be solved.
- As each of the member countries has its own constitutional, legal and institutional processes for undertaking action at the national level, each is free to act in particular cases on a distinctive national time scale. Of particular importance here is the annual cycle for the creation of budgets, legislative approval and the appropriation of funds.
- Commitments encoded in the G8 communiqué may also be encoded precisely or partially in communiqués from other international forums, the decisions of other international organizations, or even national statements such as the State of the Union Address in the U.S., the Queen's Speech in the UK and the Speech from the Throne in Canada. Without detailed process-tracing, it cannot be assumed that compliant behaviour on the part of countries is fully caused by the single fact of a previous G8 commitment.
- Compliance here is assessed against the precise, particular commitments made by the G8, rather than what some might regard as necessary or appropriate action to solve the problem being addressed.
- With compliance assessed on a three-point scale, judgements inevitably arise about whether particular actions warrant the specific numerical value assigned. As individual members can sometimes take different actions to comply with the same commitment, no standardized cross-national evaluative criterion can always be used. Comments regarding the judgements in each case, detailed in the extensive accompanying notes, are welcome (see below).
- Because the evaluative scale used in this compliance report runs from -100 percent to +100 percent, it should be assumed that any score in the positive range represents at least some compliance with the specific commitments made by the G8. It is not known if commitments in other international forums or at the national level on occasions such as the State of the Union Address, Queen's Speech or Speech from the Throne, etc., are complied with to a greater or lesser degree than the commitments made by the G8.

- It may be that commitments containing high degrees of precision, obligation and delegation, with short specified timetables for implementation, may induce governments to act simply to meet the specified commitment rather than in ways best designed to address core and underlying problems over a longer term.
- In some cases, full compliance by all members of the G8 with a commitment is contingent on co-operative behaviour on the part of other actors.
- Although G8 Research Group analysts have made an exceptional effort to seek relevant information on Russia, credible commentary on the preliminary draft of this report suggests that information herein about the compliance-related activity of the Russian Federation remains incomplete. The greater such incompleteness, the lower the Russia's scores would likely be as a result.

### **Further Research and Reports**

The information contained within this report provides G8 member countries and other stakeholders with an indication of their compliance results in the post-Sea Island period. As with previous compliance reports, this report has been produced as an invitation for others to provide additional or more complete information on country compliance with the 2004 Sea Island commitments. As always, comments are welcomed and would be considered as part of an analytical reassessment. Please send your feedback to <[g8@utoronto.ca](mailto:g8@utoronto.ca)>.

**Table A: 2004-2005 Sea Island Final Compliance Scores\***

	CDA	FRA	GER	ITA	JAP	RUS	UK	U.S.	EU	Average
BMENA: Democracy Assistance	1	1	1	1	1	1	1	1	1	1.00
BMNEA: Iraqi Elections	1	1	1	1	1	0	1	1	1	0.89
World Economy	0	0	0	1	0	1	0	0	0	0.22
Trade: Doha	1	0	1	1	1	N/A	1	1	1	0.88
Trade: Technical Assistance	1	0	1	0	1	-1	1	1	1	0.56
Energy	1	1	1	0	1	0	1	1	1	0.78
Environment	1	1	1	1	1	1	1	1	1	1.00
WMD	1	1	1	1	1	-1	1	1	1	0.78
Terrorist Financing	1	1	0	0	0	1	0	0	1	0.44
Transnational Crime	0	0	0	0	0	0	0	1	0	0.11
Transport Security	0	0	0	0	0	0	0	0	0	0.00
Debt Relief / HIPC	1	1	1	1	1	1	1	1	1	1.00
Financing Development	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1.00
Infectious Diseases HIV/AIDS	1	1	1	1	-1	-1	1	1	1	0.56
Infectious Diseases Polio	1	-1	1	-1	0	1	1	1	1	0.44
Peace Building in Africa	1	1	1	1	-1	0	1	1	1	0.67
Fame & Food Security in Africa	1	1	1	0	1	-1	1	1	1	0.67
Regional Security Darfur	1	1	1	1	1	0	1	1	1	0.89
Individual Country Averages	0.72	0.50	0.67	0.44	0.39	0.06	0.67	0.72	0.72	
Overall Country Average	0.54									
Overall Issue Average	0.55									
Overall Final Score	0.55									
Sea Island Interim Score	0.40									
Kananaskis Final Score	0.35									

\*The average score by issue area is the average of all countries' compliance scores for that issue. The average score by country is the average of all issue area compliance scores for a given country. The overall compliance average is an average of the overall issue average and overall country average. Where information on a country's compliance score for a given issue area was not available, the symbol "N/A" appears in the respective column and no compliance score is awarded. Countries were excluded from the averages if the symbol "N/A" appears in the respective column.



**Table B: 2004 Sea Island Interim Compliance Scores\***

	CDA	FRA	GER	ITA	JAP	RUS	UK	U.S.	EU	Average
BMENA (A) Democracy Assistance	1	1	1	1	1	1	1	1	1	1
BMENA (B) Iraqi Elections	1	0	1	1	1	0	1	1	1	0.78
World Economy	0	0	1	1	0	1	0	0	0	0.33
Trade (A) Doha	1	1	1	1	1	n/a	1	1	1	1.00
Trade (B) Technical Assistance	1	0	1	0	1	-1	0	0	0	0.22
Energy	1	1	1	1	1	1	1	0	1	0.89
Environment	0	0	0	0	0	0	0	0	0	0.00
WMD	1	1	1	1	1	-1	1	1	1	0.78
Terrorist Financing	0	1	-1	-1	0	1	-1	0	0	-0.11
Transnational Crime	0	0	0	0	0	0	0	0	0	0.00
Transport Security	0	0	0	0	0	0	0	1	0	0.11
Debt Relief / HIPC	1	1	1	1	1	1	1	1	1	1.00
Financing Development	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1.00
Infectious Diseases HIV/AIDS	-1	1	1	1	-1	-1	1	1	1	0.33
Infectious Diseases Polio	1	-1	-1	-1	0	1	1	-1	1	0.0
Peace Building in Africa	1	0	1	1	-1	0	1	1	0	0.44
Famine and Food Security in Africa	1	1	1	0	1	-1	1	1	1	0.67
Regional Security Darfur	1	1	1	1	1	-1	1	1	1	0.78
Individual Country Average	0.50	0.39	0.50	0.39	0.33	0.00	0.50	0.44	0.50	
Overall Country Average	0.40									
Overall Issue Average	0.40									
Overall Interim Compliance Average	0.40									
2003 Evian Interim Compliance Score	0.47									
2002 Kananaskis Interim Compliance Score	0.25									

\*The average score by issue area is the average of all countries' compliance scores for that issue. The average score by country is the average of all issue area compliance scores for a given country. The overall compliance average is an average of the overall issue average and overall country average. Where information on a country's compliance score for a given issue area was not available, the symbol "N/A" appears in the respective column and no compliance score is awarded. Countries were excluded from the averages if the symbol "N/A" appears in the respective column.

**Table C: G8 Compliance Assessments by Country, 1996-2005**

	FRA	U.S.	UK	GER	JAP	ITA	CDA	RUS	EU	Average
Lyon 1996-97 <sup>a</sup>	0.26	0.42	0.42	0.58	0.21	0.16	0.47	N/A	N/A	0.36
Denver 1997-98 <sup>b</sup>	0	0.34	0.50	0.17	0.50	0.50	0.17	0	N/A	0.27
Birmingham 1998-99 <sup>c</sup>	0.25	0.60	0.75	0.25	0.20	0.67	0.50	0.34	N/A	0.45
Cologne 1999-00 <sup>d</sup>	0.34	0.50	0.50	0.17	0.67	0.34	0.67	0.17	0.17	0.39
Okinawa 2000-01 <sup>e</sup>	0.92	0.67	1.00	1.00	0.82	0.89	0.83	0.14	N/A	0.80
Genoa 2001-02 <sup>f</sup>	0.69	0.35	0.69	0.59	0.44	0.57	0.82	0.11	N/A	0.53
Kananaskis 2002-03 (interim) <sup>g</sup>	0.38	0.25	0.42	0.08	0.10	0.00	0.77	0.14	N/A	0.27
Kananaskis 2002-03 (final) <sup>h</sup>	0.64	0.36	0.55	0.18	0.18	-0.11	0.82	0	N/A	0.33
Evian 2003-04 (interim) <sup>i</sup>	0.50	0.50	0.58	0.42	0.42	0.38	0.58	0.42	N/A	0.47
Evian 2003-04 (final) <sup>j</sup>	0.75	0.50	0.50	0.50	0.42	0.25	0.83	0.33	N/A	0.51
Sea Island 2004-2005 (interim) <sup>k</sup>	0.39	0.44	0.50	0.50	0.33	0.39	0.50	0	0.44	0.39
Sea Island 2004-2005 <sup>l</sup> (final)	0.50	0.72	0.67	0.67	0.39	0.44	0.72	0.06	0.72	0.55

**Notes**

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

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

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

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

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

<sup>f</sup> Applies to 12 priority issues, embracing economic, transnational, and political security domains (conflict prevention, arms control and terrorism).

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

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

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

<sup>j</sup> Applies to the 12 priority issues, embracing economic, transnational and political security domains (WMD, transport security and terrorism).

<sup>k</sup> Applies to 18 priority issues, embracing economic, transnational and political security domains (world economy, development, environment, infectious diseases, terrorist financing)

<sup>l</sup> Applies to 18 priority issues, embracing economic, transnational and political security domains (world economy, development, environment, infectious diseases, terrorist financing)

## **Broader Middle East & North Africa Initiative: Forum for the Future / Democracy Assistance Dialogue**

### **Commitment**

“Establish with willing partners in the region a Democracy Assistance Dialogue that will, under the auspices of the Forum for the Future, bring together in a collaborative and transparent environment willing governments, civil society groups and other organizations from the G-8, EU and others, and countries in the region to:

- Coordinate and share information and lessons learned on democracy programs in the region, taking into account the importance of local ownership and each country’s particular circumstances;
- Work to enhance existing democracy programs or initiate new programs;
- Provide opportunities for participants to develop joint activities, including twinning projects;
- Promote and strengthen democratic institutions and processes, as well as capacity-building;
- Foster exchanges with civil society groups and other organizations working on programs in the region.”

*G8 Plan of Support for Reform<sup>2</sup>*

### **Background**

The Greater Middle East Initiative, unveiled by the United States at the 2004 Sea Island Summit in June, was motivated by the U.S led desire to stem the threats of political instability, economic stagnation and terrorism in the Greater Middle East. The plan is based upon earlier initiatives aimed at democratization in the region, including the Middle East Partnership Initiative (MEPI), a program that has been heavily funded by the US since 2002 and the Barcelona Process initiated by the EU. The MEPI aims to promote entrepreneurship, political change, educational reform and women’s rights in the Middle East. The Forum for the Future was set out by the G8 and states of the Broader Middle East and North Africa Region (BMENA) during the Sea Island Summit in June 2004 as the centrepiece initiative of the “Partnership for Progress and Common Future with the Region of the Broader Middle East and North Africa.” The purpose of the Forum is to promote and develop political, economic, and social reform in the BMENA. The Forum members, including not only the G8 and the states of the BMENA, but civil society and business stakeholders as well, seek to promote, through an open and transparent dialogue, a common agenda that “advances the universal values of human dignity, democracy, economic opportunity, and social justice.”<sup>3</sup> Among the component initiatives of the Forum for the Future is the Democracy Assistance Dialogue (DAD). The DAD focuses primarily on providing electoral assistance, improving the role of women, and advancing relations between the region’s governments and civil society through programs supporting democratization and public participation. A round of preparatory meetings for the Forum for the Future took place in New

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<sup>2</sup> *G8 Plan of Support for Reform*, 2004 Sea Island Summit Official Website (Sea Island) 10 June 2004. Date of Access: 3 January 2005 [[www.g8usa.gov/d\\_060904b.htm](http://www.g8usa.gov/d_060904b.htm)].

<sup>3</sup> *Middle East: Documents and Texts from the Washington File*, Embassy of the United States London U.K. Website (London) 1 December 2004. Date of Access: 5 January 2005 [[www.usembassy.org.uk/midest567.html](http://www.usembassy.org.uk/midest567.html)].

York on September 23-24, and in Washington, DC on October 1, 2004. They were attended by over twenty G8 and BMENA foreign and finance ministers and various civil society groups. The first official Forum for the Future was convened on December 11, 2004, in Rabat, Morocco. It was attended by almost all of the countries of the BMENA, the Arab League, the European Commission, and the G8.<sup>4</sup> In Rabat, significant progress was made with respect to the DAD, which included an agreement to a future meeting devoted exclusively to the DAD in 2005.

## Assessment

Country	Non- Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia			+1
United Kingdom			+1
United States			+1
European Union			+1
Overall: +1.00			

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada has demonstrated full compliance with its Democracy Assistance Dialogue (DAD) commitment. Canada was represented at the Preparatory Meetings for the Forum of the Future in New York on September 24, 2004 at which Foreign Ministers and Representatives of 24 governments ‘recalled and reaffirmed the commitments made by the G-8 countries at Sea Island which build on the G-8 countries’ already strong bilateral and collective engagement with the [BMENA] region’.<sup>5</sup> Canada also attended the G8/BNENA Finance Ministers’ Meeting in Washington, D.C., on October 1, 2004, and the inaugural Forum for the Future in Rabat, Morocco.<sup>6</sup>

At the inaugural meeting of the Forum for the Future in Rabat, Canada endorsed the Chairs’ Summary including the proposal “put forward by Turkey, Yemen, and Italy for a Democracy Assistance Dialogue.”<sup>7</sup> The Canadian delegation along with its G8 counterparts applauded Egypt’s offer to host a meeting between G8 Foreign Ministers and their counterparts in the

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<sup>4</sup> *Fact Sheet: Forum for the Future*, Embassy of the United States London U.K. Website (London) 1 December 2004. Date of Access: 5 January 2005 [www.usembassy.org.uk/midest567.html].

<sup>5</sup> *Chair’s Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>6</sup> *G8/Broader Middle East and North Africa Finance Ministers’ Meeting, Summary of Meeting*, Canada’s G8 Website (Ottawa) 1 October 2004. Date of Access: 29 December 2004 [www.g8.gc.ca/meet\_tres\_secr\_snow-en.asp].

<sup>7</sup> *Chair’s Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

League of Arab States in Cairo on 3 and 4 March 2005.<sup>8</sup> However, due to tensions between the United States and Egypt over the arrest of Egyptian opposition party leaders, this meeting has been postponed.<sup>9</sup>

Canada also attended a meeting between G7 finance ministers and BMENA representatives in Washington on April 15, 2005<sup>10</sup> and has been invited to the May 23<sup>rd</sup> meeting of Arab education ministers.<sup>11</sup> The next meeting for the Forum for the Future has been scheduled for November 2005 in Manama, Bahrain.<sup>12</sup>

In addition to participating in all of the DAD meetings to date, Canada has also taken on its own democracy assistance initiatives, most notably the Middle East Good Governance Fund (MEGGF): "...[The MEGGF responds] to needs related to democratic development and good governance in the region. The MEGGF will follow a knowledge-based approach to development which aims to: create knowledge around good governance issues in the Middle East (analysis of what works, what does not and why); share the knowledge and multiply it (share experiences and perspectives, develop joint agendas and create networks); and, develop capacity to generate knowledge that can inform policy-makers and engage them in processes of evidence-based decision-making on policy-formulation and development."<sup>13</sup> Pierre Pettigrew, Canada's Minister of Foreign Affairs, stated during his address at the Sharm el-Sheikh Ministerial Meeting on Iraq on November 23, 2004 that Canada would allocate \$5 million dollars for the MEGGF.<sup>14</sup>

## 2. France: +1

France has participated in and endorsed the results of all of the meetings associated with the Democracy Assistance Dialogue (DAD) to date, thereby demonstrating full compliance with this commitment. At the September 24, 2004, Preparatory Meetings for the Forum of the Future in New York, the French Foreign Minister, Michel Barnier, "recalled and reaffirmed the

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<sup>8</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>9</sup> "Egypt Delays Mideast Reform Conference Indefinitely," *The Daily Star* (Beirut) 21 February 2005. Date of Access: 1 May 2005 [www.dailystar.com.lb/article.asp?edition\_ID=10&article\_ID=12831&categ\_id=2] & *Us Ambassador to Egypt, David Welch, Remarks of March 3, 2005*, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005

[cairo.usembassy.gov/ambassador/sp030305.htm]

<sup>10</sup> *Prepared Statement following the Meeting of the G7 Finance Ministers and Central Bank Governors*, G8 Information Centre Website (Toronto) 16 April 2005. Date of Access: 1 May 2005

[www.g8.utoronto.ca/finance/fm050416\_snow.htm] & *Secretary Snow G8/BMENA Statement*, 17 April 2005. Date of Access: 1 May 2005 [www.treas.gov/press/releases/js2386.htm]

<sup>11</sup> *Arab, G-8 Education Ministers to Convene in Amman*, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [www.jordanembassyus.org/05052005001.htm]

<sup>12</sup> *Upcoming Ministerials*, Government of Canada Website (Ottawa). Date of Access: 1 May 2005 [www.g8.gc.ca/ministerials-en.asp] & *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: January 15, 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>13</sup> *Iraq Projects*, Canadian International Development Agency Website (Ottawa) 3 December 2004. Date of Access: 29 December 2004 [www.acdi-cida.gc.ca/CIDAWEB/webcountry.nsf/VLUDocEn/Iraq-Projects]

<sup>14</sup> *Statement by the Hon. Pierre Pettigrew Minister of Foreign Affairs Canada at the Sharm El-sheikh Ministerial Meeting On Iraq*, Department of Foreign Affairs and Trade (Ottawa) 12 September 2004. Date of Access: 15 December 2004 [www.dfait-maeci.gc.ca/middle\_east/iraq\_sharm-el-sheikh-en.asp].

commitments made by the G-8 countries at Sea Island which build on the G-8 countries' already strong bilateral and collective engagement with the region".<sup>15</sup> At this meeting it was decided that the first Forum for the Future would be held in the Kingdom of Morocco in December and that Egypt would "host a meeting of the Foreign Ministers of G-8 member states and members of the League of Arab States in January 2005".<sup>16</sup> France also attended the G8/BMENA Finance Ministers' Meeting in Washington, D.C., on October 1, 2004. At this meeting, which focused on international trade and funding, the G8 and BMENA finance and economics ministers agreed to participate in the Forum for the Future in Rabat, Morocco.<sup>17</sup>

France was represented at the inaugural meeting of the Forum for the Future in Rabat, Morocco by Foreign Minister Barnier and endorsed the Chairs' Summary including "the proposal put forward by Turkey, Yemen, and Italy for a Democracy Assistance Dialogue".<sup>18</sup> The attending ministers agreed to meet at the Forum for the Future in Bahrain in 2005 and welcomed the offer by Egypt to host a meeting of Foreign Ministers of G8 member states and members of the League of Arab States in Cairo on 3 and 4 March 2005.<sup>19</sup> This G8/Arab League meeting has been postponed, however, due to friction between the US and Egypt over the arrest of leaders of the Egyptian opposition party Al-Ghad.<sup>20</sup> France attended the meeting between G7 finance ministers, the Russian finance minister and BMENA representatives in Washington on April 15, 2005<sup>21</sup> and has been invited to the May 23<sup>rd</sup> meeting of Arab education ministers.<sup>22</sup>

### 3. Germany: +1

Germany has complied with its commitment to establishing the Democracy Assistance Dialogue (DAD). This has been achieved through Germany's participation in the preparatory meetings for the Forum for the Future held in New York on September 23-24, 2004 and Washington, D.C. on

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<sup>15</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>16</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>17</sup> *G8/Broader Middle East and North Africa Finance Ministers' Meeting, Summary of Meeting*, Canada's G8 Website (Ottawa) 1 October 2004. Date of Access: 29 December 2004 [www.g8.gc.ca/meet\_tres\_secr\_snow-en.asp].

<sup>18</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>19</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>20</sup> "Egypt Delays Mideast Reform Conference Indefinitely," *The Daily Star* (Beirut) 21 February 2005. Date of Access: 1 May 2005 [www.dailystar.com.lb/article.asp?edition\_ID=10&article\_ID=12831&categ\_id=2] & *Us Ambassador to Egypt, David Welch, Remarks of March 3, 2005*, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005

[cairo.usembassy.gov/ambassador/sp030305.htm]

<sup>21</sup> *Prepared Statement following the Meeting of the G7 Finance Ministers and Central Bank Governors*, G8 Information Centre Website (Toronto) 16 April 2005. Date of Access: 1 May 2005 [www.g8.utoronto.ca/finance/fm050416\_snow.htm] & *Secretary Snow G8/BMENA Statement*, Department of the Treasury Website (Washington) 17 April 2005. Date of Access: 1 May 2005 [www.treas.gov/press/releases/js2386.htm]

<sup>22</sup> *Arab, G-8 Education Ministers to Convene in Amman*, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [www.jordanembassyus.org/05052005001.htm]

October 1, 2004, and its participation in the Forum for the Future proper held in Rabat, Morocco on December 11, 2004.

At the inaugural meeting of the Forum for the Future in Rabat, Germany endorsed the Chairs' Summary including the proposal "put forward by Turkey, Yemen, and Italy for a Democracy Assistance Dialogue."<sup>23</sup> The German delegation along with its G8 counterparts applauded Egypt's offer to host a meeting between G8 Foreign Ministers and their counterparts in the League of Arab States in Cairo on 3 and 4 March 2005.<sup>24</sup> However, due to tensions between the United States and Egypt over the arrest of Egyptian opposition party leaders, this meeting has been postponed.<sup>25</sup>

Germany has also attended a meeting between G7/ finance ministers and BMENA representatives in Washington on April 15, 2005 at which a dialogue on job creation, private investment, and economic prosperity in the region took place.<sup>26</sup> Germany has also been invited to the May 23<sup>rd</sup> meeting of Arab education.<sup>27</sup> This meeting will "...focus on factors of success in the educational process, building partnerships, empowering women and deploying IT in special education."<sup>28</sup> The next meeting for the Forum for the Future has been scheduled for November 2005 in Manama, Bahrain.<sup>29</sup>

#### 4. Italy: +1

Italy has demonstrated full compliance with regard to the Democracy Assistance Dialogue (DAD), a component of the Forum for the Future. This has been achieved through Italy's participation in the Preparatory Meetings for the Forum of the Future in New York on September 24, 2004, Italy's co-leadership of the DAD with Yemen and Turkey, its the G8/BNENA Finance

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<sup>23</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>24</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>25</sup> *Egypt Delays Mideast Reform Conference Indefinitely*, The Daily Star (Lebanon) 21 February 2005. Date of Access: 1 May 2005 [[www.dailystar.com.lb/article.asp?edition\\_ID=10&article\\_ID=12831&categ\\_id=2](http://www.dailystar.com.lb/article.asp?edition_ID=10&article_ID=12831&categ_id=2)] & *US Ambassador to Egypt, David Welch, Remarks of March 3, 2005*, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005 [[cairo.usembassy.gov/ambassador/sp030305.htm](http://cairo.usembassy.gov/ambassador/sp030305.htm)]

<sup>26</sup> *Prepared Statement following the Meeting of the G7 Finance Ministers and Central Bank Governors*, G8 Information Centre Website (Toronto) 16 April 2005. Date of Access: 1 May 2005 [[www.g8.utoronto.ca/finance/fm050416\\_snow.htm](http://www.g8.utoronto.ca/finance/fm050416_snow.htm)] & *Secretary Snow G8/BMENA Statement*, Department of the Treasury Website (Washington) 17 April 2005. Date of Access: 1 May 2005 [[www.treas.gov/press/releases/js2386.htm](http://www.treas.gov/press/releases/js2386.htm)]

<sup>27</sup> *Arab, G-8 Education Ministers to Convene in Amman*, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [[www.jordanembassyus.org/05052005001.htm](http://www.jordanembassyus.org/05052005001.htm)]

<sup>28</sup> *Arab, G-8 Education Ministers to Convene in Amman*, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [[www.jordanembassyus.org/05052005001.htm](http://www.jordanembassyus.org/05052005001.htm)]

<sup>29</sup> *Upcoming Ministerials*, Government of Canada. Date of Access: 1 May 2005 [[www.g8.gc.ca/ministerials-en.asp](http://www.g8.gc.ca/ministerials-en.asp)] & *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

Ministers' Meeting in Washington, D.C., on October 1, 2004, and the inaugural Forum for the Future in Morocco.<sup>30</sup>

After the Preparatory Meetings in September 2004, the foreign ministers of Italy, Yemen, and Turkey met and produced a working document entitled "*Organisers' Conclusions*."<sup>31</sup> This document set the tone and basic trajectory for the DAD. It established priority areas such as government and civil society relations, participation of women in political life, and the implementation of efficient and transparent electoral procedures.<sup>32</sup>

At the inaugural meeting of the Forum for the Future in Rabat, Italy endorsed the Chairs' Summary, which included its proposal for the DAD.<sup>33</sup> The Italian delegation along with its G8 counterparts supported Egypt's offer to host a meeting between G8 Foreign Ministers and their counterparts in the League of Arab States in Cairo on 3 and 4 March 2005.<sup>34</sup> However, due to tensions between the United States and Egypt over the arrest of Egyptian opposition party leaders and electoral reform, this meeting has been postponed for the time being.<sup>35</sup>

Italy also attended a meeting between G7 finance ministers and BMENA representatives in Washington on April 15, 2005<sup>36</sup> and has been invited to the May 23<sup>rd</sup> meeting of Arab education ministers.<sup>37</sup> The next meeting for the Forum for the Future has been scheduled for November 2005 in Manama, Bahrain.<sup>38</sup>

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<sup>30</sup> *G8/Broader Middle East and North Africa Finance Ministers' Meeting, Summary of Meeting*, Canada's G8 Website (Ottawa) 1 October 2004. Date of Access: 29 December 2004 [[www.g8.gc.ca/meet\\_tres\\_sec\\_snow-en.asp](http://www.g8.gc.ca/meet_tres_sec_snow-en.asp)]

<sup>31</sup> *Information Paper*, Italian Ministry of Foreign Affairs Website (Rome) 25 November 2004. Date of Access: 1 January 2005

[www.esteri.it/eng/6\\_38\\_90\\_01.asp?id=1504&mod=1&min=1](http://www.esteri.it/eng/6_38_90_01.asp?id=1504&mod=1&min=1)

<sup>32</sup> *Information Paper*, Italian Ministry of Foreign Affairs Website (Rome) 25 November 2004. Date of Access: 1 January 2005

[www.esteri.it/eng/6\\_38\\_90\\_01.asp?id=1504&mod=1&min=1](http://www.esteri.it/eng/6_38_90_01.asp?id=1504&mod=1&min=1)

<sup>33</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>34</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>35</sup> *Egypt Delays Mideast Reform Conference Indefinitely*, The Daily Star (Lebanon) 21 February 2005. Date of Access: 1 May 2005 [[www.dailystar.com.lb/article.asp?edition\\_ID=10&article\\_ID=12831&categ\\_id=2](http://www.dailystar.com.lb/article.asp?edition_ID=10&article_ID=12831&categ_id=2)] & *Us Ambassador to Egypt, David Welch, Remarks of March 3, 2005*, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005

[[cairo.usembassy.gov/ambassador/sp030305.htm](http://cairo.usembassy.gov/ambassador/sp030305.htm)]

<sup>36</sup> *Prepared Statement following the Meeting of the G7 Finance Ministers and Central Bank Governors*, G8 Information Centre Website (Toronto) 16 April 2005. Date of Access: 1 May 2005

[[www.g8.utoronto.ca/finance/fm050416\\_snow.htm](http://www.g8.utoronto.ca/finance/fm050416_snow.htm)] & *Secretary Snow G8/BMENA Statement*, Department of the Treasury Website (Washington) 17 April 2005. Date of Access: 1 May 2005

[[www.treas.gov/press/releases/js2386.htm](http://www.treas.gov/press/releases/js2386.htm)]

<sup>37</sup> *Arab, G-8 Education Ministers to Convene in Amman*, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [[www.jordanembassyus.org/05052005001.htm](http://www.jordanembassyus.org/05052005001.htm)]

<sup>38</sup> *Upcoming Ministerials*, Government of Canada. Date of Access: 1 May 2005 [[www.g8.gc.ca/ministerials-en.asp](http://www.g8.gc.ca/ministerials-en.asp)] & *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]



## 5. Japan: +1

Japan has complied with its commitment to establishing the Democracy Assistance Dialogue (DAD). This has been achieved mainly through Japan's participation in the preparatory meetings for the Forum for the Future held in New York on September 23-24, 2004 and Washington, D.C. on October 1, 2004, and its participation in the Forum for the Future proper held in Rabat, Morocco on December 11, 2004.

At the inaugural meeting of the Forum for the Future in Rabat, Japan endorsed the Chairs' Summary including the proposal "put forward by Turkey, Yemen, and Italy for a Democracy Assistance Dialogue."<sup>39</sup> In the Chair's Summary, Japan was commended for its efforts in promoting the spirit of the Forum through its bilateral relations, e.g. the Japan-Arab Dialogue with countries in the BMENA.<sup>40</sup> The Japan-Arab Dialogue which convened in March 2004 focused on "Cultural Dialogue, Socio-Economic Development in the Arab World, and how to help with the Reconstruction of Iraq."<sup>41</sup> Japan convened another Japan-Arab Dialogue hosted by Saudi Arabia in January 2005 at which discussions "under the headings of political, economic, and cultural matters" took place. This Dialogue focused on major issues such as reconstruction efforts in Iraq, Iraqi debt reduction, supporting democracy initiatives in Palestine, private sector investment, economic reform, technology transfer through training and investment, and academic exchanges. Japan plans to convene another Japan-Arab Dialogue in Tokyo.

The Japanese delegation along with its G8 counterparts at the Rabat Forum also supported Egypt's offer to host a meeting between G8 Foreign Ministers and their counterparts in the League of Arab States in Cairo on 3 and 4 March 2005.<sup>42</sup> However, due to tensions between the United States and Egypt over the arrest of Egyptian opposition party leaders, this meeting has been postponed.<sup>43</sup> Japan also attended a meeting between G7 finance ministers and BMENA representatives in Washington on April 15, 2005<sup>44</sup> and has been invited to the May 23<sup>rd</sup> meeting

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<sup>39</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>40</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>41</sup> *Japan-Arab Dialogue Second Session: 3-4 March 2004 Alexandria, Egypt*, Ministry of Foreign Affairs Website (Tokyo) 4 March 2004. Date of Access: 5 January 2005 [[www.mofa.go.jp/region/middle\\_e/forum/meet0403.html](http://www.mofa.go.jp/region/middle_e/forum/meet0403.html)]

<sup>42</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>43</sup> *Egypt Delays Mideast Reform Conference Indefinitely*, The Daily Star (Lebanon) 21 February 2005. Date of Access: 1 May 2005 [[www.dailystar.com.lb/article.asp?edition\\_ID=10&article\\_ID=12831&categ\\_id=2](http://www.dailystar.com.lb/article.asp?edition_ID=10&article_ID=12831&categ_id=2)] & *US Ambassador to Egypt, David Welch, Remarks of March 3, 2005*, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005 [[cairo.usembassy.gov/ambassador/sp030305.htm](http://cairo.usembassy.gov/ambassador/sp030305.htm)]

<sup>44</sup> *Prepared Statement following the Meeting of the G7 Finance Ministers and Central Bank Governors*, G8 Information Centre Website (Toronto) 16 April 2005. Date of Access: 1 May 2005 [[www.g8.utoronto.ca/finance/fm050416\\_snow.htm](http://www.g8.utoronto.ca/finance/fm050416_snow.htm)] & *Secretary Snow G8/BMENA Statement*, Department of the Treasury Website (Washington) 17 April 2005. Date of Access: 1 May 2005 [[www.treas.gov/press/releases/js2386.htm](http://www.treas.gov/press/releases/js2386.htm)]

of Arab education ministers.<sup>45</sup> The next meeting for the Forum for the Future has been scheduled for November 2005 in Manama, Bahrain.<sup>46</sup>

## 6. Russia: +1

The Russian Federation has demonstrated full compliance with respect to establishing the Democracy Assistance Dialogue. Russia was represented at the Preparatory Meetings for the Forum of the Future in New York on September 24, 2004 at which Foreign Ministers and Representatives of 24 governments ‘recalled and reaffirmed the commitments made by the G-8 countries at Sea Island which build on the G-8 countries’ already strong bilateral and collective engagement with the [BMENA] region’.<sup>47</sup> Russia also attended the G8/BNENA Finance Ministers’ Meeting in Washington, D.C., on October 1, 2004. At this meeting, which focused on international trade and funding, the G8 and BMENA finance and economics ministers agreed to participate in the Forum for the Future in Rabat, Morocco.<sup>48</sup>

The Russian Federation was represented at the inaugural meeting of the Forum for the Future in Rabat, Morocco by Deputy Foreign Minister Alexander Saltanov and Finance Minister Alexei Kudrin<sup>49</sup> who endorsed the Chairs’ Summary including the proposal “put forward by Turkey, Yemen, and Italy for a Democracy Assistance Dialogue.”<sup>50</sup> The attending ministers welcomed the offer by Egypt to host a meeting of Foreign Ministers of G8 member states and members of the League of Arab States in Cairo on 3 and 4 March 2005.<sup>51</sup> This meeting unfortunately has been postponed due to friction between the US and Egypt over the arrest of leaders of the Egyptian opposition party Al-Ghad.<sup>52</sup>

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<sup>45</sup> Arab, G-8 Education Ministers to Convene in Amman, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [www.jordanembassyus.org/05052005001.htm]

<sup>46</sup> Upcoming Ministerials, Government of Canada. Date of Access: 1 May 2005 [www.g8.gc.ca/ministerials-en.asp] & Chair’s Summary, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>47</sup> Chair’s Summary, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>48</sup> G8/Broader Middle East and North Africa Finance Ministers’ Meeting, Summary of Meeting, Canada’s G8 Website (Ottawa) 1 October 2004. Date of Access: 29 December 2004. [www.g8.gc.ca/meet\_tres\_secr\_snow-en.asp]

<sup>49</sup> Ministry of Foreign Affairs of the Russian Federation, Press Release, Broader Middle East and North Africa Forum for the Future To Be Held, Ministry of Foreign Affairs Website (Moscow) 7 December 2004. Date of Access: April 25, 2005 [www.ln.mid.ru/brp\_4.nsf/e78a48070f128a7b43256999005bcb3/b53c166e477b2427c3256f6300416f02?OpenDocument]

<sup>50</sup> Chair’s Summary, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>51</sup> Chair’s Summary, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>52</sup> Egypt Delays Mideast Reform Conference Indefinitely, The Daily Star (Lebanon) 21 February 2005. Date of Access: 1 May 2005 [www.dailystar.com.lb/article.asp?edition\_ID=10&article\_ID=12831&categ\_id=2] & US Ambassador to Egypt, David Welch, Remarks of March 3, 2005, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005 [cairo.usembassy.gov/ambassador/sp030305.htm]

Russia attended the meeting between G7/ finance ministers and BMENA representatives in Washington on April 15, 2005<sup>53</sup> and has been invited to the May 23<sup>rd</sup> meeting of Arab education.<sup>54</sup> The next meeting for the Forum for the Future is scheduled for November 2005 in Manama, Bahrain.<sup>55</sup>

## 7. United Kingdom: +1

The United Kingdom has demonstrated full compliance with its Democracy Assistance Dialogue (DAD) commitment. The UK was represented at the Preparatory Meetings for the Forum of the Future in New York on September 24, 2004 at which Foreign Ministers and Representatives of 24 governments ‘recalled and reaffirmed the commitments made by the G-8 countries at Sea Island which build on the G-8 countries’ already strong bilateral and collective engagement with the [BMENA] region’.<sup>56</sup> The UK also attended the G8/BNENA Finance Ministers’ Meeting in Washington, D.C., on October 1, 2004, and the inaugural Forum for the Future in Rabat, Morocco.<sup>57</sup>

At the inaugural meeting of the Forum for the Future in Rabat, the UK endorsed the Chairs’ Summary including the proposal “put forward by Turkey, Yemen, and Italy for a Democracy Assistance Dialogue.”<sup>58</sup> The UK along with its G8 counterparts applauded Egypt’s offer to host a meeting between G8 Foreign Ministers and their counterparts in the League of Arab States in Cairo on 3 and 4 March 2005.<sup>59</sup> However, due to tensions between the United States and Egypt over the arrest of Egyptian opposition party leaders, this meeting has been postponed.<sup>60</sup> The UK also attended a meeting between G7/ finance ministers and BMENA representatives in

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<sup>53</sup> *Prepared Statement following the Meeting of the G7 Finance Ministers and Central Bank Governors*, G8 Information Centre Website (Toronto) 16 April 2005. Date of Access: 1 May 2005 [[www.g8.utoronto.ca/finance/fm050416\\_snow.htm](http://www.g8.utoronto.ca/finance/fm050416_snow.htm)] & *Secretary Snow G8/BMENA Statement*, Department of the Treasury Website (Washington) 17 April 2005. Date of Access: 1 May 2005 [[www.treas.gov/press/releases/js2386.htm](http://www.treas.gov/press/releases/js2386.htm)]

<sup>54</sup> *Arab, G-8 Education Ministers to Convene in Amman*, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [[www.jordanembassyus.org/05052005001.htm](http://www.jordanembassyus.org/05052005001.htm)]

<sup>55</sup> *Upcoming Ministerials*, Government of Canada. Date of Access: May 1, 2005. *Upcoming Ministerials*, Government of Canada. Date of Access: 1 May 2005 [[www.g8.gc.ca/ministerials-en.asp](http://www.g8.gc.ca/ministerials-en.asp)] & *Chair’s Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>56</sup> *Chair’s Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>57</sup> *G8/Broader Middle East and North Africa Finance Ministers’ Meeting, Summary of Meeting*, Canada’s G8 Website (Toronto) 1 October 2004. Date of Access: 29 December 2004 [[www.g8.gc.ca/meet\\_tres\\_secr\\_snow-en.asp](http://www.g8.gc.ca/meet_tres_secr_snow-en.asp)]

<sup>58</sup> *Chair’s Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>59</sup> *Chair’s Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>60</sup> *Egypt Delays Mideast Reform Conference Indefinitely*, The Daily Star (Lebanon) 21 February 2005. Date of Access: 1 May 2005 [[www.dailystar.com.lb/article.asp?edition\\_ID=10&article\\_ID=12831&categ\\_id=2](http://www.dailystar.com.lb/article.asp?edition_ID=10&article_ID=12831&categ_id=2)] & *US Ambassador to Egypt, David Welch, Remarks of March 3, 2005*, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005 [[cairo.usembassy.gov/ambassador/sp030305.htm](http://cairo.usembassy.gov/ambassador/sp030305.htm)]

Washington on April 15, 2005<sup>61</sup> and has been invited to the May 23<sup>rd</sup> meeting of Arab education ministers.<sup>62</sup> The next meeting for the Forum for the Future has been scheduled for November 2005 in Manama, Bahrain.<sup>63</sup>

In anticipation of Britain's chairmanship of the G8 in 2005, Prime Minister Tony Blair has stated his commitment to the advancement of democracy in the region: "Our 2005 presidency will build on the progress made during the last year by continuing implementation of the plan of support-assisting countries to address the underlying barriers to economic growth and human development, including issues of governance, the rule of law, education, the position of women and attracting domestic and foreign investment."<sup>64</sup> As well, Middle East Reform appears as one of the Summit topics on the 2005 Gleneagles website, however, few pre-Summit Ministerials have dealt with the subject.<sup>65</sup>

## 8. United States: +1

The United States has registered full compliance with respect to its commitment to the Democracy Assistance Dialogue (DAD). This has been achieved primarily through the leadership role it has played in establishing and organizing the DAD, participating in the preparatory meetings for the Forum for the Future and the inaugural meeting of the Forum in Rabat.

On 24 September 2004 Secretary of State Colin Powell met with foreign ministers from the Middle East, North Africa and G8 member states for the preparatory meeting of the Forum for the Future in New York. At this meeting, Italy, Yemen, and Turkey were charged with drafting a proposal for the DAD and its implementation. The United States also hosted the G8 and BMENA Finance Ministers' meeting on October 1, 2004 to further prepare for the inaugural meeting of the Forum for the Future.<sup>66</sup> The meeting, chaired by US Secretary of the Treasury John Snow, stressed economic freedom and prosperity through market-orientated economic

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<sup>61</sup> *Prepared Statement following the Meeting of the G7 Finance Ministers and Central Bank Governors*, G8 Information Centre Website (Toronto) 16 April 2005. Date of Access: 1 May 2005

[[www.g8.utoronto.ca/finance/fm050416\\_snow.htm](http://www.g8.utoronto.ca/finance/fm050416_snow.htm)] & *Secretary Snow G8/BMENA Statement*, Department of the Treasury Website (Washington) 17 April 2005. Date of Access: 1 May 2005

[[www.treas.gov/press/releases/js2386.htm](http://www.treas.gov/press/releases/js2386.htm)]

<sup>62</sup> *Arab, G-8 Education Ministers to Convene in Amman*, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [[www.jordanembassyus.org/05052005001.htm](http://www.jordanembassyus.org/05052005001.htm)]

<sup>63</sup> *Upcoming Ministerials*, Government of Canada. Date of Access: May 1, 2005. *Upcoming Ministerials*, Government of Canada. Date of Access: 1 May 2005 [[www.g8.gc.ca/ministerials-en.asp](http://www.g8.gc.ca/ministerials-en.asp)] & *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005

[[www.g8.utoronto.ca/meetings-official/forumforfuture\\_041211.htm](http://www.g8.utoronto.ca/meetings-official/forumforfuture_041211.htm)]

<sup>64</sup> *Policy Issues: Other Issues: Supporting Reform in the Middle East*, G8 Gleneagles Summit Website (London) 2005. Date of Access: 4 June 2005

[[www.g8.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1097073730729](http://www.g8.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1097073730729)]

<sup>65</sup> *Policy Issues: Other Issues: Supporting Reform in the Middle East*, G8 Gleneagles Summit Website (London) 2005. Date of Access: 4 June 2005

[[www.g8.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1097073730729](http://www.g8.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1097073730729)]

<sup>66</sup> *G8/Broader Middle East and North Africa Finance Ministers' Meeting U.S. Treasury Secretary John Snow*, Canada's G8 Website (Ottawa) 1 October 2004. Date of Access: 3 January 2005

[[www.g8.gc.ca/meet\\_tres\\_secr\\_snow-en.asp](http://www.g8.gc.ca/meet_tres_secr_snow-en.asp)]

reforms based on local ownership and peace and security for private sector investment led growth.

On 11 December 2004, the United States and Morocco chaired the first ever Forum for the Future in Rabat, Morocco. Secretary Powell in his opening remarks stressed the need political and economic reform: “We also see that countries with active political participation by all people tend to enjoy greater investment, economic growth and educational excellence.”<sup>67</sup> The US along with its G8 counterparts, states of the BMENA, and civil society groups agreed to a meeting devoted to the DAD later in 2005. The attending ministers also agreed to meet at the Forum for the Future in Bahrain in 2005 and welcomed the offer by Egypt to host a meeting of Foreign Ministers of G8 member states and members of the League of Arab States in Cairo on 3 and 4 March 2005.<sup>68</sup> This G8/Arab League meeting has been postponed, however, due to friction between the US and Egypt over the arrest of leaders of the Egyptian opposition party Al-Ghad.<sup>69</sup> Though this may seem as a bane rather than a boon, the US Administration seems to be open to getting things back on track between the G8 and the Arab states.<sup>70</sup>

The United States also attended a meeting between G7 finance ministers and BMENA representatives in Washington on April 15, 2005<sup>71</sup> and has been invited to the May 23<sup>rd</sup> meeting of Arab education ministers.<sup>72</sup> The next meeting for the Forum for the Future has been scheduled for November 2005 in Manama, Bahrain.<sup>73</sup>

## 9. European Union: +1

The European Union (EU) has demonstrated an acceptable level of compliance with regard to the Democracy Assistance Dialogue (DAD), a component of the Forum for the Future initiative presented at the Sea Island Summit in June 2004. Specifically, the EU has demonstrated compliance through its participation in the Forum for the Future, held on December 11, 2004 in

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<sup>67</sup> *Intervention at the Opening Plenary of the Forum For the Future*, U.S. Department of State Website (Washington) 11 December 2004. Date of Access: 9 January 2005 [www.state.gov/secretary/rm/39675.htm]

<sup>68</sup> *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

<sup>69</sup> “Egypt Delays Mideast Reform Conference Indefinitely,” *The Daily Star* (Beirut) 21 February 2005. Date of Access: 1 May 2005 [www.dailystar.com.lb/article.asp?edition\_ID=10&article\_ID=12831&categ\_id=2] & *US Ambassador to Egypt, David Welch, Remarks of March 3, 2005*, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005 [cairo.usembassy.gov/ambassador/sp030305.htm]

<sup>70</sup> *US Ambassador to Egypt, David Welch, Remarks of March 3, 2005*, US Embassy in Egypt Website (Cairo) 3 March 2005. Date of Access: 1 May 2005 [cairo.usembassy.gov/ambassador/sp030305.htm]

<sup>71</sup> *Prepared Statement following the Meeting of the G7 Finance Ministers and Central Bank Governors*, G8 Information Centre Website (Toronto) 16 April 2005. Date of Access: 1 May 2005 [www.g8.utoronto.ca/finance/fm050416\_snow.htm] & *Secretary Snow G8/BMENA Statement*, Department of the Treasury Website (Washington) 17 April 2005. Date of Access: 1 May 2005 [www.treas.gov/press/releases/js2386.htm]

<sup>72</sup> *Arab, G-8 Education Ministers to Convene in Amman*, Jordan Embassy US Website (Washington) 5 May 2005. Date of Access: 2 May 2005 [www.jordanembassyus.org/05052005001.htm]

<sup>73</sup> *Upcoming Ministerials*, Government of Canada. Date of Access: 1 May 2005 [www.g8.gc.ca/ministerials-en.asp] & *Chair's Summary*, G8 Information Centre Website (Toronto) 11 December 2004. Date of Access: 15 January 2005 [www.g8.utoronto.ca/meetings-official/forumforfuture\_041211.htm]

Rabat, Morocco and its use of the DAD to better adapt its own instruments of partnership and cooperation with the region, e.g. the Strategic Partnership, the Barcelona Process and the European Neighbourhood Policy.<sup>74</sup>

The EU's desire to use the DAD as a base for its own programs is evidenced by the recently unveiled 5-year work program aimed at reinforcing the Euro-Mediterranean Partnership.<sup>75</sup> The program put forth concrete proposals for progress in three areas critical for the future of the region: education, sustainable economic growth; and human rights and democracy. In addition, the work program also covers social reforms, environment, migration, weapons of mass destruction and counter-terrorism. Commissioner for External Relations and European Neighbourhood Policy, Benita Ferrero-Waldner, said "The Work Program proposed...has all the ingredients to reinvigorate the Euro-Med partnership as it enters its second decade."<sup>76</sup>

Finally, the EU has established a timeline for these initiatives that outlines the goals of the program in 2005, 2006, 2007 and 2010.<sup>77</sup> Most relevant to the progress of the DAD is the commitment to hold, by 2006, "A Euro-Mediterranean Conference on gender equality with the participation of government representatives and civil society and social partners should take place. The Conference should concentrate on the comparison of best practices within the region to raise the role of women in society and their contribution to human development," and to create a "Democracy facility" by 2007.<sup>78</sup>

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23 May 2005

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<sup>74</sup> *Forum for the Future*, EuropaWorld Website (Cowbridge), 10 December 2004. Date of Access: 4 January 2005 [www.europaworld.org/week204/forum101204.htm]

<sup>75</sup> *Euro-Mediterranean Partnership / Barcelona Process*, EuropaWorld Website (Cowbridge), 12 April 2005. Date of Access 11 May 2005 [europa.eu.int/comm/external\_relations/euromed/]

<sup>76</sup> *Euro-Mediterranean Partnership / Barcelona Process*, EuropaWorld Website (Cowbridge), 12 April 2005. Date of Access 11 May 2005. [europa.eu.int/comm/external\_relations/euromed/]

<sup>77</sup> *Euro-Mediterranean Partnership / Barcelona Process*, EuropaWorld Website (Cowbridge), 12 April 2005. Date of Access 11 May 2005 [europa.eu.int/comm/external\_relations/euromed/]

<sup>78</sup> *Euro-Mediterranean Partnership / Barcelona Process*, EuropaWorld Website (Cowbridge), 12 April 2005. Date of Access 11 May 2005. [europa.eu.int/comm/external\_relations/euromed/]

## **Broader Middle East & North Africa Initiative: Iraqi Elections Support**

### **Commitment**

“We pledge to provide support and assistance for the electoral process leading to national elections for the Transitional National Authority [of Iraq] no later than January 31, 2005.”

*Partnership for Progress and a Common Future with the  
Region of the Broader Middle East and North Africa*

### **Background**

The G8's Sea Island commitment to providing assistance and support for the Iraqi national elections does not come from a specific document pertaining to Iraq. Rather, it is a component of a larger initiative, strongly pushed by the United States at the 2004 Summit, to promote democratic and economic development across the Broader Middle East and North Africa (a region which spans from Morocco to Pakistan). The issue of Iraq is highly contentious amongst the G8, with four G8 member-states (US, UK, Japan and Italy) currently stationing troops in the country, while the other four maintain their strong political stances against the invasion and boast a strong domestic aversion to any kind of deployment of national troops in the occupation zone. In this context, elections can be viewed as a politically 'safe' issue for the G8 to endorse and is a principle supported by all member-states. The elections for a Transitional National Assembly took place on 30 January 2005 with a degree to considerable success considering the conditions. An estimated 72% of eligible Iraqis cast their ballot although voter turn-out was low amongst Sunni Muslims whose leaders has urged for a boycott.<sup>79</sup> This Assembly is currently in the process of forming a full national cabinet and will then be commissioned to draft a national constitution by 15 August 2005 — two goals which are both running considerably behind schedule. This constitution will then be approved through national referendum by 15 October 2005, paving the way for national elections of a permanent, fully-empowered government by 15 December 2005 — an event which may satisfy some US benchmarks for the withdrawal of US forces.<sup>80</sup>

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<sup>79</sup> “Iraqi Voter Turnout Exceeds Expectations,” *Voice of America (VOA) News* (Washington D.C) 31 January 2005. Date of Access: 1 June 2005 [[www.voanews.com/english/2005-01-31-voa2.cfm](http://www.voanews.com/english/2005-01-31-voa2.cfm)].

<sup>80</sup> “Q&A: Iraqi Elections” *BBC World News* (London) 18 January 2005. Date of Access: 20 January 2005 [[news.bbc.co.uk/1/hi/world/middle\\_east/3971635.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3971635.stm)].

## Assessment

Score	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia		0	
United Kingdom			+1
United States			+1
European Union			+1
Overall: 0.89			

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada has exhibited a notably high level of compliance with its 2004 Sea Island commitment to provide assistance and support to the national elections in Iraq by January 2005. Canada compliance activities been centered primarily in monetary contributions and most significantly, in providing technical and personnel assistance in monitoring the verifying the vote. This represents a stark policy reassessment by current Prime Minister Paul Martin since his predecessor Jean Chrétien decided Canada would not participate in the invasion of Iraq in March 2003. This policy angered decision-makers in Washington D.C and put considerable strain on the US-Canada relationship which is now beginning to thaw.

On 26 August 2004, Canada announced a pledge of CAD\$20-million to the United Nations Development Group (UNDG) Trust for Iraq. These funds were a part of a larger commitment of CAD\$100-million to the International Reconstruction Fund Facility for Iraq (IRFFI), made in October 2003 and will be financed by the Canadian International Development Agency (Canada's total aid pledged to the reconstruction of Iraq totals more than CAD\$300-million). CIDA stated that the pledge to the UNDP Trust for Iraq will be dedicated to providing "infrastructure and equipment for the Independent Electoral Commission of Iraq, voter registration, and registration and voting abroad."<sup>81</sup> In addition, Minister for International Cooperation Aileen Carroll stated that "Canada is pleased with the UN's leadership in helping Iraq during these important elections...[and that] Strengthening the democratic process is an area where Canada is making a significant contribution."<sup>82</sup>

At a multilateral level, Canada attended the NATO Istanbul summit of 28-29 June 2004 where one of the primary agenda-items was the issue of Iraqi national elections and the need for an adequate security environment in which to stage them. All NATO member states, including

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<sup>81</sup> *Press Release: Canadian Support for Iraqi Electoral Process*, Canadian International Development Agency (Ottawa) 26 August 2004. Date of Access: 29 December 2004 [[www.acdi-cida.gc.ca/cida\\_ind.nsf/vall/BDA1895AAA36DAB485256EFC004A3583?OpenDocument](http://www.acdi-cida.gc.ca/cida_ind.nsf/vall/BDA1895AAA36DAB485256EFC004A3583?OpenDocument)].

<sup>82</sup> *Press Release: Canadian Support for Iraqi Electoral Process*, Canadian International Development Agency (Ottawa) 26 August 2004. Date of Access: 29 December 2004 [[www.acdi-cida.gc.ca/cida\\_ind.nsf/vall/BDA1895AAA36DAB485256EFC004A3583?OpenDocument](http://www.acdi-cida.gc.ca/cida_ind.nsf/vall/BDA1895AAA36DAB485256EFC004A3583?OpenDocument)].



Canada, endorsed a *Statement on Iraq* in which Canada agreed to “offer full cooperation to the new sovereign Interim Government as it seeks to strengthen internal security and prepare the way to national elections in 2005.”<sup>83</sup> An initial NATO commitment of 60 personnel, which is to be bolstered to 300 in January,<sup>84</sup> was aimed specifically at helping to train Iraqi security forces ahead of the looming election — however, Canada is not known to have committed any troops to this project.<sup>85</sup>

Canada also attended the Sharm el-Sheikh Conference on Iraq on 23 November 2004 which brought together G8 governments, China, EU, UN, Middle Eastern governments and the Interim Government of Iraq to discuss Iraqi reconstruction and elections. Ottawa was represented by Foreign Affairs Minister Pierre Pettigrew and endorsed the Conference’s final statement that affirmed “the ‘leading role’” of the UN in helping Iraq prepare for elections and build consensus to write a new constitution.”<sup>86</sup> At Sharm el-Sheikh Pettigrew stated that “the upcoming elections will be a milestone in Iraq’s political transition. The security and organizational demands are great. We must each do our part in contributing to a credible vote.”<sup>87</sup> He also reaffirmed Canada’s monetary commitment to the United Nations Development Group Trust for Iraq.

Canada most significant contribution to the electoral process in Iraq has come in the form of coordinating multilateral technical and personnel assistance for monitoring the fairness of national poll. On 19-20 December 2004, Elections Canada, an independent agency created by Canadian Parliament, hosted the Iraq Election Monitoring Forum in Ottawa. The forum was attended by the Independent Electoral Commission of Iraq, the UN, and national elections boards from Canada, the United Kingdom, Bangladesh, Indonesia, Mexico, Panama and Albania. Overall the forum was intended to devise strategies for determining benchmarks for fairness and openness in the upcoming Iraqi elections and ways to measure them. At its conclusion, the forum agreed to create the International Missions for Iraqi Elections (IMIE) to be composed of Elections Canada, 7 other national elections boards (including Yemen) and the Association of Central and Eastern European Election Officials (ACEEEO).<sup>88</sup> The IMIE was mandated to monitor the Iraqi election and make assessment of the openness and fairness of its conduct and outcome — a process that did not involve election monitors on the ground but rather was conducted from regional centres in Amman, Jordan and in Canada. Elections Canada operates

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<sup>83</sup> Statement on Iraq: Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Istanbul on 28 June 2004. North Atlantic Treaty Organization (Brussels) 28 June 2004 Date of Access: 4 January 2005 [www.nato.int/docu/pr/2004/p04-098e.htm].

<sup>84</sup> “Name changes as Iraq mission grows. North Atlantic Treaty Organization” North Atlantic Treaty Organization (Brussels) 16 December 2004. Date of Access: 4 January 2005 [www.nato.int/shape/news/2004/12/i041216.htm].

<sup>85</sup> Keith B. Richburg. “NATO to Dispatch Additional Military Trainers to Iraq.” Washington Post (Washington D.C.) 23 September 2004. Date of Access: 8 January 2005 [www.washingtonpost.com/wp-dyn/articles/A43088-2004Sep22.html].

<sup>86</sup> “World leaders back Iraqi election” BBC News – UK Edition, November 23, 2004, Accessed December 28, 2004 Available: news.bbc.co.uk/1/hi/world/middle\_east/4035625.stm

<sup>87</sup> *Statement By The Hon. Pierre Pettigrew Minister Of Foreign Affairs Of Canada At The Sharm El-Sheikh Ministerial Meeting On Iraq*, Ministry of Foreign Affairs (Ottawa) 23 November 2004. Date of Access: 29 December 2004 [www.dfait-maeci.gc.ca/middle\_east/iraq\_sharm-el-sheikh-en.asp].

<sup>88</sup> *Press Releases and Media Advisories: Establishment Of An International Mission For Iraqi Elections*, Elections Canada (Ottawa) 20 December 2004. Date of Access: 29 December 2004 [www.elections.ca/content.asp?section=med&document=dec2004b&dir=pre&lang=e&textonly=false].

the Secretariat of the organizations as well as co-chair it with Yemen.<sup>89</sup> The IMIE will also monitor the referendum on the Iraqi National Constitution in October 2005 as well as the second national elections scheduled for December 2005.

Lastly, Canada also agreed to be one of the 14 countries selected by the Independent Electoral Commission of Iraq to host overseas polling stations during the January 30 elections. Such polls allowed Iraqi-born nationals living in Canada, as well as second-generation Iraqi-Canadians to vote in the national election. Five polling stations were set up in total — three in Toronto, one in Ottawa, and one in Calgary.<sup>90</sup> It was estimated that overseas polling will add another 1 million voters to the electoral registers.<sup>91</sup> By the end of the January 30 election, it was estimated that 93% of registered expatriate Iraqis did in fact cast a ballot in the election.<sup>92</sup>

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

Since the 2004 Sea Island Summit, France has fully complied with its commitment of providing support for elections in Iraq on or before 31 January 2005. Its President and cabinet members have repeatedly reiterated France's commitment to Iraqi elections. Indeed, France has acted through the signing of further international commitments, and with other members of international organizations such as the North Atlantic Treaty Organization (NATO) and the European Union (EU), to provide financial and other support for the holding of elections in Iraq. Most significantly, however, France has stated that its commitment to democracy in Iraq should extend beyond the January elections and include the support of the democratic process in the future, particularly for the establishment of an Iraqi constitution. To that end, France has promised several further avenues of assistance, both multilateral and independent.

It is clear that the official position of France has not wavered from support of Iraqi elections. Foreign Minister Michel Barnier has consistently indicated that elections in Iraq must take place, in spite of the inherent difficulties.<sup>93</sup> Indeed, the day of the elections, Mr. Barnier stated that “instability will be ended only through a political process, through democracy and elections”.<sup>94</sup>

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<sup>89</sup> “Foreign Team Will Watch Vote in Iraq from Jordan,” *New York Times* (New York) 23 December 2004. Date of Access: 29 December 2004 [[www.globalpolicy.org/security/issues/iraq/election/2004/1223safeteam.htm](http://www.globalpolicy.org/security/issues/iraq/election/2004/1223safeteam.htm)].

<sup>90</sup> “Iraqi Canadians register for overseas vote,” *Globe and Mail* (Toronto) 16 January 2005. Date of Access: 16 January 2005 [[www.theglobeandmail.com/servlet/story/RTGAM.20050116.wiraq-canada0116/BNStory/National/?query=overseas+vote](http://www.theglobeandmail.com/servlet/story/RTGAM.20050116.wiraq-canada0116/BNStory/National/?query=overseas+vote)].

<sup>91</sup> “1 Million overseas Iraqis may vote,” *CBS News* (New York) 12 January 2005. Date of Access: 15 January 2005 [[www.cbsnews.com/stories/2005/01/12/iraq/main666352.shtml](http://www.cbsnews.com/stories/2005/01/12/iraq/main666352.shtml)].

<sup>92</sup> “93 per cent of registered Iraq ex-pats vote,” *The Associated Press* (New York) 31 January 2005. Date of Access: 1 June 2005 [[www.ctv.ca/servlet/ArticleNews/story/CTVNews/1107182159124\\_25/?hub=World](http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/1107182159124_25/?hub=World)].

<sup>93</sup> “Ministerial Conference on Iraq: Interview given by M. Michel Barnier, Minister of Foreign Affairs, to ‘France 2’ and ‘TV5’” Embassy of France in the United States (Washington D.C.) 24 November 2004. Date of Access: 8 January 2005 [[www.info-france-usa.org/news/statmnts/2004/iraq\\_sharmelsheikh\\_tv5\\_france2\\_112304.asp](http://www.info-france-usa.org/news/statmnts/2004/iraq_sharmelsheikh_tv5_france2_112304.asp)].

<sup>94</sup> “Election In Iraq: Interview Given by M. Michel Barnier, Minister Of Foreign Affairs, to the ‘Le Parisien Dimanche’ Newspaper” Ministry of Foreign Affairs (Paris) 30 January 2005. Date of Access: 13 May 2005 [[www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20050131.gb.html#Chapitre2](http://www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20050131.gb.html#Chapitre2)].

French President Jacques Chirac himself made the point explicitly at a speech to the International Institute for Strategic Studies.<sup>95</sup>

These and other statements of support have been followed by action on a number of international fronts. France was a key participant at the Sharm-el-Sheikh conference of 22-23 November 2004 that saw a coming together of several nations to outline a plan of action for the holding of Iraqi elections. Indeed, it signed the conference's final communiqué which included the statement that the Interim Iraqi Government is encouraged to invite "representatives of the Iraqi political spectrum and civil society" to work together in holding free and fair elections.<sup>96</sup> In signing this document, France also reiterated the role of the United Nations (UN) in helping to organize the elections, and also expressed support for the planned election date of 30 January 2005.<sup>97</sup>

At the NATO Istanbul summit of 28-29 June 2004 all NATO member states, including France, signed a Statement on Iraq in which France agreed to "offer full cooperation to the new sovereign Interim Government as it seeks to strengthen internal security and prepare the way to national elections in 2005."<sup>98</sup> France, it must be noted however, did not contribute<sup>99</sup> to a NATO commitment of forces to train Iraqi security forces ahead of the election,<sup>100</sup> even as NATO agreed to increase its commitment to 300 personnel immediately before the election.<sup>101</sup> France's offer of "assist[ance] in training Iraqi security forces outside Iraq"<sup>102</sup> was not taken up by the US-led Multinational Force before the election,<sup>103</sup> but France has, since February, been participating in that aspect of the NATO mission.<sup>104</sup>

The EU (of which France is a member) through the European Commission made a specific commitment of €31.5 million in aid to support the "deployment of 3 European experts to Baghdad; to support the work of the Independent Election Commission through the UN Election Assistance Division" and a "[t]raining programme for up to 150 representatives from Iraqi

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<sup>95</sup> "Mr Jacques Chirac President of The French Republic at the International Institute For Strategic Studies" Office of the President (Paris) 18 November 2004. Date of Access: 6 January 2005 [[www.elysee.fr/cgi-bin/auracom/aurweb/search\\_ang/file?aur\\_file=discours/2004/0411UK12.html](http://www.elysee.fr/cgi-bin/auracom/aurweb/search_ang/file?aur_file=discours/2004/0411UK12.html)].

<sup>96</sup> International Ministerial Meeting of the Neighboring Countries of Iraq, The G8 and China: Final Communiqué of International Ministerial Meeting of the Neighboring Countries of Iraq, The G8 and China. Ministry of Foreign Affairs (Paris) 23 November 2004. Date of Access: 8 January 2005 [[www.diplomatie.gouv.fr/actu/article.gb.asp?ART=46125](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=46125)].

<sup>97</sup> Ibid.

<sup>98</sup> Statement on Iraq: Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Istanbul on 28 June 2004. North Atlantic Treaty Organization (Brussels) 28 June 2004 Date of Access: 4 January 2005 [[www.nato.int/docu/pr/2004/p04-098e.htm](http://www.nato.int/docu/pr/2004/p04-098e.htm)].

<sup>99</sup> Keith B. Richburg. "NATO to Dispatch Additional Military Trainers to Iraq" Washington Post (Washington D.C.) 23 September 2004. Date of Access: 8 January 2005 [[www.washingtonpost.com/wp-dyn/articles/A43088-2004Sep22.html](http://www.washingtonpost.com/wp-dyn/articles/A43088-2004Sep22.html)].

<sup>100</sup> Ibid.

<sup>101</sup> "Divided Nato to boost Iraq force" BBC News Online (London) 28 January 2005. Date of Access: 13 May 2005 [[news.bbc.co.uk/1/hi/world/europe/4077631.stm](http://news.bbc.co.uk/1/hi/world/europe/4077631.stm)].

<sup>102</sup> Statement by the Foreign Ministry Spokesperson. Ministry of Foreign Affairs (Paris) 18 November 2004. Date of Access: 5 January 2005 [[www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45984](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45984)].

<sup>103</sup> Brian Knowlton, "France offered help on Iraq a year ago" International Herald Tribune (Neuilly Cedex, France) 11 December 2004. Date of Access: 8 January 2005.

<sup>104</sup> "US and Europe unite on Iraq aid" BBC News Online (London) 22 February 2005. Date of Access: 14 May 2005 [[news.bbc.co.uk/1/hi/world/europe/4286133.stm](http://news.bbc.co.uk/1/hi/world/europe/4286133.stm)].

domestic observer groups.”<sup>105</sup> It was widely noticed, however, when Mr. Chirac did not attend a meeting of EU leaders with Interim Iraqi Prime Minister Iyad Allawi.<sup>106</sup> Mr. Barnier was, however, among EU Foreign Ministers in supporting the EU Integrated Rule of Law Mission for Iraq (EUJUST LEX), which will seek to bolster the capacity of the new Iraqi administration in the area of criminal law.<sup>107</sup>

France has indeed reiterated on several occasions that the elections on 30 January were important for the continued development of democracy in Iraq. Indeed, he explicitly made the links that the elections were a “the first step in a process ... [the elections have] to be used as a basis on which to build and make a success of the other stages, particularly the drawing-up of a Constitution.”<sup>108</sup> Immediately prior to the elections, France played host an official state visit by Interim Iraqi President Ghazi al-Yawar from 12–14 January.<sup>109</sup> In addition, France took the significant step of, at the same time, also hosting representatives of fourteen of Iraq’s political parties ahead of the elections for “meetings on how the French political system operates and how elections are organized.”<sup>110</sup> Additionally, France was one of fourteen nations wherein expatriate Iraqis were able to cast ballots in the weeks before the 30 January election.<sup>111</sup>

As noted, however, France has stated that its commitment to democracy in Iraq should extend beyond the elections held in January. In addition to several statements of support for the newly-elected interim government in Iraq, Mr. Barnier has supported a concrete plan for the coordination of democratic aid to Iraq.<sup>112</sup> He outlined a role for the UN and the EU, in coordinating international aid and the “restructuring of various Iraqi ministries” through the EUJUST LEX initiative, respectively.<sup>113</sup> At the same time, however, he presented several concrete, independent, French offers of assistance: a reiteration of its earlier commitment to train

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<sup>105</sup> “Commission offers fresh support for the electoral process in Iraq” European Commission (Brussels) 4 November 2004. Date of Access: 4 January 2005 [europa.eu.int/comm/external\_relations/iraq/news/ip04\_1340.htm].

<sup>106</sup> “Chirac ‘snubs’ Allawi at EU talks” BBC News Online (London) 5 November 2004. Date of Access: 5 January 2005 [news.bbc.co.uk/1/hi/world/europe/3984879.stm].

<sup>107</sup> “Comments by Javier Solana following Decision on EU Integrated Rule of Law Mission for Iraq (EUJUST LEX) and Appointment of Head of Mission” Council of the European Union (Brussels) 8 March 2005. Date of Access: 14 May 2005. [ue.eu.int/ueDocs/cms\_Data/docs/pressdata/en/declarations/84064.pdf].

<sup>108</sup> “Election In Iraq: Interview Given by M. Michel Barnier, Minister Of Foreign Affairs, to the ‘Le Parisien Dimanche’ Newspaper”. Ministry of Foreign Affairs (Paris) 30 January 2005. Date of Access: 13 May 2005 [www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20050131.gb.html#Chapitre2].

<sup>108</sup> “Mr Jacques Chirac President of The French Republic at the International Institute For Strategic Studies” Office of the President (Paris) 18 November 2004. Date of Access: 6 January 2005 [www.elysee.fr/cgi-bin/auracom/aurweb/search\_ang/file?aur\_file=discours/2004/0411UK12.html].

<sup>109</sup> Statement by the Foreign Ministry Spokesperson. Ministry of Foreign Affairs (Paris) 11 January 2005. Date of Access: 14 May 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=46979].

<sup>110</sup> Statement by the Foreign Ministry Spokesperson. Ministry of Foreign Affairs (Paris) 7 January 2005. Date of Access: 14 May 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=46917].

<sup>111</sup> “Expatriate Iraqis head to polls” BBC News Online (London) 28 January 2005. Date of Access: 13 May 2005 [news.bbc.co.uk/1/hi/world/middle\_east/4215393.stm].

<sup>112</sup> “Presentation by Michel Barnier at the general affairs / external relations council of a draft schema for aid coordination to Iraq” Statement by the Foreign Ministry Spokesperson. Ministry of Foreign Affairs (Paris) 22 February 2005. Date of Access: 14 May 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=47744].

<sup>113</sup> Ibid.

Iraqi security forces, to be “modeled on the gendarmerie;” month-long training sessions for up to 160 Iraqi police officers this coming summer; and the training of up to 30 Iraqi judges at the National School of the Magistrature in Bordeaux.<sup>114</sup> Mr. Barnier’s view that “instability [in Iraq] will be ended only through a political process”<sup>115</sup> and “won’t be ended by additional soldiers or military operations,” is in line with the focus of these French efforts to boost the capacity of the political leaders of Iraq on the way towards democracy and a constitution.<sup>116</sup> These efforts, coupled with France’s statements and actions prior to the elections themselves, are indicative of full compliance with its Sea Island commitment to support democratic elections in Iraq.

### 3. Germany: +1

Germany has fully complied with its commitment towards supporting Iraqi elections by 31 January 2005, and has, furthermore, continued efforts at democratizing Iraq in the months after the Iraqi election. Statements by its Chancellor and Foreign Minister indicate clear support for Iraqi elections. Germany has, along with other G8 members, reaffirmed its commitment to Iraqi elections on several occasions and has acted through international organization such as the European Union (EU) and the North Atlantic Treaty Organization (NATO) towards its commitment. The German government refuses to station any security personnel directly in Iraq, but it has trained Iraqi soldiers and police ahead of and subsequent to the Iraqi elections. In addition it has provided financial support to the actions of German non-governmental organizations (NGOs) to run several programs in Iraq to directly support the 30 January 2005 elections and democratizing efforts beyond that date.

These direct actions have been buttressed by German work to build international support for the elections. Germany participated in the Sharm-el-Sheikh conference in late November 2004 where Foreign Minister Joschka Fischer reiterated Germany’s commitment to elections and stated that Iraq “cannot [be] effectively stabilize[d] ... through military means alone; rather, political solutions are required” and that “[i]n this respect, the elections that are planned for January 2005 are of central importance.”<sup>117</sup> In the communiqué signed at the end of the summit, Germany further committed to the role that the United Nations (UN) is to play in organizing the elections and supporting a 30 January 2005 election date.<sup>118</sup>

Through Germany’s membership in the EU and its seat on the European Council, Mr. Schröder reaffirmed that “[t]he elections planned for January 2005 are an important step ... and the

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<sup>114</sup> Ibid.

<sup>115</sup> “Election In Iraq: Interview Given by M. Michel Barnier, Minister Of Foreign Affairs, to the ‘Le Parisien Dimanche’ Newspaper” Ministry of Foreign Affairs (Paris) 30 January 2005. Date of Access: 13 May 2005 [[www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20050131.gb.html#Chapitre2](http://www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20050131.gb.html#Chapitre2)].

<sup>116</sup> *Standpoint No. 107*. Embassy of France in Washington – Press and Communication Service. (Washington D.C.) 4 February 2005. Date of Access: 15 May 2005 [[www.info-france-usa.org/news/standpoint/stand107.asp](http://www.info-france-usa.org/news/standpoint/stand107.asp)].

<sup>117</sup> “Speech by Federal Minister Fischer at the international conference on Iraq, Sharm el-Sheikh, 23 November 2004” Federal Foreign Office (Berlin) 23 November 2004. Date of Access: 8 January 2005. [[www.auswaertiges-amt.de/www/en/ausgabe\\_archiv?archiv\\_id=6493](http://www.auswaertiges-amt.de/www/en/ausgabe_archiv?archiv_id=6493)].

<sup>118</sup> International Ministerial Meeting of the Neighboring Countries of Iraq, The G8 and China: Final Communiqué of International Ministerial Meeting of the Neighboring Countries of Iraq, The G8 and China. Ministry of Foreign Affairs (Paris) 23 November 2004. Date of Access: 8 January 2005. [[www.diplomatie.gouv.fr/actu/article.gb.asp?ART=46125](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=46125)].

European Council noted the importance of the EU's continued support for these."<sup>119</sup> The European Commission also announced on 4 November 2004 an election aid package of €31.5 million to fund the sending of elections experts to Iraq, the establishment of a training program for Iraqi election observers and voter outreach programs aimed at women.<sup>120</sup> After the elections, on 21 February 2005, Germany and other EU members committed themselves to "an integrated European mission for the rule of law in Iraq", known as EUJUST LEX, that Germany plans to support with training for 40 or more Iraqi officials.<sup>121</sup>

Germany, along with other NATO countries, signed the Statement on Iraq at the NATO Istanbul Summit on 29 June 2004. In this document, Germany and its allies recognized the need to "strengthen internal security and prepare the way to national elections in 2005."<sup>122</sup> German Chancellor Gerhard Schröder expressed the view that this was a key element in "seeing the emergence of a stable and democratic Iraq."<sup>123</sup> In spite of Germany's stated position of not sending German security personnel to Iraq,<sup>124</sup> this signed pledge was followed up with a plan of training measures for Iraqi army forces ahead of the election.<sup>125</sup> For a period from mid-November to late December 2004, a team of 34 German personnel trained Iraqi soldiers in the United Arab Emirates "pursuant to decisions taken at the NATO summit".<sup>126</sup> Germany's Bundeswehr also currently provides air transport for Iraqi trainees involved in the NATO training in Europe.<sup>127</sup> These efforts represent part of a total commitment of €17 million "for equipment aid and training for Iraqi security forces" both before and after the 30 January 2005 elections.<sup>128</sup>

What can be taken as a sign of further commitment, in addition to this training, the German Federal Office of Criminal Investigation (BKA) has also established a training school in the

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<sup>119</sup> "European Council Declaration on the Relation Between the EU and Iraq" Presidency Conclusions, Council of the European Union (Brussels) 5 November 2004. Date of Access: 6 January 2005.

[europa.eu.int/comm/external\_relations/gac/pres\_concl/nov2004.pdf#iraqdeclaration].

<sup>120</sup> "Commission offers fresh support for the electoral process in Iraq." European Commission (Brussels) 4 November 2004. Date of Access: 4 January 2005.

[europa.eu.int/comm/external\_relations/iraq/news/ip04\_1340.htm].

<sup>121</sup> "German aid for the stabilization and reconstruction of Iraq" Federal Foreign Office (Berlin) 16 February 2005. Date of Access: 14 May 2005. [www.auswaertiges-amt.de/www/en/laenderinfos/info\_irak/wiederaufbau\_html].

<sup>122</sup> Statement on Iraq: Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Istanbul on 28 June 2004. North Atlantic Treaty Organization (Brussels) 28 June 2004. Date of Access: 4 January 2005 [www.nato.int/docu/pr/2004/p04-098e.htm].

<sup>123</sup> "NATO Praises German Efforts" Press and Information Office of the Federal Government (Berlin) 1 July 2004. Date of Access: 5 January 2005. [www.bundesregierung.de/en/dokumente/-,10001.676641/Artikel/dokument.htm].

<sup>124</sup> Ibid.

<sup>125</sup> "German government approves joint support measures for Iraq" Press and Information Office of the Federal Government (Berlin) 5 October 2004. Date of Access: 5 January 2005. [www.bundesregierung.de/en/dokumente/-,10001.724367/Pressemitteilung/dokument.htm].

<sup>126</sup> "German armed forces begin training Iraqi military personnel" Press and Information Office of the Federal Government (Berlin) 17 November 2004. Date of Access: 5 January 2005.

[www.bundesregierung.de/en/dokumente/-,10001.746438/Artikel/dokument.htm].

<sup>127</sup> "German aid for the stabilization and reconstruction of Iraq" Federal Foreign Office (Berlin) 16 February 2005. Date of Access: 14 May 2005. [www.auswaertiges-amt.de/www/en/laenderinfos/info\_irak/wiederaufbau\_html].

<sup>128</sup> Ibid.

UAE for Iraqi police.<sup>129</sup> 420 Iraqi police had been trained by November and this training was extended beyond the date of the elections. Beginning on 26 January 2005, a new training programme run by 10 BKA experts was begun specifically to prepare 30 Iraqis<sup>130</sup> for duty as bodyguards in the protection of the members of the newly-elected Iraqi interim government.<sup>131</sup>

In addition to these commitments, Germany had pledged significant funds for election and stabilization support programs of its own. It has committed €4 million for the protection of the UN mission in Iraq, which is to play a central role in the elections process,<sup>132</sup> and an additional €1 million which went directly to the support of the January 2005 elections.<sup>133</sup> 120 elections observers from “independent Iraqi organizations” were trained in Amman, Jordan from September through mid-December through a program funded by the Federal Foreign Office and organized by the Friedrich Ebert Foundation that created a network of some 2,500 elections observers.<sup>134</sup> Germany also provided €150,000<sup>135</sup> for the establishment of an Iraqi radio programme in December 2004 aimed at raising awareness of the 30 January election and election procedures.<sup>136</sup> Most recently, Germany has provided €674,000 for the funding of de-mining efforts in Iraq after the election, to buttress its other stabilization efforts.<sup>137</sup>

#### 4. Italy: +1

Italy has registered a strong level of compliance with commitments made for assisting the Iraqi electoral process, focusing mainly on the issue of security, which United Nations Secretary-General, Kofi Annan, has declared is indispensable in holding “credible elections.”<sup>138</sup>

Italy has been keeping 3,500 troops stationed in Iraq and was said by Italian foreign minister Gianfranco Fini to maintain this troop presence beyond the January 2005 elections, “until after the country has elected a new government and the new government is satisfied it no longer needs

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<sup>129</sup> “German aid for the stabilization and reconstruction of Iraq” Federal Foreign Office (Berlin) 16 February 2005. Date of Access: 14 May 2005. [[www.auswaertiges-amt.de/www/en/laenderinfos/info\\_irak/wiederaufbau\\_html](http://www.auswaertiges-amt.de/www/en/laenderinfos/info_irak/wiederaufbau_html)].

<sup>130</sup> Ibid.

<sup>131</sup> Gebauer, Matthias. “How Germany Is Training Iraqis for the World's Toughest Job” SPIEGEL ONLINE (Berlin) 17 February 2005. [[service.spiegel.de/cache/international/0,1518,342236,00.html](http://service.spiegel.de/cache/international/0,1518,342236,00.html)].

<sup>132</sup> “IRAQ CRISIS: Weekly round-up Number 77 for 28 August - 3 September” UN Office for the Coordination of Humanitarian Affairs (New York) 4 September 2004. Accessed 8 January 2005 [[www.plusnews.org/report.asp?ReportID=43005&SelectWeekly=Weekly&WRegion=Middle\\_East](http://www.plusnews.org/report.asp?ReportID=43005&SelectWeekly=Weekly&WRegion=Middle_East)].

<sup>133</sup> “German aid for the stabilization and reconstruction of Iraq.” Federal Foreign Office (Berlin) 2 December 2004. Date of Access: 8 January 2005 [[www.auswaertiges-amt.de/www/en/laenderinfos/info\\_irak/wiederaufbau\\_html](http://www.auswaertiges-amt.de/www/en/laenderinfos/info_irak/wiederaufbau_html)].

<sup>134</sup> “German aid for the stabilization and reconstruction of Iraq” Federal Foreign Office (Berlin) 2 December 2004. Date of Access: 8 January 2005 [[www.auswaertiges-amt.de/www/en/laenderinfos/info\\_irak/wiederaufbau\\_html](http://www.auswaertiges-amt.de/www/en/laenderinfos/info_irak/wiederaufbau_html)].

<sup>135</sup> “Federal Foreign Office funds election radio programme in Iraq” Federal Foreign Office (Berlin) 21 December 2004. Date of Access: 8 December 2004 [[www.auswaertiges-amt.de/www/en/ausgabe\\_archiv?archiv\\_id=6621](http://www.auswaertiges-amt.de/www/en/ausgabe_archiv?archiv_id=6621)].

<sup>136</sup> Sebastian Usher, “Radio station to help Iraqis decide” BBC News Online (London) 16 December 2004. Date of Access: 8 January 2005 [[news.bbc.co.uk/1/hi/world/middle\\_east/4100183.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4100183.stm)].

<sup>137</sup> “Federal Foreign Office provides 674,000 euro for humanitarian demining in Iraq” Federal Foreign Office (Berlin) 22 February 2005. Date of Access: 15 May 2005. [[www.auswaertiges-amt.de/www/en/ausgabe\\_archiv?archiv\\_id=6843](http://www.auswaertiges-amt.de/www/en/ausgabe_archiv?archiv_id=6843)].

<sup>138</sup> “Excerpts: Annan interview,” *BBC World News* (London) 16 September 2004. Date of Access: 10 January 2005. [[news.bbc.co.uk/1/hi/world/middle\\_east/3661640.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3661640.stm)].

international forces to guarantee stability.”<sup>139</sup> Security emerged as a critical issue in the elections and the ability to create a safe and secure environment through troop deployment was a major form of compliance for G8 countries like Italy, the US and the UK. As of yet, Italy has made no plans to withdraw its troops from Iraq.<sup>140</sup>

Italy’s main military operations in support of the elections have been centered around aiding Iraq’s implementation of a policy of stabilization and local training in the Iraqi province of Dhi Qar, where Rome’s military contingent is deployed. The Italian contingent has offered a training course for a delegation of Iraqi government representatives from the province with the aim of supporting local institutions involved in bringing about a free and democratic Iraq, while, at the same time, increasing the security of that region.<sup>141</sup>

Italy, furthermore, showed unwavering support and enthusiasm for the International Conference on Iraq, convened on 24 November at Sharm el-Sheikh, Egypt. The Italian delegation at the conference was led by Foreign Minister Gianfranco Fini. The minister joined representatives from the UN, G8, EU, China, Egypt, Iraq and other Middle Eastern countries in endorsing the full implementation of UN resolution 1546, which calls for supporting the temporary Iraqi government as well as national elections in the country by January 2005.<sup>142</sup> Fini also emphasized the necessity of broadening the political process to involve all civil society and religious groups.

Italy, as a member of the EU, is also affiliated with a package of aid provided to the Independent Electoral Commission of Iraq by the European Union at the Sharm el-Sheikh conference. The package, which amounts to over €30 million, is to be used “to support preparation of the elections by the Independent Electoral Commission, technical expertise, voter outreach particularly to women, media development and training of Iraqi election observers.”<sup>143</sup>

In a statement made on 28 January, foreign minister Gianfranco Fini called the upcoming elections “a fundamental phase in the process destined to ensure a future of democracy and freedom for all Iraqis,” and reaffirmed the commitment of the Italian government to establishing a fruitful collaboration with Iraq, “characterised by a spirit of friendship and partnership.”<sup>144</sup> Following the elections, Minister Fini met with U.S. Secretary of State Condoleezza Rice on 8

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<sup>139</sup> Italy to keep Troops in Iraq, Fini Vows, Ministry of Foreign Affairs (Rome) 6 December 2004. Date of Access: 10 January 2005. [www.esteri.it/eng/0\\_1\\_01.asp?id=557](http://www.esteri.it/eng/0_1_01.asp?id=557).

<sup>140</sup> “America's 'dwindling coalition',” *BBC World News* (London) 6 May 2005. Date of Access: 15 May 2005. [news.bbc.co.uk/1/hi/world/americas/4523857.stm](http://news.bbc.co.uk/1/hi/world/americas/4523857.stm).

<sup>141</sup> Minister Frattini received a delegation of local government representatives from the Iraqi province of Dhi Qar, Ministry of Foreign Affairs (Rome) 28 October 2004. Date of Access: 3 January 2005. [www.esteri.it/eng/0\\_1\\_01.asp?id=485](http://www.esteri.it/eng/0_1_01.asp?id=485).

<sup>142</sup> International Conference on Iraq, Ministry of Foreign Affairs (Rome) 23 November 2004. Date of Access 3 January 2005. [www.esteri.it/eng/0\\_1\\_01.asp?id=527](http://www.esteri.it/eng/0_1_01.asp?id=527).

<sup>143</sup> Sharm el Sheikh: The EU offers Iraq Support and Partnership, European Commission External Relations Directorate General (Brussels) 22 November 2004. Date of Access 10 January 2005. [europa.eu.int/comm/external\\_relations/iraq/news/ip04\\_1388.htm](http://europa.eu.int/comm/external_relations/iraq/news/ip04_1388.htm).

<sup>144</sup> Statement by Minister for Foreign Affairs Gianfranco Fini on the Iraqi elections, Ministry of Foreign Affairs (Rome) 28 January 2005. Date of Access: 15 May 2005. [www.esteri.it/eng/0\\_1\\_01.asp?id=651](http://www.esteri.it/eng/0_1_01.asp?id=651).



February and discussed the possibility of a new international conference on Iraq to outline the situation in the country past the elections.<sup>145</sup>

## 5. Japan: +1

Japan demonstrated a high level of compliance with their commitment to aid Iraq in the electoral process leading to national elections for the Transitional National Authority. Japan's contribution includes monetary assistance, training of election officials, facilitating meetings of donor committee and monitoring overseas voting. However, Japan's commitment to future electoral processes such as the referendum on the Iraqi constitution in October, or the elections for the next National Assembly in December is not yet clearly specified.

Japan hosted the Third Expanded Meeting of the Donor Committee of the International Reconstruction Fund Facility for Iraq, in Tokyo on the 13th of October, 2004.<sup>146</sup> In response to appeals made by the Iraqi Independent Elections Commission and the UN at this meeting, several donors made announcements of contributions in support of the electoral process and other countries indicated they would announce contributions in the near future.<sup>147</sup> Japan announced that it would contribute \$40 million (USD) of its overall contribution to supporting the elections in Iraq. Japan also attended the Sharm el Sheikh international conference on Iraq on November 22, 2004 at which national elections were the main topic of discussion. They endorsed the conference's final statement which affirmed "the 'leading role'" of the UN in helping Iraq prepare for elections and build consensus to write a new constitution."<sup>148</sup> Japan was one of the three largest donors to the election preparations in Iraq, along with the US and the EU.<sup>149</sup>

In December, 2004, in order to facilitate the electoral process, Japan trained ten Iraqi election officials from the election board of the southern Iraqi province of Muthania and the board's supervisory body in Baghdad.<sup>150</sup> Japan also participated in international observation of the out-of-country voting for the Iraqi elections. Japanese embassy staffs in France, Iran, Jordan, Turkey, Sweden, Syria, the United Arab Emirates and the U.K. participated in the international observation of the overseas voting in their respective countries from January 28th to January 30th, 2005.<sup>151</sup>

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<sup>145</sup> Minister Fini meets with United States Secretary of State Condoleezza Rice, Ministry of Foreign Affairs (Rome) 28 January 2005. Date of Access: 15 May 2005. [www.esteri.it/eng/0\\_1\\_01.asp?id=668](http://www.esteri.it/eng/0_1_01.asp?id=668).

<sup>146</sup> Embassy of Japan in Washington DC Press Release: Japan Hosted International Meeting for Reconstruction of Iraq.

<sup>147</sup> The Ministry of Foreign Affairs of Japan: Chair's Summary of the Expanded Meeting of the International Reconstruction Fund for Iraq, 13 October, 2004. Date of Access: 11 January, 2005 [[www.mofa.go.jp/region/middle\\_e/iraq/issue2003/irffi/summary.html](http://www.mofa.go.jp/region/middle_e/iraq/issue2003/irffi/summary.html)]

<sup>148</sup> "World leaders back Iraqi election" BBC News – UK Edition, November 23, 2004. Date of Access: 28 December, 2004 [[news.bbc.co.uk/1/hi/world/middle\\_east/4035625.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4035625.stm)]

<sup>149</sup> U.S. Department of State fact sheet: State Department Recaps Details of Iraqi Election, 05 January, 2005. Date of Access: 06 January, 2005 [[tokyo.usembassy.gov/e/p/tp-20050106-15.html](http://tokyo.usembassy.gov/e/p/tp-20050106-15.html)]

<sup>150</sup> "Iraq election officials to be trained in Japan," Japan Today, 14 December, 2004. Date of Access: 07 January, 2005 [[www.japantoday.com/e/?content=news&cat=9&id=321898](http://www.japantoday.com/e/?content=news&cat=9&id=321898)]

<sup>151</sup> Ministry of Foreign Affairs of Japan: Japan to participate in the international observation of the OCV (Out-of-Country-Voting) of the National Assembly election of Iraq, 28 January, 2005. Date of Access: 13 May, 2005 [[www.mofa.go.jp/announce/announce/2005/1/0128.html](http://www.mofa.go.jp/announce/announce/2005/1/0128.html)]

It should be noted that Tokyo has stationed approximately 500 troops from the Japanese Self-Defense Forces in Iraq. While in the case of the United States and the United Kingdom troop deployment has been considered evidence of compliance towards the above commitment, in the case of Japan the deployment of troops has been excluded. This is due to the fact that US and UK troops are operating in a combat role designed to bring security to Iraq which has been recognized by the UN and the international community as an essential prerequisite for the elections. Japanese troops, however, as operating in a strictly non-combat role with their activities limited to purifying water and rebuilding infrastructure in the Muthana region of southern Iraq.<sup>152</sup> As such, it would be too broad and inclusive to consider this direct compliance with the commitment in question.

The government of Japan has hailed the Iraqi elections and the subsequent appointment of the Iraqi Transitional Government as “...an important step toward the democratization of Iraq, which brings the country into a new stage.”<sup>153</sup> At the 14th EU-Japan summit at Luxembourg in May, 2005, Prime Minister of Japan, Mr Junichiro Koizumi, issued a joint statement with the EU leadership welcoming, “... the formation of the new transitional Iraqi government” and, “... reaffirmed the importance [of] the continuing implementation of the next stages laid down in Resolution 1546, including the drafting of a permanent Constitution, leading to the establishment of a Government by 31 December 2005 at the latest.”<sup>154</sup> However, in spite of its intent, Japan has yet to declare specific contributions towards successful implementation of the referendum on the Iraqi constitution in October, or the December elections for the next National Assembly.

## **6. Russia: 0**

The Russian Federation has registered a very-low level of compliance with its the 2004 Sea Island Greater Middle East Initiative commitment of guaranteeing democratic elections in Iraq by January 2005. The Russian Federation’s recent post-election statements in support of Iraqi elections lessen but do not neutralize the pernicious effects of its dubious, pre-election level of support.

The Russian Federation had, at times, voiced vocal support for a free and democratic Iraq and discussed the matter in depth during a bilateral meeting between Putin and Iraqi interim Prime Minister Iyad Allawi on 7 December 2004. In a speech addressed to Allawi, President Putin proclaimed that the Russian Federation was “prepared to support all your efforts directed towards political stabilisation in your country.”<sup>155</sup> However, the Russian Federation’s

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<sup>152</sup> “Japan OKs plan to keep troops in Iraq,” *USA Today* (McLean, VA, US) 9 December 2004. Date of Access: 16 January 2005 [[www.usatoday.com/news/world/iraq/2004-12-09-japan-troops\\_x.htm](http://www.usatoday.com/news/world/iraq/2004-12-09-japan-troops_x.htm)].

<sup>153</sup> The Ministry of Foreign Affairs of Japan: Statement by Mr. Nobutaka Machimura, Minister for Foreign Affairs, on the new President and Prime Minister of the Iraqi Transitional Government, 08 April, 2005. Date of Access: 13 May, 2005 [[www.mofa.go.jp/announce/announce/2005/4/0408-3.html](http://www.mofa.go.jp/announce/announce/2005/4/0408-3.html)]

<sup>154</sup> Speeches and Statements by Prime Minister Junichiro Koizumi: 14th Japan-EU Summit, Luxembourg, 2 May 2005 Joint Press Statement. Date of Access: 13 May, 2005 [[www.kantei.go.jp/foreign/koizumispeech/2005/05/02seimei\\_e.html](http://www.kantei.go.jp/foreign/koizumispeech/2005/05/02seimei_e.html)]

<sup>155</sup> *Start of a meeting of Russian President Vladimir Putin with the Prime Minister of the Interim government of Iraq, Iyad Allawi*, Moscow, the Kremlin, December 8, 2004, Ministry of Foreign Affairs of the Russian Federation (Moscow), Accessed December 29, 2004, Available: [[www.ln.mid.ru/Brp\\_4.nsf/arh/5EFEB6DD02014DEC3256F6400450CB8?OpenDocument](http://www.ln.mid.ru/Brp_4.nsf/arh/5EFEB6DD02014DEC3256F6400450CB8?OpenDocument)]

commitment has been ultimately undermined President Putin's other comments made at the same time. President Putin has claimed on separate occasions that "I very much doubt whether it is possible to ensure [elections] will be democratic when the country is completely occupied by foreign troops;"<sup>156</sup> and that "I cannot imagine how elections can be organised when the country is completely occupied by foreign troops."<sup>157</sup>

The Russian Federation deserves credit for its recent support of the Iraqi election. President Vladimir Putin called the election "an important event, maybe a historic event, for the Iraqi people because it is undoubtedly a step toward democratization of the country."<sup>158</sup> Furthermore, the Federation pledged to continue "to render the Iraqi people assistance in overcoming the problems brought on by the war and terror" immediately following the elections.<sup>159</sup> Meanwhile, the Russian Federation's continued support of the United Nations point further toward a level of compliance.

While its support of the United Nations and its pledge to redeploy various technical specialists to Iraq<sup>160</sup> are encouraging, the Russian Federation's commitment to securing democratic elections in Iraq has been less-than-full. It offered no technical or logistical assistance, did not host polls within its own borders, and remained absent from issue-specific international organizations like the Independent Electoral Commission of Iraq. Likewise, it has been silent on the prospects of future elections and the Russian Federation's role in guaranteeing a democratic future in Iraq. The shadow of its tenuous pre-election support still hangs over the Russian Federation's compliance in this issue-area

## 7. United Kingdom: +1

The United Kingdom has measured a significantly high level of compliance in the second-half of the compliance year toward guaranteeing democratic elections in Iraq by 2005 as committed at the 2004 G8 Island Summit. Its contribution was focused in its technical and logistic support both in Iraq and at home in the United Kingdom, significant troop contribution to the multinational force in Iraq, its work with the United Nations, and the North Atlantic Treaty Organization, and its consistent statements of support.

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<sup>156</sup> Vladimir Putin, Press conference Dec. 23, 2004 Accessed December 29, 2004, Available: [www.ln.mid.ru/Brp\_4.nsf/arh/4FB0F1F9C0D53683C3256F740024DEC4?OpenDocument]

<sup>157</sup> *Start of a meeting of Russian President Vladimir Putin with the Prime Minister of the Interim government of Iraq, Iyad Allawi*, Moscow, the Kremlin, December 8, 2004, Ministry of Foreign Affairs of the Russian Federation (Moscow), Accessed December 29, 2004, Available:

[www.ln.mid.ru/Brp\_4.nsf/arh/5EFEB60DD02014DEC3256F6400450CB8?OpenDocument]

<sup>158</sup> "World leaders praise Iraq election," *USA Today* (McLean, VA, US) 31 January 2005 Accessed 11 May 2005 Available: www.usatoday.com/news/world/iraq/2005-01-31-iraq-world-reax\_x.htm

<sup>159</sup> *Statement by Alexander Yakovenko, the Spokesman of Russia's Ministry of Foreign Affairs, Regarding General Elections in Iraq*, Ministry of Foreign Affairs of the Russian Federation (Moscow), 31 January 2005 Accessed 11 May 2005 Available

www.ln.mid.ru/brp\_4.nsf/e78a48070f128a7b43256999005bcb3/90c5877be2258c26c3256f9a004bab86?OpenDocument

<sup>160</sup> "Russia is coming back to Iraq," *Pravda* (Moscow) 28 April 2005 Accessed 12 May 2005 Available: english.pravda.ru/main/18/88/354/15374\_Iraq.html

The UK held voting for Iraqi nationals at three different polling stations, one each in Glasgow, London and Manchester. Although barely a fifth of eligible voters in the UK cast ballots<sup>161</sup> and minor fights broke out at the Manchester polls,<sup>162</sup> the UK's electoral assistance to domestic Iraqi nationals, while far from perfect, can be called a success because it allowed Iraqis to cast ballots effectively, efficiently, and safely.

In addition to its work within its own borders, as a member of the International Mission for Iraqi Elections, the UK helped staff two election staffs to work with the UN in Baghdad. It also contributed \$10 million for Independent Electoral Commission of Iraq (IECI) security through the UN Trust Fund for elections, contributed to logistical help for the EU Commission for three EU electoral experts, and seconded two elections staff to work with the IECI and UN in Baghdad.<sup>163</sup>

The UK has consistently contributed thousands of troops to Iraq under the British Operation *Telic*—second in troop strength only to the United States.<sup>164</sup> The UK increased its troop commitment, which leads the multinational force in south eastern Iraq, to over 9000 strong in support of the elections.<sup>165</sup> Prior to the election, British troops worked to quell the insurgencies that threatened the elections and also to train Iraqi security forces, particularly in conjunction with the UN and NATO as a member of the UN-Mandated Multinational Force, which trains security forces and election officials.<sup>166</sup>

British officials have also remained stalwart in their support of the election. Prime Minister Tony Blair said ““We know there are many difficulties that lie ahead. But it was moving and humbling... to see the enthusiasm and clear-sighted courage of Iraqis who came out to vote for the first time in their lives... despite the dangers.””<sup>167</sup>

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

The United States has shown a strong and persistent compliance with its commitment in assisting the Iraqi electoral process as pledged at the 2004 Sea Island Summit. The US' compliance activities have been mainly directed through its provision of extensive security in Iraq, which, as stated by UN Secretary-General, Kofi Annan, is an essential precondition to “credible elections”

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<sup>161</sup> “UK Iraq elections voting closes” BBC News – UK Edition (London) 30 January 2005 Accessed 11 May 2005 Available: [news.bbc.co.uk/1/hi/uk/4219953.stm](http://news.bbc.co.uk/1/hi/uk/4219953.stm)

<sup>162</sup> “Iraqis clash at polling station” BBC News – UK Edition (London) 30 January 2005 Accessed 11 May 2005 Available: [news.bbc.co.uk/1/hi/england/manchester/4220437.stm](http://news.bbc.co.uk/1/hi/england/manchester/4220437.stm)

<sup>163</sup> “Iraq – Elections” British Foreign and Commonwealth Office (London) Accessed 11 May 2005 Available: [www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1100185192552](http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1100185192552)

<sup>164</sup> Operation *Telic* – British Forces, Ministry of Defence (London) Accessed 11 May 2005 Available: [www.operations.mod.uk/telic/forces.htm](http://www.operations.mod.uk/telic/forces.htm)

<sup>165</sup> “More UK troops being sent to Iraq” BBC UK (London) Accessed 11 May 2005 Available: [news.bbc.co.uk/1/hi/uk\\_politics/4212655.stm](http://news.bbc.co.uk/1/hi/uk_politics/4212655.stm)

<sup>166</sup> Iraq – Security/Multinational Force- Foreign and Commonwealth Office (London) Accessed 3 January 2005 Available: [www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394446](http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394446)

<sup>167</sup> “In quotes: Iraq election reaction” BBC News – UK Edition (London) Accessed 13 May 2005 Available: [news.bbc.co.uk/1/hi/world/middle\\_east/4220741.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4220741.stm)

in Iraq, and through monetary and logistical support.<sup>168</sup> Some world leaders, however, have criticized certain actions undertaken by the administration for alienating segments of the population and for thus rendering the outcome of the elections illegitimate.

The United States has played a significant role in economically supporting the conduct of the elections, pledging the largest amount of aid in the international community, over \$40 million, to the Independent Electoral Commission of Iraq, which was established to supervise the January 30 elections and to ensure a fair and transparent process.<sup>169</sup> The US also organized the Sharm el-Sheikh Conference on Iraq on 22 November 2004 which brought together the UN, G8 countries, EU, China, Egypt and other Middle Eastern countries and the Interim Government of Iraq to discuss Iraqi elections and reconstruction. Moreover, with a total of 150,000 troops present in Iraq, the United States employed a strong military presence to create safe and secure conditions for the elections. In Baghdad alone, the US deployed more than 35,000 troops before and during the national elections, in order to enhance security in the city and to provide an environment conducive to the conduct of elections.<sup>170</sup>

One of the most important efforts made by the United States in providing support for the Iraqi electoral process has been proclaimed by the administration to be the elimination of safe-havens for insurgents threatening the conduct of elections through the American military siege on the city of Fallujah. The move, however, came despite warnings by the United Nations Secretary-General, Kofi Annan, that such an attack would not be favourable to procuring fair and free elections in Iraq, as it would further alienate Iraqis and undermine elections in the country by reinforcing Iraqi perceptions of an enduring U.S. military occupation.<sup>171</sup> These concerns were later echoed by leaders from Arab and European countries at the Sharm-el-Sheikh conference who warned against U.S. actions in Iraq that alienated Sunnis in particular by removing them from the political process.<sup>172</sup>

The United States further demonstrated its support for Iraqi elections by vowing to provide security to U.N. election workers sent to Iraq to assist with the 30 January national parliamentary elections.<sup>173</sup> In addition, the United States agreed to be one of the 14 countries selected by the Independent Electoral Commission of Iraq to host overseas polling stations during the January 30 elections. Such polls allowed Iraqi-born nationals living in the US, as well as second-

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<sup>168</sup> "Excerpts: Annan interview," *BBC World News* (London) 16 September 2004. Date of Access: 10 January 2005. [news.bbc.co.uk/1/hi/world/middle\\_east/3661640.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3661640.stm).

<sup>169</sup> State Department Recaps Details of Iraqi Election, U.S. Department of State's Bureau of International Information Programs (Washington D.C.) 5 January 2005. Date of Access: 10 January 2005. [usinfo.state.gov/mena/Archive/2005/Jan/05-313271.html](http://usinfo.state.gov/mena/Archive/2005/Jan/05-313271.html).

<sup>170</sup> Strong U.S. Military Presence Enhances Iraq Election Security, U.S. Department of State's Bureau of International Information Programs (Washington D.C.) 6 January 2005. Date of Access: 10 January 2005. [usinfo.state.gov/is/Archive/2005/Jan/06-841144.html](http://usinfo.state.gov/is/Archive/2005/Jan/06-841144.html).

<sup>171</sup> "Annan warns against Fallujah offensive," *CBC News* (Toronto) 6 Nov 2004. Date of Access: 3 January 2005. [www.cbc.ca/story/world/national/2004/11/06/fallujah041106.html](http://www.cbc.ca/story/world/national/2004/11/06/fallujah041106.html).

<sup>172</sup> "Nations urge Iraq to broaden elections," *Philadelphia Inquirer* (Philadelphia) 24 November 2004. Date of Access: 3 January 2005. [www.philly.com/mld/inquirer/news/nation/10258242.htm](http://www.philly.com/mld/inquirer/news/nation/10258242.htm).

<sup>173</sup> U.S. to Assist in Providing Security for U.N. Election Workers in Iraq, U.S. Department of State's Bureau of International Information Programs (Washington D.C.) 17 December 2004. Date of Access: 3 January 2005. [usinfo.state.gov/mena/Archive/2004/Dec/20-911376.html](http://usinfo.state.gov/mena/Archive/2004/Dec/20-911376.html).

generation Iraqi-Americans to vote in the national election — provisions which had the potential of adding 234,000 votes to the Iraqi poll. A total of twenty-five polling stations were set up across Chicago, Nashville, Los Angeles, Detroit and Washington D.C. It was estimated at the time that overseas polling could add another 1 million voters to the electoral registers.<sup>174</sup>

On 18 January 2005, Iraq's Transitional Administrative Law defined the criteria for candidacy to Iraq's Transitional National Assembly and the timeline for the Assembly to complete its work in drafting a constitution.<sup>175</sup> Important dates include August 15 as the deadline for the drafting of a permanent constitution, October 15 for a referendum on the constitution, and December 31 for the installation of a new government, following elections.

Despite some sporadic violence, millions of Iraqis voted in the January 30 elections and 98.8 percent of the 5,232 polls that were expected to open did so.<sup>176</sup> The elections were praised by many U.S. officials, including President Bush, Secretary of State Condoleezza Rice and Defense Secretary Donald Rumsfeld. Meanwhile, on 3 February, Deputy Secretary of Defense Paul Wolfowitz stressed the need to rejoice about the election turnout with some degree of caution, due to the persisting terrorist threat.<sup>177</sup> Following the tallying of the votes by the Independent Electoral Commission, U.N. Under Secretary-General for Political Affairs, Kieran Prendergast, stated that the elections had “met recognized standards in terms of election organization, regulations and procedures,” and expressed satisfaction with the conduct of the polls.<sup>178</sup>

The Iraqi presidency council, consisting of President Jalal Talabani and his two deputy presidents, Adil Abd al-Mahdi and Ghazi Ajil al-Yawer, was chosen on 6 April 2005, following weeks of political stalemate.<sup>179</sup> Ibrahim Jaafari was later designated by the council as Prime Minister.<sup>180</sup> On 28 April, more than 12 weeks after the elections, Jaafari announced his cabinet line-up, which faced much criticism, particularly for its exclusion of Sunnis. Despite intense negotiations, furthermore, the 3 May swearing-in ceremony was conducted with several key

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<sup>174</sup> “1 Million overseas Iraqis may vote,” *CBS News* (New York) 12 January 2005. Date of Access: 15 January 2005 [[www.cbsnews.com/stories/2005/01/12/iraq/main666352.shtml](http://www.cbsnews.com/stories/2005/01/12/iraq/main666352.shtml)].

<sup>175</sup> Iraq's Transitional Administrative Law Defines Political Process, U.S. Department of State's Bureau of International Information Programs (Washington D.C.) 18 January 2005. Date of Access: 15 May 2005. [usinfo.state.gov/mena/Archive/2005/Jan/18-604071.html](http://usinfo.state.gov/mena/Archive/2005/Jan/18-604071.html).

<sup>176</sup> “Sporadic violence doesn't deter Iraqi voters,” *CNN World News* (Atlanta) 31 January 2005. Date of Access: 15 May 2005. [www.cnn.com/2005/WORLD/meast/01/30/iraq.main](http://www.cnn.com/2005/WORLD/meast/01/30/iraq.main).

<sup>177</sup> Difficulties Still Ahead for Democracy in Iraq, Wolfowitz Says, U.S. Department of State's Bureau of International Information Programs (Washington D.C.) 06 February 2005. Date of Access: 15 May 2005. [usinfo.state.gov/mena/Archive/2005/Feb/06-3598.html](http://usinfo.state.gov/mena/Archive/2005/Feb/06-3598.html).

<sup>178</sup> United Nations Formally Endorses Conduct of Iraqi Elections, U.S. Department of State's Bureau of International Information Programs (Washington D.C.) 16 February 2005. Date of Access: 15 May 2005. [usinfo.state.gov/mena/Archive/2005/Feb/16-611776.html](http://usinfo.state.gov/mena/Archive/2005/Feb/16-611776.html).

<sup>179</sup> “Kurd leader named Iraq president,” *BBC World News* (London) 6 April 2005. Date of Access: 16 May 2005. [news.bbc.co.uk/1/hi/world/middle\\_east/4415459.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4415459.stm).

<sup>180</sup> “Shia named as Iraq prime minister,” *BBC World News* (London) 7 April 2005. Date of Access: 16 May 2005. [news.bbc.co.uk/1/hi/world/middle\\_east/4420971.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4420971.stm).

posts left vacant.<sup>181</sup> On 8 May, the political process faced a further setback when Hashim al-Shibli, the designated human rights minister, rejected the offered post.<sup>182</sup>

In a surprise visit to Iraq on 15 May, Condoleezza Rice stressed that the drafting of a constitution must be next on the agenda for Iraq and emphasized the need to include the Sunnis in the process.<sup>183</sup> The ongoing delays in forming the new Iraqi government, however, have led some to question the ability of the Iraqi National Assembly to meet the approaching deadlines for the drafting of the constitution and its submission to referendum. What is more, there has been very little done by the U.S. to assist in ensuring that the deadlines set forth in the Transitional Administrative Law are met. Delays in forming the new government play into the hands of the insurgency, which the U.S. and Iraqi forces have been quite unsuccessful in quelling. More than 400 people died in attacks in the two weeks following the announcement of Iraq's new government on 28 April.<sup>184</sup>

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

The EU compliance with its commitment consisted mainly of monetary donation to the electoral process in Iraq. They have also made non-monetary contributions such as technical expertise, voter awareness programs and training of election officials. However, this is not a robust compliance grade since the EU has not made any specific commitments to the referendum on the Iraqi constitution in October or the elections for next National Assembly in December, 2005. Concern also remains as to whether the scale of the contributions is appropriate to the capability of the EU.

The EU commitment pledge, made at Sharm el Sheikh to the January election in Iraq included:

- €30 million for preparation of the election, including support for the Independent Electoral Commission, Information Technology, voter outreach, media development and boosting the participation of women.
- €1.5 million for activities including the deployment of 3 European experts to Baghdad to support the work of the Independent Election Commission through the UN Election Assistance Division and the training programme for up to 150 representatives from Iraqi domestic observer groups.<sup>185</sup>

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<sup>181</sup> "Sunni question dogs new Iraqi cabinet," *BBC World News* (London) 3 May 2005. Date of Access: 16 May 2005. [news.bbc.co.uk/1/hi/world/middle\\_east/4495801.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4495801.stm).

<sup>182</sup> "A New Political Setback for Iraq's Cabinet," *New York Times* (New York) 9 May 2005. Date of Access: 15 May 2005. [www.nytimes.com/2005/05/09/international/middleeast/09iraq.html](http://www.nytimes.com/2005/05/09/international/middleeast/09iraq.html).

<sup>183</sup> Rice, on Surprise Visit, Lauds Iraq's "Tremendous Spirit", U.S. Department of State's Bureau of International Information Programs (Washington D.C.) 16 May 2005. Date of Access: 15 May 2005. [usinfo.state.gov/mena/Archive/2005/May/16-778113.html](http://usinfo.state.gov/mena/Archive/2005/May/16-778113.html).

<sup>184</sup> "Thousands' flee fighting in Iraq," *BBC World News* (London) 13 May 2005. Date of Access: 16 May 2005. [news.bbc.co.uk/1/hi/world/middle\\_east/4545357.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4545357.stm).

<sup>185</sup> Europa External Relations: Commission offers fresh support for the electoral process in Iraq

- An ESDP (European Security and Defence Policy) integrated police, rule of law and civilian administration mission is expected to be deployed to Iraq in 2005.<sup>186</sup>

With its contribution of €31.5 million, the EU was one of the three largest donors to the Iraqi electoral process along with the U.S. and Japan.<sup>187</sup> However, doubts have been expressed as to whether this is too small a sum compared to EU capabilities.<sup>188</sup>

The EU did not participate in the International Mission for Iraqi Elections, a multi-national body formed to assist in planning, conducting and assessing Iraq's three elections in 2005.<sup>189</sup> Although some EU member countries hosted expatriate Iraqi polls in their countries, there was no concerted EU-wide effort to facilitate this process in all member countries.<sup>190</sup> There was also no troop contribution by the EU for the purpose of establishing security during the election.

On the diplomatic front, EU support for the Iraqi electoral process got to a shaky start with top EU officials sending mixed diplomatic signals about the feasibility of the elections. In early November, 2005, EU foreign policy chief Javier Solana expressed grave concerns about the deteriorating security situation in Iraq and the prospects of holding elections in the midst of the violence.<sup>191</sup> The EU, however, reaffirmed its commitment to the election timetable at the Sharm el Sheikh international conference on Iraq on November 22, 2004.<sup>192</sup> In notable contrast, diplomatic response from the EU after the January 30th elections has been overwhelmingly positive. In a statement on 31 January, the Luxembourg EU presidency stopped short of calling the elections a "resounding success" as President Bush had done, but the EU did pay "tribute to the courage and resolve of the Iraqis who voted in the election despite the difficult security circumstances".<sup>193</sup>

The EU further reaffirmed its will to "support Iraq on the road to stability, peace and democracy, notably during the next stage, the constitutional process. In this regard, we have underlined the importance of the full involvement of all groups of Iraqi society in this process".<sup>194</sup> The European Council noted, "...the continuing support of the European Union in the constitutional

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<sup>186</sup> "Prospects for the EU in 2005", Presented to the British Parliament by the Secretary of State for Foreign and Commonwealth Affairs, February, 2005. Date of Access: 13 May, 2005.

[[www.fco.gov.uk/Files/kfile/White%20Paper%20Cmd%206450.pdf](http://www.fco.gov.uk/Files/kfile/White%20Paper%20Cmd%206450.pdf)]

<sup>187</sup> U.S. Department of State fact sheet: State Department Recaps Details of Iraqi Election, 05 January, 2005. Date of Access: 06 January, 2005 [[tokyo.usembassy.gov/e/p/tp-20050106-15.html](http://tokyo.usembassy.gov/e/p/tp-20050106-15.html)]

<sup>188</sup> "EU downplays tensions over Iraq", BBC News, 05 November, 2004. Date of Access: 06 January, 2005 [[news.bbc.co.uk/2/hi/middle\\_east/3984647.stm](http://news.bbc.co.uk/2/hi/middle_east/3984647.stm)]

<sup>189</sup> "IMIE Publishes Preliminary Assessment of Iraqi Elections", International Mission for Iraqi Elections, 30 January, 2005. Date of Access: 10 May, 2005. [[www.imie.ca/media3.html](http://www.imie.ca/media3.html)]

<sup>190</sup> "Iraq: An Elections Primer", USINFO, U.S. Department of State, February, 2005. Date of Access: 13 May, 2005. [[usinfo.state.gov/products/pubs/iraqelect/primer.htm](http://usinfo.state.gov/products/pubs/iraqelect/primer.htm)]

<sup>191</sup> "EU chief casts doubt on Iraq elections", AlJazeera, 08 November, 2004. Date of Access: 07 January, 2005 [[english.aljazeera.net/NR/exeres/4FD8AFC3-150C-41A9-A4A6-C1B14EC69F7E.htm](http://english.aljazeera.net/NR/exeres/4FD8AFC3-150C-41A9-A4A6-C1B14EC69F7E.htm)]

<sup>192</sup> Europa Delegations: Statement by Commissioner Benita Waldner on the Sharm El Sheikh conference, 24 November, 2004. Date of Access: 07 January, 2005 [[www.eu-delegation.org.eg/en/News/48.asp](http://www.eu-delegation.org.eg/en/News/48.asp)]

<sup>193</sup> "EU praise for Iraqi elections", Euractive, 01 February, 2005. Date of Access: 09 May, 2005 [[www.euractiv.com/Article?tcmmuri=tcm:29-134880-16&type=News](http://www.euractiv.com/Article?tcmmuri=tcm:29-134880-16&type=News)]

<sup>194</sup> "EU praise for Iraqi elections", Euractive, 01 February, 2005.



process and the elections planned for December 2005.”<sup>195</sup> The EU also declared, “...it’s willingness to work with the Iraqi transitional government and the transitional National Assembly. If asked, it is ready to give its assistance with the constitutional process in accordance with Resolution 1546<sup>196</sup> and in full coordination with the UN.”<sup>197</sup> However, any specific monetary or non-monetary commitment is yet to be declared towards this goal.

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G8 25 May 2005

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<sup>195</sup> Europa External Relations: Iraq - Council Conclusions, 31 January, 2005. Date of Access: 10 May, 2005  
[europa.eu.int/comm/external\_relations/gac/date/2005/01\_310105\_2.pdf#iraq]

<sup>196</sup> "The situation between Iraq and Kuwait", UN Security Council Resolutions 2004. Date of Access: 12 May, 2005.  
[daccessdds.un.org/doc/UNDOC/GEN/N04/381/16/PDF/N0438116.pdf?OpenElement]

<sup>197</sup> Europa External Relations: Iraq - Council Conclusions, 31 January, 2005.

## World Economy

### Commitment

“We agreed that it was important to take advantage of the strong global economic environment to implement further reforms to accelerate growth in our countries.”<sup>198</sup>

*2004 Sea Island Chair's Summary*

### Background

The G8 chose to focus its macroeconomic commitments on structural reform now that positive growth has returned to the Group's largest economies. The constituent nations decided not pursue a coordinated plan on macroeconomic reforms, a decision largely reflected in the diversity of plans and reform packages implemented by the eight countries. Many of the sectors or policies targeted were previously identified as areas of concern in Article IV consultations between the International Monetary Fund and the members of the G8.

### Assessment

Country	Non-Compliance –1	Work in Progress 0	Full Compliance +1
Canada		0	
France		0	
Germany		0	
Italy			+1
Japan		0	
Russia			+1
United Kingdom		0	
United States		0	
European Union		0	
Overall: 0.22			

### Individual Country Compliance Breakdown

#### 1. Canada: 0

Canada has partially complied with its World Economy commitments. The public pension system, unlike those in several other G8 states, remains stable with the IMF projecting it to be actually around for at least 50 years<sup>199</sup>; others consider it sound for at least 75 years.<sup>200</sup> Finance Minister Ralph Goodale said in November 2004 that Canada's aging population raised concerns

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<sup>198</sup> *Chair's Summary*, The White House (Washington) 10 June 2004. Date of access: 15 January 2005.

[[www.whitehouse.gov/news/releases/2004/06/20040610-47.html](http://www.whitehouse.gov/news/releases/2004/06/20040610-47.html)]

<sup>199</sup> *2005 Article IV Consultation with Canada: Preliminary Conclusions of the IMF Mission*, International Monetary Fund (Washington) 1 December 2004. Date of access: 12 May 2005.

[[www.imf.org/external/np/ms/2004/120104.htm](http://www.imf.org/external/np/ms/2004/120104.htm)]

<sup>200</sup> *21<sup>st</sup> Actuarial Report of the Canada Pension Plan*, Office of the Superintendent of Financial Institutions Canada (Ottawa) 8 December 2004. Date of access: 12 May 2005. [[www.osfibsif.gc.ca/osfi/index\\_e.aspx?DetailID=499](http://www.osfibsif.gc.ca/osfi/index_e.aspx?DetailID=499)]

about the sustainability of federal social programs, especially health care,<sup>201</sup> and that the government would implement policies to build an economic environment that fosters greater innovation, productivity and international competitiveness to generate the wealth the country will need to face those additional pressures,” as well as seek to reduce the federal government’s debt load over the next decade.<sup>202</sup>

In the February 2005 proposed federal budget, there was some indication that the government has moved to address these concerns. The budget did contain some innovation related spending: \$375 million for federal research grant councils, funding for Genome Canada and further funds for research at hospitals and universities.<sup>203</sup> For the last several years, Canadian governments have often spent unused annual emergency funds on paying down the debt and that may occur this year as well. However, there was no particular debt reduction measure in the budget. The 2005 Budget also announced regulatory changes that were immediately approved, such as eliminating the foreign content limits on registered retirement savings plans, allowing individuals to invest their retirement funds where they see fit.<sup>204</sup>

On February 16, 2005, the Executive Board of the International Monetary Fund concluded its Article IV Consultations with Canada.<sup>205</sup> The Board noted that, despite several negative events, Canada’s economy has remained incredibly “robust” among those of the G7 nations.<sup>206</sup> In particular, the economic indicators of GDP growth, fiscal surplus, inflation and unemployment are all quite positive given the current state of the world economy.<sup>207</sup> The directors congratulated Canada’s economic elite for their able handling of the economy and economic agents’ expectations, but warned that continued health care transfers to the provinces without demands for reform and cost containment could cause problems in the future.<sup>208</sup> Finally, they reiterated their call, echoed by the Bank of Canada governor David Dodge<sup>209</sup>, for reform and liberalization of the Canadian financial sector.<sup>210</sup> They noted that such action was necessary to ensure competition among participants in the financial industries and to increase the gains from global integration.<sup>211</sup>

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<sup>201</sup> *Economic and Fiscal Update: Stronger Growth and Balanced Budgets for Canada*, Department of Finance Canada. 16 November 2004. Date of access: 12 May 2005. [[www.fin.gc.ca/news04/04-069e.html](http://www.fin.gc.ca/news04/04-069e.html)]

<sup>202</sup> Ibid.

<sup>203</sup> *The Budget in Brief 2005*, Department of Finance (Ottawa) 23 February 2005. Date of access: 13 May 2005. [[www.cbc.ca/news/background/budget2005/documents/budget05/brief/briefe.htm](http://www.cbc.ca/news/background/budget2005/documents/budget05/brief/briefe.htm)]

<sup>204</sup> *CBC News InDepth: Budget 2005*, CBC News (Ottawa) 27 April 2005. Date of access: 13 May 2005. [[www.cbc.ca/news/background/budget2005/issue\\_personalfinance.html](http://www.cbc.ca/news/background/budget2005/issue_personalfinance.html)]

<sup>205</sup> *IMF Executive Board Concludes 2005 Article IV Consultation with Canada*, International Monetary Fund (Washington) 29 March 2005. Date of access: 17 May 2005. [[www.imf.org/external/np/sec/pn/2005/pn0543.htm](http://www.imf.org/external/np/sec/pn/2005/pn0543.htm)]

<sup>206</sup> Ibid.

<sup>207</sup> Ibid.

<sup>208</sup> Ibid.

<sup>209</sup> *Remarks by David Dodge, Governor of the Bank of Canada, to the Empire Club of Canada and the Canadian Club of Toronto*, Bank of Canada (Ottawa) 9 December 2004. Date of access: 15 December 2004. [[www.bankofcanada.ca/en/speeches/2004/sp04-14.htm](http://www.bankofcanada.ca/en/speeches/2004/sp04-14.htm)]

<sup>210</sup> *IMF Executive Board Concludes 2005 Article IV Consultation with Canada*, International Monetary Fund (Washington) 29 March 2005. Date of access: 17 May 2005. [[www.imf.org/external/np/sec/pn/2005/pn0543.htm](http://www.imf.org/external/np/sec/pn/2005/pn0543.htm)]

<sup>211</sup> Ibid.

Thus, for its able handling of the economy and lackluster progress on real structural reform, Canada has been awarded a score of 0.

## 2. France: 0

France has only partially fulfilled its structural reform commitments and, in some circumstances, taken steps to block comprehensive reform at the European level. Policies to remove the barriers to faster economic growth in the French economy have largely been held hostage to the impending referendum on the European Constitution (May 29).<sup>212</sup>

In its Article IV Consultations with France, the IMF applauded the French government's reforms of the pension system (2003) and the health care system (2004) and was pleased with the progress of goods market, civil service and labour market reforms.<sup>213</sup> In particular, the French government took the important action of abolishing the 35-hour work week, long seen as a barrier to international competitiveness, in February 2005.<sup>214</sup> The Fund's executive directors also encourage the French government to pursue fiscal consolidation by 2008 and to reduce its use of tax exemptions in future budgets, given their lack of economic benefits and the fiscal burden under which the French state operates.<sup>215</sup> In his address to the International Monetary and Financial Committee on April 16, 2005, the former French Minister of Economy, Finance and Industry, M. Breton, stated that France will shift the focus of its reforms to place greater emphasis on "cutting-edge businesses and R&D".<sup>216</sup> Nevertheless, M. Breton stressed that structural reforms in Europe would have only "marginal" effects on overall economic performance, and that domestic adjustment in the United States, particularly in public and private savings, would be necessary to boost growth on both sides of the Atlantic.<sup>217</sup>

Reform of the French civil service was initiated in 2002 and reaffirmed in on June 15, 2004 by the Minister of the State, who announced that the Ministry of Economy, Finance and Industry (Minéfi) would become "the Ministry of administrative performance".<sup>218</sup> The reforms aim to make Minéfi more responsive to the needs of users and to increase the mobility of labour within the Ministry, so that it may more effectively respond to the needs and flows of the global economy.<sup>219</sup> In January of 2005, the departments within the Minéfi that dealt with small and

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<sup>212</sup> *EU talks end after services deal*, BBC News (London) 23 March 2005. Date of access: 13 May 2005.

[[news.bbc.co.uk/2/hi/business/4374369.stm](http://news.bbc.co.uk/2/hi/business/4374369.stm)]

<sup>213</sup> *IMF Concludes Article IV Consultations with France*, International Monetary Fund (Washington) 3 November 2004. Date of access: 13 May 2005. [[www.imf.org/external/np/sec/pn/2004/pn04121.htm](http://www.imf.org/external/np/sec/pn/2004/pn04121.htm)]

<sup>214</sup> *French MPs Vote Out 35-hour Week*, BBC News (London) 9 February 2005. Date of access: 13 May 2005.

[[news.bbc.co.uk/2/hi/europe/4248845.stm](http://news.bbc.co.uk/2/hi/europe/4248845.stm)]

<sup>215</sup> *IMF Concludes Article IV Consultations with France*, International Monetary Fund (Washington) 3 November 2004. Date of access: 13 May 2005. [[www.imf.org/external/np/sec/pn/2004/pn04121.htm](http://www.imf.org/external/np/sec/pn/2004/pn04121.htm)]

<sup>216</sup> *Statement by Mr. Breton, French Minister of Economy, Finance and Industry*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 13 May 2005.

[[www.imf.org/External/spring/2005/imfc/stmt/eng/fra.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/fra.pdf)] p. 2.

<sup>217</sup> *Ibid.* p. 3.

<sup>218</sup> *Bercy together: the Ministry of performance*, Ministry of Economy, Finance and Industry (Paris) 15 June 2004. Date of access: 13 May 2005. [[alize.finances.gouv.fr/bercy\\_en\\_mouvement/index.htm](http://alize.finances.gouv.fr/bercy_en_mouvement/index.htm)]

<sup>219</sup> Xavier Olry, *Philippe Parini explique Bercy ensemble*, Ministry of Economy, Finance and Industry (Paris) September/October 2004. Date of access: 13 May 2005. [[alize.finances.gouv.fr/bercy\\_en\\_mouvement/index.htm](http://alize.finances.gouv.fr/bercy_en_mouvement/index.htm)]. pp. 8-9.

medium enterprises and with information and communication technologies were combined under a single administration as part of the reorganization of the Minéfi.<sup>220</sup> A similar decree was issued in order to create a single department for affairs concerning artisan commerce and services and liberal professions.<sup>221</sup> Further government aid to small and medium enterprises was announced on April 13, 2005, although these measures were primarily fiscal, rather than structural.<sup>222</sup>

Work continues on budget reform initiated last year. The reform aims to make budgetary procedures more responsive to the demands of globalization and less expenditure oriented.<sup>223</sup> Budgetary procedure will be partially decentralized to individual departments and the French Parliament will also have greater say in the fiscal process.<sup>224</sup>

Despite domestic momentum for greater structural reform of the French economy, France dealt a serious blow to structural reform within the European, and thus domestic, context in March of this year. At that time, French President Jacques Chirac effectively forced an EU-wide deal on liberalization of service markets to be reworked.<sup>225</sup> French opposition to the deal was grounded in its supposedly adverse effect on employment and fear that opposition to the agreement within France would endanger French approval of the European Constitution.<sup>226</sup>

Thus, for its moderate pace of economic reforms and its opposition to European service market liberalization, France has received a score of 0.

### 3. Germany: 0

Historically high unemployment rates and lackluster economic performance have largely hindered German attempts at structural reform, diminishing public support for the SPD's economic and fiscal policies. As a result of this deceleration in the pace of reform, Germany has only partially fulfilled its World Economy commitments.

Since the start of 2005, the German economy has been burdened with high unemployment. Germany's unemployment rate has risen to its highest point since World War II, reaching 11.8%.<sup>227</sup> In Germany, the unemployed include those on unemployment benefits and welfare support and those who are long-term unemployed; both are classified as looking for work.<sup>228</sup> As

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<sup>220</sup> *Création de la Direction générale des entreprises (DGE) et de la direction du commerce de l'artisanat, des services et des professions libérales (DCASPL)*, Ministry of Economy, Finance and Industry (Paris) 26 January 2005. Date of access: 13 May 2005. [[alize.finances.gouv.fr/bercy\\_en\\_mouvement/index.htm](http://alize.finances.gouv.fr/bercy_en_mouvement/index.htm)]

<sup>221</sup> Ibid.

<sup>222</sup> *Projet de loi pour les PME*, Ministry of Small and Medium Enterprises, Commerce, Artisans, Liberal Professions and Consumption (Paris) 13 April 2005. Date of access : 13 May 2005. [[www.pme-commerce-artisanat.gouv.fr/](http://www.pme-commerce-artisanat.gouv.fr/)]

<sup>223</sup> *Budget Reform and State Modernisation in France*, Ministry of Economy, Finance and Industry (Paris). Date of access: 13 May 2005. [[www.minefi.gouv.fr/lolf/16\\_1\\_1.htm](http://www.minefi.gouv.fr/lolf/16_1_1.htm)]

<sup>224</sup> Ibid.

<sup>225</sup> *EU talks end after services deal*, BBC News (London) 23 March 2005. Date of access: 13 May 2005. [[news.bbc.co.uk/2/hi/business/4374369.stm](http://news.bbc.co.uk/2/hi/business/4374369.stm)]

<sup>226</sup> Ibid.

<sup>227</sup> *German jobless rate in shock dip*, BBC News (London) 28 April 2005. Date of access: 11 May 2005. [[news.bbc.co.uk/1/hi/business/4493119.stm](http://news.bbc.co.uk/1/hi/business/4493119.stm)]

<sup>228</sup> *Five million Germans out of work*, BBC News (London) 4 February 2005. Date of access: 11 May 2005. [[news.bbc.co.uk/2/hi/business/4228739.stm](http://news.bbc.co.uk/2/hi/business/4228739.stm)]

reported in late 2004, the German long-term GDP growth was expected to be 1.8%.<sup>229</sup> In 2005, the economic growth was forecasted to 0.7% by the German government<sup>230</sup> and 0.8% by the IMF<sup>231</sup>.

During a meeting with opposition leaders, Chancellor Schroeder outlined reforms designed to stimulate growth and create jobs. New measures outlined included reducing corporate taxes, from 25% to 19%, and investing more money in the country's transport infrastructure.<sup>232</sup> There was a mixed reaction from other parties, with an overall agreement that Germany needed more fundamental reforms in order to get out of the economic decline.<sup>233</sup> The mood is in stark contrast to the largely positive reactions of global financial institutions to the Hartz IV reform package last autumn. At that time, Germany's implementation of the structural reforms laid out in Agenda 2010 was applauded by the IMF's directors, who also emphasizing the need for durable cuts in tax expenditures and subsidies, and the phasing in of a higher retirement age. "Combined with improved wage flexibility, reforms to lower reservation wages and strengthen job intermediation are making the labor market more competitive. Important progress has also been made in the areas of pension and health care reform. Further reforms will be needed to raise potential output growth and prepare for population aging".<sup>234</sup>

Overall, Germany's economic performance has been overshadowed by high unemployment, prompting the government to respond, which it has not done fully. Although, the IMF<sup>235</sup> and the OECD<sup>236</sup>, in late 2004, applauded Germany for its structural reforms, it remains to be seen if they will be as enthusiastic of Germany's new plans.

For the reasons given above, Germany receives a mark of 0.

#### 4. Italy: +1

Despite a slowdown in reform plans and implementation since the start of 2005, Italy has been largely successful in its campaign to reform fundamental sectors of its economy. The deceleration of reform efforts was largely due to regional elections in April of 2005, and a

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<sup>229</sup> *Positive report on national sustainability strategy*, Die Bundesregierung (Government of the Federal Republic of Germany) (Berlin) 28 October 2004. Date of access: 11 May 2005. [www.bundesregierung.de/en/-\_10001.736237/artikel/Positive-report-on-national-su.htm]

<sup>230</sup> *German growth outlook 'not good'*, BBC News (London) 26 April 2005. Date of access: 11 May 2005. [news.bbc.co.uk/1/hi/business/4486553.stm]

<sup>231</sup> *IMF 'cuts' German growth estimate*, BBC News (London) 2 March 2005. Date of access: 11 May 2005. [news.bbc.co.uk/1/hi/business/4310453.stm]

<sup>232</sup> *Non-Partisan effort to promote jobs and investments*, Die Bundesregierung (Government of the Federal Republic of Germany) (Berlin) 31 March 2005. Date of access: 11 May 2005. [www.bundesregierung.de/en/dokumente/-\_10001.805074/Artikel/dokument.htm]

<sup>233</sup> *Schroeder unveils key tax reforms*, BBC News (London) 17 March 2005. Date of access: 11 May 2005. [news.bbc.co.uk/2/hi/business/4357207.stm]

<sup>234</sup> *Germany: 2004 Article IV Consultation—Staff Report; Staff Supplement; and Public Information Notice on the Executive Board Discussion*, International Monetary Fund (Washington) 2 November 2004. Date of access: 11 May 2005. [www.imf.org/external/pubs/ft/scr/2004/cr04341.pdf]

<sup>235</sup> Ibid.

<sup>236</sup> *Economic Survey of Germany, 2004*, Organisation for Economic Cooperation and Development (Paris) 5 August 2004. Date of access: 11 May 2005. [www.oecd.org/dataoecd/52/63/33641312.pdf]

pursuant, short-lived political crisis that caused the collapse of Italy's longest-serving post-war government.<sup>237</sup>

During the first half of 2005, the government of Silvio Berlusconi presented an Action Plan for the Development of Italy, a large scale reform aimed at making Italy a more competitive economy.<sup>238</sup> The package will streamline the bankruptcy code in order to make the Italian system more like the system in operation in the United States.<sup>239</sup> Furthermore, the plan will reduce taxation of private enterprises engaging in research-related activities and businesses in Italy's underdeveloped southern regions.<sup>240</sup> Another key component of the reform program is the streamlining of administrative procedures for the opening of certain business activities, long cited as essential to the Italian economy.<sup>241</sup> The decree was amended on May 6 in order to eliminate a planned reduction of the maximum penalty for fraudulent bankruptcy from 10 years to 6.<sup>242</sup> Opposition critics claimed the amendment as a "victory for savers".<sup>243</sup>

The reform plans of the previous and current Berlusconi governments, in spite of their ambitious goals, appear to have had few concrete macroeconomic results. The poor performance of the Italian economy, in relation to the other G8 economies, has led many in Italy to question the benefits of further fiscal reform and reductions in taxation.<sup>244</sup> Fiscal magistrates warned that the reformed Stability and Growth Pact, which now permits members of the European Monetary Union to run deficits that exceed 3% of GDP, was not a 'panacea' for a government caught between falling revenues and stable or rising expenditures.<sup>245</sup> Analysts at Standard & Poor have also stated that 'structural rigidities, especially in the labour market', must be addressed if growth in Italy is to accelerate.<sup>246</sup> Nevertheless, the reform plan, which was proposed in February, has won broad approval from Confindustria, the country's main industrial interest group.<sup>247</sup>

In late 2004, the Italian government was also successful in tackling the country's pension problems. The old system calculated pay-outs to retirees based on the income earned near the end of their career. The new system is being calculated based on contributions actually paid into the pension fund. Although the average value of the pension will be lower than it was previously,

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<sup>237</sup> *Crisi, Berlusconi 'Mi dimetto'*, La Repubblica (Rome) 20 April 2005. Date of access: 9 May 2005.

[[www.repubblica.it/2005/d/dirette/sezioni/politica/crisigove/crisimerco/index.html](http://www.repubblica.it/2005/d/dirette/sezioni/politica/crisigove/crisimerco/index.html)].

<sup>238</sup> *Italy to Get Economic Action Plan*, BBC News (London) 24 February 2005. Date of access: 9 May 2005.

[[news.bbc.co.uk/2/hi/business/4293609.stm](http://news.bbc.co.uk/2/hi/business/4293609.stm)].

<sup>239</sup> *Decreto sviluppo in porto con la fiducia*, La Repubblica (Rome) 4 May 2005. Date of access: 9 May 2005.

[[www.repubblica.it/2005/d/sezioni/economia/competitivita/portofiducia/portofiducia.html](http://www.repubblica.it/2005/d/sezioni/economia/competitivita/portofiducia/portofiducia.html)].

<sup>240</sup> *Ibid.*

<sup>241</sup> *Ibid.*

<sup>242</sup> *Bancarotta, Castelli annuncia: 'La pena torna a dieci anni'*, La Repubblica (Rome) 6 May 2005. Date of access: 9 May 2005. [[www.repubblica.it/2005/d/sezioni/economia/competitivita/nobanca/nobanca.html](http://www.repubblica.it/2005/d/sezioni/economia/competitivita/nobanca/nobanca.html)].

<sup>243</sup> *Ibid.*

<sup>244</sup> *Economia, la Corte dei conti: 'Motivi di seria preoccupazioni'*, La Repubblica (Rome) 5 May 2005. Date of access: 9 May 2005. [[www.repubblica.it/2005/d/sezioni/economia/contipubblicite/corcondue/corcondue.html](http://www.repubblica.it/2005/d/sezioni/economia/contipubblicite/corcondue/corcondue.html)].

<sup>245</sup> *Ibid.*

<sup>246</sup> *Hurdle Cleared for Italian Reform*, BBC News (London) 4 May 2005. Date of access: 9 May 2005.

[[news.bbc.co.uk/2/hi/business/4513813.stm](http://news.bbc.co.uk/2/hi/business/4513813.stm)].

<sup>247</sup> *Italy to Get Economic Action Plan*, BBC News (London) 24 February 2005. Date of access: 9 May 2005.

[[news.bbc.co.uk/2/hi/business/4293609.stm](http://news.bbc.co.uk/2/hi/business/4293609.stm)].

it is hoped that this will prove more sustainable.<sup>248</sup> All people starting work after 1996 will be covered under the new, contribution based system.<sup>249</sup> Government efforts to reform the pension system include an increase in the average age workers retire at (currently 59) and supplementary pension arrangements.<sup>250</sup> Employees will have the choice of having some of their funds put into regional trusts or investing it with their union or bank. In December 2004, a country-wide strike paralyzed Italy for a day. It was a large-scale signal of trade union resistance to the new reforms.<sup>251</sup>

Thus, despite political and macroeconomic setbacks, Italy has earned a score of +1 for its ambitious and wide-reaching reform plans.

## 5. Japan: 0

Although the Japanese government has continued to express its commitment to continued structural reform as a means of improving global economic growth,<sup>252</sup> it has, in fact, registered mediocre results in its own domestic reform policies. Japan has not pursued structural reform with vigour commensurate to the seriousness and relative importance of its structural problems.

The government has established a reform agenda that will seek to eliminate both excess capacity and nonperforming loans within the corporate sector while transforming Japan into a “Financial Service Nation”.<sup>253</sup> The Japanese Minister of Finance claims that the government will pursue further unspecified reform packages to ensure that the elimination of unemployment and the effects of a “bubble economy” are completed.<sup>254</sup> Furthermore, the government and Bank of Japan will seek to use monetary policy, rather than fiscal policy, to extract fully Japan’s economy from deflation.<sup>255</sup> Finally, the government has advised that “steady progress in reforms on both the expenditure and revenue fronts, through the establishment of a sustainable social security system, tax system reform, and a thorough review of central and local government expenditure will be pursued with a view to achieving a surplus in the primary balance of the central and local governments in the early 2010s.”<sup>256</sup>

In particular, the Japanese government is examining a number of initiatives to reform the budgetary process and its relationship with local governments in order to reduce the fiscal deficit

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<sup>248</sup> Diego Colletto, *Government seeks further structural reform of pension system* European Foundation for the improvement of living and working conditions, European Industrial Relations Observatory Online (Dublin) 10 October 2003. Date of access: 9 May 2005. [www.eiro.eurofound.eu.int/2003/09/feature/it0309203f.html].

<sup>249</sup> Domenico Paparella, *Parliament approves pension law*, European Industrial Relations Observatory Online (Dublin) 29 September 2004. Date of access: 9 May 2005. [www.eiro.eurofound.eu.int/2004/09/feature/it0409101f.html].

<sup>250</sup> Ibid.

<sup>251</sup> *Nationwide strikes cripples Italy*, BBC News (London) 1 December 2004. Date of access: 9 May 2005. [news.bbc.co.uk/2/hi/europe/4053809.stm].

<sup>252</sup> Sadakazu Tanigaki, *Statement by HH.E. Sadakazu Tanigaki Minister of Finance of Japan and Governor of the IMF for Japan*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 10 May 2005. [www.imf.org/External/spring/2005/imfc/stmt/eng/jpn.pdf]. p. 2.

<sup>253</sup> Ibid., p. 3.

<sup>254</sup> Ibid.

<sup>255</sup> Ibid.

<sup>256</sup> Ibid., p. 4.



in the near future.<sup>257</sup> Such measures will include the abolishment of state subsidies to local governments for child care and education.<sup>258</sup> The government is also seeking to address the rising cost of social security through taxation without causing disincentives for an expansion in the labour supply. These measures will include step-up increases in the support ratio, caps on the level of premiums paid by employees and a change in indexation régimes, from inflation and per-capita income indexing to “macroeconomic indexing”.<sup>259</sup> Financial reform in Japan was dealt a blow, however, in March of 2005, when the ruling LDP vetoes a plan to make so-called ‘poison pill’ packages more difficult for Japanese firms facing foreign takeovers.<sup>260</sup>

Japan has identified as the centerpiece of its reform programme the privatization of Japan Post, the world’s largest financial institution.<sup>261</sup> The CFP hopes that this specific reform will lead to greater efficiency in the channeling of personal savings into the private sector and expects the privatization to be completed by 2007.<sup>262</sup> The OECD has, however, expressed concern that the privatization could lead to further distortion in Japan’s financial markets should the government proceed with allowing Postal Savings and Postal Life Insurance to offer new products before guaranteeing equal treatment for private institutions.<sup>263</sup> Furthermore, the OECD has called for greater “topdown” initiatives to spur growth through structural reform zones and faster action on competition policy, particularly a strengthening of the Anti-Monopoly Act.<sup>264</sup>

Finally, in April 2005, the Council on Economic and Fiscal Policy published a document entitled “Japan’s 21<sup>st</sup> Century Vision”, which outlined key priorities for the Japanese economy over the next decade.<sup>265</sup> Although the report highlights the need to make the labour market more flexible, invest in human capital, open the Japanese economy to the global marketplace and spur innovation, it established no clear reform priorities for achieving these goals.<sup>266</sup> Thus, for its lukewarm reform projects and its reversal on foreign takeovers, Japan has been awarded a score of 0.

## 6. Russia: +1

The Russian Federation has completely fulfilled its commitments towards improving its economy. Despite the fact that new social monetizing reform has had met some opposition

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<sup>257</sup> Ibid.

<sup>258</sup> Ibid.

<sup>259</sup> Ibid.

<sup>260</sup> *Japan hits back at overseas M&A*, BBC News (London) 11 March 2005. Date of access: 10 May 2005. [news.bbc.co.uk/2/hi/business/4338919.stm]

<sup>261</sup> *Economic Survey of Japan 2005: Removing the Obstacles to Faster Growth*, Organisation for Economic Cooperation and Development (Paris) 20 January 2005. Date of access: 10 May 2005. [www.oecd.org/document/15/0,2340,en\_33873108\_33873539\_34287887\_1\_1\_1\_1,00.html].

<sup>262</sup> *Basic Policy on the Privatization of Japan Post*, Council on Economic and Fiscal Policy (Tokyo) 10 September 2004. Date of access: 10 May 2005. [www.keizai-shimon.go.jp/english/publication/pdf/040922japanpost.pdf]

<sup>263</sup> *Economic Survey of Japan 2005: Removing the Obstacles to Faster Growth*, Organisation for Economic Cooperation and Development (Paris) 20 January 2005. Date of access: 10 May 2005. [www.oecd.org/document/15/0,2340,en\_33873108\_33873539\_34287887\_1\_1\_1\_1,00.html].

<sup>264</sup> Ibid.

<sup>265</sup> *Japan’s 21<sup>st</sup> Century Vision*, Council on Economic and Fiscal Policy (Tokyo) 5 May 2005. Date of access: 10 May 2005. [www.keizai-shimon.go.jp/english/publication/pdf/050419visionsummary\_overview.pdf]. p. 2.

<sup>266</sup> Ibid., p. 3.

among the general population at the initial level, economic parameters seem to have proved the reform successful.

The new social reform was based on the replacement of non-monetary benefits with cash allowances. Pensioners, military servicemen, policemen and students are no longer entitled to free public transport, free medicines and reduced payments for electricity and gas, as well as other benefits they had enjoyed for decades.<sup>267</sup> Even though the monetary compensation is beneficial to population of some regions, it is not equally beneficial to all groups within the population. A more flexible and diverse approach is necessary to achieve the improvement of living conditions of all Russian citizens. Members of Parliament have described the cause of partial realization of the monetization reform as the slowness of local authorities.<sup>268</sup> When the social benefits were abolished most people did not get cash compensation immediately, which created tension among recipients. This fact questions the effectiveness of the “vertical power” administrative reform initiated by President Putin. The new administrative power needs to become more efficient in order for laws to be enforced faster and more effectively. President Putin continues to work on the improvement of social reforms and has recently added new pension laws.<sup>269</sup> In doing so, it is important that the Russian Federation heed the comments of the World Bank. In its report on structural reforms in Russia, it says that the pension age will have to be raised in order to avoid a drastic increase in the gap between the real wage and pensions.<sup>270</sup> In addition, the government must now tackle the serious problem of the inflow of fake medicines and pharmaceutical products that have flooded the Russian market.

President Putin is also determined to make the corrective hypoteka (mortgage) legislation work at its best. He calls it his “national project” which means the development of affordable dwelling market is under his personal control.<sup>271</sup> Recent statistic reports show that the average sum of credit has increased: on 1 April 2005 it was 397 thousand roubles compared to 2 September 2004 when it was 364 thousand roubles. The maximum term of credit has also increased from 10 to 27 years.<sup>272</sup>

The growth in export revenues has greatly enhanced Russia’s fiscal capacity. The foreign trade turnover of Russia was \$75.3 billion, which was 32.3% higher than in the first quarter of 2004.<sup>273</sup> The growth of the price of Russian exports is positively correlated with the increase of prices for raw materials. The increase in the government budget has allowed the Russian Federation to liquidate its debt with IMF. On May 13, Russia signed an agreement of prescheduled payment of \$15 billion to the Paris Club.<sup>274</sup> The Minister of Finance Alexei Kudrin has reported that taxation

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<sup>267</sup> *Reforms spark anger across Russia*, BBC News (London) 11 January 2005. Date of access: 13 May 2005. [news.bbc.co.uk/2/hi/europe/4165655.stm]

<sup>268</sup> *Parliament group “Rodina” decided to starve against monetization*, BBC News (Russian) (London) 21 January 2005. Date of access: 13 May 2005. [news.bbc.co.uk/hi/russian/russia/newsid\_4195000/4195465.stm]

<sup>269</sup> *The President has signed the changes in pension laws*, Kommersant (Moscow), \_83, 11 May 2005.

<sup>270</sup> *Will Russians be retiring later?* BBC News (Russian) (London), 25 February 2005. Date of access: 13 May 2005. [news.bbc.co.uk/hi/russian/russia/newsid\_4297000/4297385.stm]

<sup>271</sup> *Housing question of the President*, Vremya (Moscow) 12 May 2005 \_80. Date of access: 13 May 2005. [www.vremya.ru/2005/80/8/124681.html]

<sup>272</sup> *Hypoteka: the run with obstacles*, Finance (Moscow), 2005 \_17 (107), 10–15 May.

<sup>273</sup> *Straight ahead into the past*, Finance (Moscow), \_17 (107), 10–15 May 2005.

<sup>274</sup> *The report of Minister of Finance Alexei Kudrin to President Putin*, Vesti News. Date of broadcast: 13 May 2005

and debt liquidation will allow Russia to increase the wage and pension payments, which leads to successful realization of social reforms. The prescheduled liquidation of its debt augmented Russia's credit market and has brought it a higher credit rating.

In the field of foreign trade, the Russian government continues its work towards becoming a WTO member in early 2006. Based on the results of the meeting of the new EU commissioner on trade, Peter Mandelson, and the Russian Minister of Trade, Herman Gref, Russia still needs to resolve several issues in the areas of Trans-Siberian flights and the conditions of investment agreements in automobile production.<sup>275</sup>

On the first day of the Russia-EU Summit the participants signed an agreement about creating four general spaces, also called 'road maps', in the fields of: 1) economy; 2) freedom, safety, and law and order (legislature); 3) external safety; 4) research and development, education and culture.<sup>276</sup> In accordance with the agreement, Russia will eliminate trade and investment barriers which will undoubtedly increase its competitiveness. Cooperation in the environmental field will also ease the realization of Kyoto Protocol. However, the signatories have postponed the creation of a visa-free regime.<sup>277</sup> The sincerity of the agreements, however, were put into question when President Putin called on his government to limit foreign investment in certain 'no-go zones' of the economy, such as natural resources and defense.<sup>278</sup>

Finally, on 12 May 2005, the Duma began readings of a bill that would amend the 2003 Law on Bankruptcy.<sup>279</sup> The amendments will seek to address barriers to efficient handling of bankruptcy arising from the balance of power between creditors and equity-holders as enshrined by the first law on bankruptcy passed in 1998.<sup>280</sup> The amendments will give greater powers to arbitrage boards and self-regulating bodies in order to negotiate between insolvent businesses and their providers of finance while still ensuring that bankruptcy procedures do not adversely affect employees and other stakeholders. It is hoped that such reforms will ease the liquidation and restructuring process in much the same way as Chapter 11 in the United States.<sup>281</sup> For these reasons, Russia has been awarded a score of +1.

## 7. United Kingdom: 0

The United Kingdom has only partially fulfilled its commitments to structural reform made at the 2004 Sea Island Summit. Unlike the other major economies in the European Union, Great Britain has experienced brisk growth over the past few years. Its pension and health care systems have

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<sup>275</sup> Konstantin Smirnov, *Mendelson Marsh*, Kommersant (Moscow), \_83, 11 May 2005.

<sup>276</sup> *EU reminds Putin about democracy*, Independent Newspaper (Moscow), 12 May 2005 \_90.

<sup>277</sup> Ibid.

<sup>278</sup> *We need no-go zones, says Putin*, BBC News (London) 11 May 2005. Date of access: 13 May 2005. [news.bbc.co.uk/2/hi/business/4537241.stm]

<sup>279</sup> *The Duma Considers Bankruptcy Once Again*, Kommersant (Moscow), \_85, 13 May 2005. Date of access: 13 May 2005. [www.kommersant.ru/doc.html?docId=577127]

<sup>280</sup> Ibid.

<sup>281</sup> Ibid.

come under strain, however, and the nation continues to pursue its target of convergence to the Economic and Monetary Union in the hope of one day joining the Eurozone.<sup>282</sup>

In his first speech as the new Secretary of Workers and Pensions, Secretary Blunkett called for a change in the philosophy of the British pension system.<sup>283</sup> Although Mr. Blunkett did not provide specific details of his reform plans, he said that he would look at creating a “something for something” system, rather than a “safety net”.<sup>284</sup> In February of this year, the British government set out its priorities for pension reform, which included: tackling poverty; affordability and economic stability; equality; and consensus among constituents.<sup>285</sup> Blunkett’s eventual proposal will likely draw inspiration from the interim report of the Pensions Commission, published in October of last year, which called for higher taxes, more savings and a higher average retirement age.<sup>286</sup> Although criteria have been established, no definitive reform projects have been announced.<sup>287</sup>

An earlier pension reform package was given royal assent on 18 November 2004. Known as the *Pension Act 2004*, it concentrates primarily on state intervention in private, rather than public, pension schemes.<sup>288</sup> In particular, the new act seeks to: aid and protect private sector workers from bankruptcy; introduce new retirement options; improve financial planning; simplify the provision of pensions for private sector employers; and strengthen links between state and private sector.<sup>289</sup> Although the reform will enhance the sustainability of pensions for private sector workers, it does not address the more pressing issue of state pensions, which could seriously affect future fiscal accounts and, depending on funding formulae, Britain’s international competitiveness.

In March of 2005, the Hampton Review published its final report, entitled *Reducing administrative burdens: effective inspection and enforcement*.<sup>290</sup> Mr. Hampton, who has been charged with reviewing the United Kingdom’s reform of its 59 different regulatory bodies, concluded that, while reform in the UK was “well respected”, regulatory bodies were still complex and inconsistent in their dealings with businesses.<sup>291</sup> Mr. Hampton has recommended that better coordination between regulators, as well as a simplification of bureaucracy and better

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<sup>282</sup> *The UK Government’s Policy on Economic and Monetary Union (EMU)*, HM Treasury (London) 9 June 2003.

Date of access: 12 May 2005. [www.hm-treasury.gov.uk/documents/the\_euro/euro\_index\_index.cfm]

<sup>283</sup> *Pension Reform Options Kept Open*, BBC News (London) 12 May 2005. Date of access: 12 May 2005.

[news.bbc.co.uk/2/hi/business/4539843.stm]

<sup>284</sup> Ibid.

<sup>285</sup> *Principles for Pension Reform*, Department for Work and Pensions (London) 24 February 2005. Date of access: 12 May 2005. [www.dwp.gov.uk/news/archive/english/2005/24\_02\_05.asp]

<sup>286</sup> *Pension Reform Options Kept Open*, BBC News (London) 12 May 2005. Date of access: 12 May 2005.

[news.bbc.co.uk/2/hi/business/4539843.stm]

<sup>287</sup> *Principles for Pension Reform*, Department for Work and Pensions (London) 24 February 2005. Date of access: 12 May 2005. [www.dwp.gov.uk/news/archive/english/2005/24\_02\_05.asp]

<sup>288</sup> *Pension Reform*, Department for Work and Pensions (London) 18 November 2004. Date of access: 12 May 2005.

[www.dwp.gov.uk/lifeevent/penret/penreform/]

<sup>289</sup> Ibid.

<sup>290</sup> *Hampton Review*, HM Treasury (London) 16 March 2005. Date of access: 12 May 2005. [www.hm-treasury.gov.uk/budget/budget\_05/press\_notices/bud\_bud05\_presshampton.cfm]

<sup>291</sup> Ibid.

risk assessment, would greatly enhance the UK's entrepreneurial environment.<sup>292</sup> For these reasons, the United Kingdom has been awarded a score of 0.

## 8. United States: 0

Structural reform in the United States remains in legislative limbo, as a variety of Presidential and Congressional initiatives have stalled due to a lack of public support. In particular, President Bush's proposed reform of the Social Security system has met with stiff resistance both from members of the legislative branch of government and members of the American electorate.<sup>293</sup> Social Security is capable of fully paying all of its commitments for several decades, but there is concern that demographic change will upset the current pay-as-you-go funding system.<sup>294</sup> The current system will start to run into problems midway through the current century and this concern has prompted some, notably President Bush, to plan a radical reform.<sup>295</sup> The proposed amendments to the Social Security system would allow younger workers to divert some of their pension contributions to private retirement accounts.<sup>296</sup> However, beyond placing the issue on the political agenda there has been no legislative action on this item.

Congress has been successful, however, in passing changes to the tort system, one of President Bush's election promises.<sup>297</sup> Under the reform, class action suits will now be heard in federal courts rather than state courts, which are seen as more sympathetic to complainants than federal courts.<sup>298</sup> America's litigious culture is often viewed as an obstacle to entrepreneurship and more rapid economic growth. By reforming the tort system, Congress and the President hope to decrease the risks faced by businesses and thus encourage more economic activity.<sup>299</sup> Critics of the measure, however, claim that it will only serve the interests of big business and harm individual Americans who fall victim to faulty products or discrimination.<sup>300</sup>

Finally, the state of fiscal accounts in the United States has been an issue of great concern not only to American lawmakers but also to the G8's economic elite.<sup>301</sup> In April of this year, US Treasury Secretary John Snow addressed the topic at the meeting of the G7 Finance Ministers

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<sup>292</sup> Ibid.

<sup>293</sup> *Bush starts tour to push reforms*, BBC News (London) 3 February 2005. Date of access: 15 May 2005. [news.bbc.co.uk/2/hi/americas/4233973.stm]

<sup>294</sup> *Global Aging*, Business Week (New York) 31 January 2005. Date of access: 10 May 2005. [www.businessweek.com/magazine/content/05\_05/b3918011.htm]

<sup>295</sup> *US media foresee 'social battle'*, BBC News (London) 3 February 2005. Date of access: 17 May 2005. [news.bbc.co.uk/1/hi/world/americas/4231899.stm]

<sup>296</sup> *Bush sets out second term goals*, BBC News (London) 3 February 2005. Date of access: 17 May 2005. [news.bbc.co.uk/2/hi/americas/4228927.stm]

<sup>297</sup> *Congress curbs class-action suits*, BBC News (London) 17 February 2005. Date of access: 15 May 2005. [news.bbc.co.uk/2/hi/americas/4275409.stm]

<sup>298</sup> Ibid.

<sup>299</sup> John Snow, *Prepared Statement Following the Meeting of the G7 Finance Ministers and Central Bank Governors*, US Treasury (Washington) 16 April 2005. Date of access: 17 May 2005. [www.treas.gov/press/releases/js2384.htm]

<sup>300</sup> *Congress curbs class-action suits*, BBC News (London) 17 February 2005. Date of access: 15 May 2005. [news.bbc.co.uk/2/hi/americas/4275409.stm]

<sup>301</sup> John Snow, *Prepared Statement Following the Meeting of the G7 Finance Ministers and Central Bank Governors*, US Treasury (Washington) 16 April 2005. Date of access: 17 May 2005. [www.treas.gov/press/releases/js2384.htm]

and Central Bankers. He noted that, while the federal deficit was lower than the fiscal shortfalls of the 1980s and 1990s, it was still too high.<sup>302</sup> He stated that the Bush Administration hoped that, through the use of tight fiscal controls, the budget deficit would be halved “to well under 2% of GDP by 2009”.<sup>303</sup> On the issue of the trade deficit, Secretary Snow pointed out that growth continued to lag in Europe and Japan, and called on China to reconsider its exchange rate regime.<sup>304</sup> Secretary Snow noted, in later reports, that the current account deficit is also a reflection of the gap between US domestic investment and savings.<sup>305</sup> Foreign inflows of capital (which must be matched by an increase in imports) had helped the United States “to achieve levels of capital formation that would have otherwise not been possible”.<sup>306</sup>

Thus, for the tentative, but not decisive, steps made on pension reform and fiscal consolidation, as well as the simplification of the American legal code, the US receives a score of 0.

## 9. European Union: 0

The European Union has only partially fulfilled the World Economy commitments established at the Sea Island Summit in June 2004. Over the past year, legislative and political events in the European Union have been dominated by the creation of the European Constitution and subsequent campaigns in the member states to pass the Constitution, either by referendum or parliamentary vote. As such, the structural reform agenda has stalled and European Union reform attempts have been hollow, weak and even contradictory to the goal of a more flexible, dynamic European economy.

In a study conducted by the European Commission, it was found that the European Union has been too slow with its economic reforms set out by the Lisbon Agenda five years ago. The Commission reports that, “in most EU countries, the pace of economic reform has been too slow, and fulfilling the Lisbon ambitions will be difficult — if not impossible.”<sup>307</sup> The European Central Bank (ECB) has been concerned about Germany and France’s lobbying for a relaxation of the Lisbon Agenda rules, saying “it must be avoided... that changes in the corrective arm undermine confidence in the fiscal framework of the European Union and the sustainability of public finances in the euro area member states.”<sup>308</sup>

On 27 July 2004 the OECD published the *Economic Survey of the Euro Area 2004*. The OECD remarked on the need for the speeding up of price and real wage adjustment as well as labour

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<sup>302</sup> Ibid.

<sup>303</sup> Ibid.

<sup>304</sup> Ibid.

<sup>305</sup> John Snow, *Report to Congress on International Economic and Exchange Rate Policies: May 2005*, US Treasury (Washington) 17 May 2005. Date of access: 17 May 2005.

[[www.treas.gov/press/releases/reports/js2448\\_report.pdf](http://www.treas.gov/press/releases/reports/js2448_report.pdf)]. p. 3.

<sup>306</sup> Ibid.

<sup>307</sup> *EU ‘too slow’ on economic reforms*, BBC News (London) 27 January 2005. Date of access: 11 May 2005. [[news.bbc.co.uk/2/hi/business/4212821.stm](http://news.bbc.co.uk/2/hi/business/4212821.stm)]

<sup>308</sup> *ECB ‘concerned’ about euro deal*, BBC News (London) 21 March 2005. Date of access: 11 May 2005. [[news.bbc.co.uk/2/hi/business/4369475.stm](http://news.bbc.co.uk/2/hi/business/4369475.stm)]

mobility in order to stabilize the economy.<sup>309</sup> The report also focused on growth potential, which the OECD thought could be found by increasing good, service and market integration, and fiscal policy. Fiscal policy needed to reflect long-run sustainability, while also increasing short-run flexibility. On 11 May 2005, however, Members of the European Parliament (MEPs) voted to phase out the opt-out clause of the Working Time Directive over three years and to restrict the number of hours employees may work per week to 48.<sup>310</sup> This move is anticipated to have negative consequences for the EU's competitiveness.<sup>311</sup>

In another report the OECD also warns of a "north and south" divide in the EU with the northern regions doing much better economically than the southern regions, in areas such as unemployment and GDP per capita.<sup>312</sup> The OECD also points to the fact that although integration is relatively high, labour mobility is still too low. The areas most affected by unemployment have also seen an increase in Euro-skepticism.<sup>313</sup> Even though the euro was designed to increase intra-EU trade, it has actually increased the EU's trade with the rest of the world, which the manufacturers are blaming on slow EU GDP growth.<sup>314</sup>

Both the OECD<sup>315</sup> and the EU Economic and Financial Affairs Department<sup>316</sup> have forecast the increasing oil prices as barriers to EU's GDP growth, assuring a drop in the 2005 GDP as a result. The OECD sees a need to reinvest in structural reforms that will take the aging population into effect while still maintaining growth and stability.<sup>317</sup> The EU Economic and Financial Affairs Department has promised to examine labour market reforms while keeping inflation low.<sup>318</sup>

In accordance with the stagnation of reform efforts within the European Union, and the need for a revision of the Lisbon Agenda, the European Union has been awarded a score of 0.

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25 May 2005

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<sup>309</sup> *Policy Brief: Economic survey of the Euro area 2004*, OECD (Paris) 27 July 2004. Date of access: 11 May 2005. [[www.oecd.org/dataoecd/17/33/33626607.pdf](http://www.oecd.org/dataoecd/17/33/33626607.pdf)]

<sup>310</sup> *Euro-MPs back tighter work hours*, BBC News (London) 11 May 2005. Date of access: 11 May 2005. [[news.bbc.co.uk/2/hi/uk\\_news/4535815.stm](http://news.bbc.co.uk/2/hi/uk_news/4535815.stm)]

<sup>311</sup> *Ibid.*

<sup>312</sup> *Economic Survey - Euro area 2004: Regions at work*, OECD (Paris) 27 July 2004. Date of access: 11 May 2005. [[www.oecd.org/document/60/0,2340,en\\_2649\\_201185\\_32986428\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/60/0,2340,en_2649_201185_32986428_1_1_1_1,00.html)]

<sup>313</sup> Jonty Bloom, *Business fears over sluggish EU economy*, BBC News (London) 28 October 2004. Date of access: 11 May 2005. [[news.bbc.co.uk/2/hi/business/3961951.stm](http://news.bbc.co.uk/2/hi/business/3961951.stm)]

<sup>314</sup> *Ibid.*

<sup>315</sup> *OECD Economic Outlook No.76*, OECD (Paris) 30 November 2004. Date of access: 11 May 2005. [[www.oecd.org/dataoecd/2/29/22545260.pdf](http://www.oecd.org/dataoecd/2/29/22545260.pdf)]

<sup>316</sup> *Economic Forecasts 2004*, EU Economic and Financial Affairs (Brussels) 26 October 2004. Date of access: 11 May 2005. [[europa.eu.int/comm/economy\\_finance/publications/european\\_economy/2004/ee504en.pdf](http://europa.eu.int/comm/economy_finance/publications/european_economy/2004/ee504en.pdf)]

<sup>317</sup> *OECD Economic Outlook No.76*, OECD (Paris) 30 November 2004. Date of access: 11 May 2005. [[www.oecd.org/dataoecd/2/29/22545260.pdf](http://www.oecd.org/dataoecd/2/29/22545260.pdf)]

<sup>318</sup> *Economic Forecasts 2004*, EU Economic and Financial Affairs (Brussels) 26 October 2004. Date of access: 11 May 2005. [[europa.eu.int/comm/economy\\_finance/publications/european\\_economy/2004/ee504en.pdf](http://europa.eu.int/comm/economy_finance/publications/european_economy/2004/ee504en.pdf)]

## **Trade: WTO Doha Development Agenda**

### **Commitment**

“...we direct our ministers and call on all WTO members to finalize the frameworks by July to put the WTO negotiations back on track so that we expeditiously complete the Doha Development Agenda.”

*G8 Leaders Statement on Trade*

### **Background**

At the Doha Ministerial Conference held in November 2001, participants implemented the Doha Declaration launching a new trade round to establish a fair and market-oriented trading system by preventing restrictions and distortions in world agricultural markets.<sup>319</sup> The Fifth WTO Ministerial Conference was held in September 2003 in Cancun, Mexico. The Ministerial ultimately collapsed after the QUAD countries (US, EU, Japan and Canada) failed to reach an agreement with the G-20 bloc of developing countries (including Brazil, India and China). Nevertheless, the leaders of the G8 countries understand the importance of assisting less developed countries in their trade capabilities in order to promote economic growth and alleviate poverty. To this end, they have made the commitment to put the talks back on track and resume negotiations to meet extended deadlines.

On 1 August 2004, WTO members adopted a General Council decision on the Doha Work Programme, informally known as the July Package which established a framework for placing the DDA back on track for completion by 2006. The package was negotiated by the ‘Group of Interested Parties’ which was comprised of the US, EU, Australia (from the Cairns Group), Brazil and India (from the G20). Under the package, industrialized countries agreed to major concessions that they had previously resisted in Cancun: wealthy states, in particular the EU, agreed to place all agricultural subsidies on the table for discussion and committed to making significant cuts; wealthy countries agreed to a ‘down payment’ on this deal in the form of an immediate 20% reduction in total current agricultural subsidies; LDCs (including approximately 25 African states) received an agreement in principle to receive increased market access while maintaining the right to shelter their domestic industries; and three Singapore Issues (foreign investment, competition policy, and government procurement) were dropped from the DDA with the fourth (trade facilitation) kept on in the understanding it would only result in a clarification and simplifying of current agreements. In exchange, developing countries agreed to further open their markets to manufactured imports and agreed to continue negotiations on a deal in trade in services.<sup>320</sup>

The WTO is scheduled to meet for its Sixth Ministerial in Hong Kong in December 2005.

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<sup>319</sup> World Trade Organization, Available at [www.wto.org/english/tratop\\_e/dda\\_e/dohaexplained\\_e.htm#agriculture](http://www.wto.org/english/tratop_e/dda_e/dohaexplained_e.htm#agriculture)

<sup>320</sup> Anup Shah, “WTO July Package of Framework Agreements,” *Global Issues* (New York) 2 August 2004. Date of Access: 1 June 2005 [[www.globalissues.org/TradeRelated/FreeTrade/July2004Package.asp](http://www.globalissues.org/TradeRelated/FreeTrade/July2004Package.asp)]



## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France		0	
Germany			+1
Italy			+1
Japan			+1
Russia		N/A	
United Kingdom			+1
United States			+1
European Union			+1
Overall: +1.00			

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada has registered full compliance with regard to its commitment to putting the WTO negotiations back on track. On July 31, 2004, Canada officially welcomed a framework for negotiations that will allow the WTO's Doha Development Agenda to go forward and voted in favour of the General Council decision endorsing the 'July Package' on 1 August 2004. International Trade Minister Jim Peterson affirmed the importance of the Doha Development Agenda by saying that "more than 40 percent of everything Canadians produce is exported, and trade supports one in every four Canadian jobs- so making the Doha Round work is absolutely crucial for Canada."<sup>321</sup> While Canada usually wields considerable power as part of the QUAD countries bloc within the WTO (along with the US, EU and Japan), it was not a member of the 'Group of Interested Parties' that negotiated the July Package. Nevertheless, it still receives a score of +1 as Ottawa was not a part of the QUAD policy deadlock at Cancun that refused to make serious concessions on agricultural subsidies. Indeed, on this matter, Canada is more closely aligned with the Cairns Group of agricultural exporters who were pushing for a breakthrough to make agricultural trade more free from trade-distorting subsidies.<sup>322</sup>

### 2. France: 0

France voted in favour of the WTO General Council decision regarding the 'July 2004' package on 1 August 2004, placing the Doha Development Agenda back on track. Indeed, a large degree of the recalcitrance of the EU at the Cancun WTO Ministerial was due to France's insistence that only certain agricultural subsidies be open for negotiation (France is the largest recipient of farm

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<sup>321</sup> Department of Foreign Affairs and International Trade, "Doha Negotiations Back on Track," News Release, July 31st, 2004 [webapps.dfa-it-maeci.gc.ca/minpub/Publication.asp?publication\\_id=381395&language=E](http://webapps.dfa-it-maeci.gc.ca/minpub/Publication.asp?publication_id=381395&language=E)

<sup>322</sup> *Cairns Group Statement: Cairns Group "Vision" for the WTO Agriculture Negotiations*, The Cairns Group Official Website (Canberra) 3 April 1998. Date of Access: 1 June 2005 [[www.cairnsgroup.org/vision\\_statement.html](http://www.cairnsgroup.org/vision_statement.html)].

subsidies under the EU's Common Agricultural Policy).<sup>323</sup> Nevertheless, Paris' acquiescence to the July Package represents a critical and welcomed reversal of this policy.<sup>324</sup> The IMF had also strongly encouraged France to associate itself with the efforts to resume the Doha Development Round and to "support the offer to phase out all farm export subsidies and further limit negotiations on Singapore issues."<sup>325</sup>

Nevertheless, France's endorsement of the July Package has far less to do with its genuine desire to dismantle subsidies than it did with the fact that the EU controls most of France's external trade policy and few other EU states were willing to hold up further WTO talks to preserve CAP. It should be noted that while the EU endorsed the July Package on behalf of its 25-member states, France was critical on moves to cut subsidies for European farmers.<sup>326</sup> Furthermore, France has proven equally stubborn more recently with the debate over the need to slash CAP subsidies in the 2007-2013 EU budget. Paris has declared that the matter is not even open for discussion leading to severe doubts over whether it will actually be willing to make concessions at the WTO Hong Kong Ministerial seeing as it is attempting to lock in current EU subsidies for nearly another decade.<sup>327</sup>

It should also be noted that as a member of the European Union, which has exclusive competence to negotiate external trade policy on the part of its member-states, the action of the EU (see report below) in this issue-area can also be construed as contributing to France's compliance efforts.

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

In August of 2004 Germany officially welcomed the July 31<sup>st</sup> accord by the WTO to salvage the Doha Development Agenda trade talks, as a win-win deal for less developed countries and the world economy.<sup>328</sup> The German Minister for Economic Cooperation and Development Heidemarie Wieczorek-Zeul welcomed the deal as a "good signal for developing countries." The German Minister of Economics Wolfgang Clement echoed this assessment, praising the "substantial progress" that had been made as "a positive signal for the world economy"; he described the new accord as "a finely balanced blend of requirements and concessions" that afforded an "imperfect" but essentially fair compromise for both developed and developing nations.<sup>329</sup> While Germany was not a member of the 'Group of Interested Parties' which negotiated the 'July Package,' it was also not one of principal backers of the EU's previously stubborn policies on farm subsidies that caused the Cancun Ministerial to collapse.

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<sup>323</sup> "EU Heroes and Villains: Which countries are living up to their Promises on Aid, Trade, and Debt?," Action Aid International, Eurodad, and Oxfam International, February 2005. Date Accessed: 12 January 2005. p. 12 <[www.oxfam.org.uk/what\\_we\\_do/issues/debt\\_aid/downloads/eu\\_heroes\\_villains.pdf](http://www.oxfam.org.uk/what_we_do/issues/debt_aid/downloads/eu_heroes_villains.pdf)>.

<sup>324</sup> BBC, "World Trade Deal Gets Thumbs Up" 1 August 2004, [news.bbc.co.uk/1/hi/business/3525602.stm](http://news.bbc.co.uk/1/hi/business/3525602.stm)

<sup>325</sup> IMF, "International Monetary Fund France: 2004 Article IV Consultation Concluding Statement of the Mission" [www.imf.org/external/np/ms/2004/070604.htm](http://www.imf.org/external/np/ms/2004/070604.htm) 6 July, 2004

<sup>326</sup> BBC, "World Trade Talks Reach Agreement" 1 August 2004, [news.bbc.co.uk/1/hi/business/3937745.stm](http://news.bbc.co.uk/1/hi/business/3937745.stm)

<sup>327</sup> "EU Summit Open Amid Budget Row," *BBC World News* (London) 16 June 2006. Date of Access: 16 June 2006 [[news.bbc.co.uk/2/hi/europe/4097686.stm](http://news.bbc.co.uk/2/hi/europe/4097686.stm)].

<sup>328</sup> Deutsche Welle. "Germany welcomes WTO Deal" 2 August 2004 [www.dw-world.de/dw/article/0,1564,1284413,00.html](http://www.dw-world.de/dw/article/0,1564,1284413,00.html)

<sup>329</sup> Ibid

It should also be noted that as a member of the European Union, which has exclusive competence to negotiate external trade policy on the part of its member-states, the action of the EU (see report below) in this issue-area can also be construed as contributing to Germany's compliance efforts.

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

Italy is in compliance with its commitment to put the WTO negotiations back on track voting in favour of the WTO General Council decision regarding the July Package on 1 August 2004. In addition, for the last two years, Italy has donated a significant amount of money to the Doha Development Agenda Global Trust Fund, the last being just before the Cancun Ministerial Conference where it reaffirmed its commitment to making the conference a success.<sup>330</sup> Although the gathering itself was unsuccessful, Italy remains a strong backer of continued multilateral trade talks and resolution. Furthermore, while Italy was not a member of the 'Group of Interested Parties' which negotiated the 'July Package,' it was also not one of principal backers of the EU's previously stubborn policies on farm subsidies that caused the Cancun Ministerial to collapse.

It should also be noted that as a member of the European Union, which has exclusive competence to negotiate external trade policy on the part of its member-states, the action of the EU (see report below) in this issue-area can also be construed as contributing to Italy's compliance efforts.

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

Japan has registered compliance with respect to its commitment to putting the WTO negotiations back on track. Japan welcomed the adoption of the decision, which will serve as a basis for final agreement of the Doha Development Agenda negotiations, by the WTO General Council on August 1, 2004 in Geneva. Japan made a commitment to conclude the Doha Development Agenda talks successfully. Yoriko Kawaguchi, Minister for Foreign Affairs of Japan, said "Japan intends to make constructive contributions to future negotiations while securing its own interests."<sup>331</sup> This represents a reversal of Japan's position in Cancun where it lined up alongside fellow QUAD countries, the US and the EU, to block further concessions on agricultural subsidies demanded by the G-20 bloc. Nevertheless, seeing as Japan boasts the highest rates of farm subsidies amongst the G8 (Japanese farm support amounted to a towering 59% of agricultural production in the country compared to 36.5% in the EU and 17.6% in the US in 2002)<sup>332</sup>, keeping these commitments at the WTO Hong Kong Ministerial may prove more difficult.

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<sup>330</sup> WTO NEWS: 2003 PRESS RELEASES [www.wto.org/english/news\\_e/pres03\\_e/pr349\\_e.htm](http://www.wto.org/english/news_e/pres03_e/pr349_e.htm)

<sup>331</sup> Ministry of Foreign Affairs of Japan, "Statement by Ms. Yoriko Kawaguchi, Minister for Foreign Affairs, on the adoption of the General Council Decision on the WTO Doha Development Agenda," August 1st, 2004 [www.mofa.go.jp/announce/announce/2004/8/0801.html](http://www.mofa.go.jp/announce/announce/2004/8/0801.html)

<sup>332</sup> *USTR Cites Differences in U.S., EU, Japan Agricultural Supports*, United States Embassy to Japan (Tokyo) 9 September 2003. Date of Access: 15 June 2005 [[japan.usembassy.gov/e/p/tp-20030911b4.html](http://japan.usembassy.gov/e/p/tp-20030911b4.html)].

## **6. Russia: N/A**

Russia is not currently a member of the World Trade Organization (WTO)<sup>333</sup> and thus the Doha commitments do not directly call on Russia. However, in order for Russia to gain entrance into the WTO it will need to continue its efforts in helping to global world trade internationally. Russia has received support in its bid to join the WTO but this support has been classified as primarily ‘moral’ in nature, with many nations remaining unconvinced the former Soviet economy is free from centralized control or corruption.<sup>334</sup> Russia’s efforts in joining the war against terrorism<sup>335</sup> and signing onto the Kyoto Protocol have helped to gain favour in Washington and Brussels, respectively, for its bid to join the world trade body.

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

Along with the support of the United Kingdom, all 147 WTO members reached an accord on July 31<sup>st</sup> 2004 that officially put the Doha Development Agenda negotiations back on track. The UK had been pushing to get the Doha round of trade negotiations back on track since similar talks ended without an agreement in Cancun Mexico in 2003.<sup>336</sup> Furthermore, while the UK was not a member of the ‘Group of Interested Parties’ which negotiated the ‘July Package,’ it was also not one of principal backers of the EU’s previously stubborn policies on farm subsidies that caused the Cancun Ministerial to collapse.

It should also be noted that as a member of the European Union, which has exclusive competence to negotiate external trade policy on the part of its member-states, the action of the EU (see report below) in this issue-area can also be construed as contributing to the UK’s compliance efforts.

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

The United States has complied with its commitment in regards to the Doha Development Agenda, particularly in the opening of markets globally, bilaterally and regionally<sup>337</sup>. The WTO meetings in Geneva on July 31<sup>st</sup>, 2004 resulted in an agreement to reinvigorate the Doha Development Agenda.<sup>338</sup> The United States was a part of the ‘Group of Interested Parties’ that negotiated the deal which saw the US provide concessions on a number of key issues on which they have proved recalcitrant in Cancun. Namely, the July Package terms call for wealthy states, including the US, to place all agricultural subsidies on the table for discussion and committed to

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<sup>333</sup> The World Trade Organization. What is the WTO. Available at: [www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm)

<sup>334</sup> Pravda.ru, APEC backs Russia's bid to join WTO. November 20, 2004. [english.pravda.ru/main/18/88/350/14611\\_apec.html](http://english.pravda.ru/main/18/88/350/14611_apec.html)

<sup>335</sup> Pravada.ru, Leaders of Russia, France and Germany to join efforts in fighting terrorism. August 31, 2004. [english.pravda.ru/main/18/88/354/13974\\_Putin.html](http://english.pravda.ru/main/18/88/354/13974_Putin.html)

<sup>336</sup> The Department for International Development. “Framework agreed for future Doha talks” August 2004 [www.dfid.gov.uk/news/files/trade\\_news/worldtradeorgnewsfull.asp](http://www.dfid.gov.uk/news/files/trade_news/worldtradeorgnewsfull.asp)

<sup>337</sup> Office of the United States Trade Representative. USTR Zoellick to Attend Key Meetings in Geneva July 27 – 28 To Advance Doha Negotiations. July 26, 2004. [www.ustr.gov/Document\\_Library/Press\\_Releases/2004/July/USTR\\_Zoellick\\_to\\_Attend\\_Key\\_Meetings\\_in\\_Geneva\\_July\\_27\\_28\\_To\\_Advance\\_Doha\\_Negotiations.html](http://www.ustr.gov/Document_Library/Press_Releases/2004/July/USTR_Zoellick_to_Attend_Key_Meetings_in_Geneva_July_27_28_To_Advance_Doha_Negotiations.html)

<sup>338</sup> U.S. Department of State. Doha Development Agenda. [www.state.gov/e/eb/tpp/c10339.htm](http://www.state.gov/e/eb/tpp/c10339.htm)

making significant cuts; to make a down payment' on this deal in the form of an immediate 20% reduction in total current agricultural subsidies; to ensure LDCs (including approximately 25 African states) receive an agreement in principle to receive increased market access while maintaining the right to shelter their domestic industries; and to allow three Singapore Issues (foreign investment, competition policy, and government procurement) to be dropped from the DDA with the fourth (trade facilitation) kept on in the understanding it would only result in a clarification and simplifying of current agreements. In exchange, developing countries agreed to further open their markets to manufactured imports and agreed to continue negotiations on a deal in trade in services.<sup>339</sup>

Ultimately this opened the opportunity to discuss trade liberalization negotiations in the lead up to the next WTO meeting in Hong Kong set for December 2005.<sup>340</sup> While such negotiations appeared to be lagging in the first half of 2005, the newly appointed US Trade Representative, Rob Portman, has stated that, "the United States remains committed to a successful and ambitious outcome in the Doha negotiations..."<sup>341</sup> Former US Trade Representative, Robert B. Zoellick and acting US Trade Representative Peter Allgeier have attended various trade meetings since January 2005. In late January 2005 Zoellick conducted numerous bilateral meetings which focused on the need to stay on track with the Doha Development Agenda.<sup>342</sup> However it appears that nothing substantial has come out of those meetings other than the continued communication of the importance of the Doha Agenda. Allgeier continued with Zoellick's direction by arranging meetings in March that also focused on advancing the ongoing Doha round of trade negotiations.<sup>343</sup> Current trade representative, Portman, is following a similar pattern by attending the Paris Trade Ministers meeting to address the issue of stalled negotiations in the Doha round.<sup>344</sup> The US has a lot to gain from open markets and thus the Doha Development Agenda is of particular importance to President Bush.<sup>345</sup> Nevertheless, the US is hammered in many respects by a very strong domestic farm lobby and a growing distaste for the WTO amongst

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<sup>339</sup> Anup Shah, "WTO July Package of Framework Agreements," *Global Issues* (New York) 2 August 2004. Date of Access: 1 June 2005 [[www.globalissues.org/TradeRelated/FreeTrade/July2004Package.asp](http://www.globalissues.org/TradeRelated/FreeTrade/July2004Package.asp)]

<sup>340</sup> U.S. Department of State. Doha Development Agenda. [www.state.gov/e/eb/tpp/c10339.htm](http://www.state.gov/e/eb/tpp/c10339.htm)

<sup>341</sup> Office of the US Trade Representative. "USTR Portman to Attend Key Trade Meetings in Paris May 2-4: Informal WTO Meetings to Try to Re-Energize Lagging Doha Trade Talks," April 29<sup>th</sup>, 2005. [www.ustr.gov/Document\\_Library/Press\\_Releases/2005/April/USTR\\_Portman\\_to\\_Attend\\_Key\\_Trade\\_Meetings\\_in\\_Paris\\_May\\_2-4.html](http://www.ustr.gov/Document_Library/Press_Releases/2005/April/USTR_Portman_to_Attend_Key_Trade_Meetings_in_Paris_May_2-4.html)

<sup>342</sup> Office of the US Trade Representative. "USTR Zoellick to Attend World Economic Forum and Informal WTO Meetings in Davos January 28-30: January 31 Zoellick to Meet With Russian Minister Gref in Zurich on WTO Accession. January 27<sup>th</sup>, 2005." [www.ustr.gov/Document\\_Library/Press\\_Releases/2005/January/USTR\\_Zoellick\\_to\\_Attend\\_World\\_Economic\\_Forum\\_Informal\\_WTO\\_Meetings\\_in\\_Davos\\_January\\_28-30.html](http://www.ustr.gov/Document_Library/Press_Releases/2005/January/USTR_Zoellick_to_Attend_World_Economic_Forum_Informal_WTO_Meetings_in_Davos_January_28-30.html)

<sup>343</sup> Office of the US Trade Representative. "Acting USTR Allgeier to Attend Informal Meeting of Trade Ministers, in Kenya, March 3-4." February 28<sup>th</sup>, 2005. [www.ustr.gov/Document\\_Library/Press\\_Releases/2005/February/Acting\\_USTR\\_Allgeier\\_to\\_Attend\\_Informal\\_Meeting\\_of\\_Trade\\_Ministers\\_in\\_Kenya\\_March\\_3-4.html](http://www.ustr.gov/Document_Library/Press_Releases/2005/February/Acting_USTR_Allgeier_to_Attend_Informal_Meeting_of_Trade_Ministers_in_Kenya_March_3-4.html)

<sup>344</sup> USInfo. "New U.S. Trade Representative to Attend Paris Meeting on WTO". April 29<sup>th</sup>, 2005. [usinfo.state.gov/ei/Archive/2005/Apr/29-106481.html](http://usinfo.state.gov/ei/Archive/2005/Apr/29-106481.html)

<sup>345</sup> Office of the US Trade Representative. "USTR Zoellick to Attend World Economic Forum and Informal WTO Meetings in Davos January 28-30: January 31 Zoellick to Meet With Russian Minister Gref in Zurich on WTO Accession. January 27<sup>th</sup>, 2005." [www.ustr.gov/Document\\_Library/Press\\_Releases/2005/January/USTR\\_Zoellick\\_to\\_Attend\\_World\\_Economic\\_Forum\\_Informal\\_WTO\\_Meetings\\_in\\_Davos\\_January\\_28-30.html](http://www.ustr.gov/Document_Library/Press_Releases/2005/January/USTR_Zoellick_to_Attend_World_Economic_Forum_Informal_WTO_Meetings_in_Davos_January_28-30.html)

members of the US Congress following a series of unfavourable trade tribunal rulings for American industry.<sup>346</sup>

## 9. European Union: +1

The European Union (EU) has taken considerable measures towards putting the WTO's Doha Development Agenda back on track after being one of the principal obstacles to progress at the Cancun Ministerial. On 9 May 2004, then-EU Trade Representative Pascal Lamy and EU Agriculture Commissioner Franz Fischler co-authored a public letter stating the EU's willingness to "move on export subsidies" in DDA negotiations so long as other industrialized nations did the same.<sup>347</sup> The deal, however, is also predicated on developing nations further opening their markets to EU manufactured exports — a move which many NGOs criticize as unfair and detrimental to development.<sup>348</sup> Furthermore, European Commission's Directorate General for Trade, Karl Falkenberg, assured countries in the Southern African Development Community (SADC) that the EU will have waived its agricultural subsidies by the time EPA negotiations are concluded (scheduled for 2008).<sup>349</sup>

On 31 July 2004, the EU, as part of the 'Group of Interested Parties,' met with the WTO in Geneva and agreed to the components of the 'July 2004 Package.' The EU "broadly accepted" deals made in Geneva, even though France was critical on moves to cut subsidies for European farmers.<sup>350</sup> Namely, the July Package terms call for wealthy states, including the US, to place all agricultural subsidies on the table for discussion and committed to making significant cuts; to make a down payment' on this deal in the form of an immediate 20% reduction in total current agricultural subsidies; to ensure LDCs (including approximately 25 African states) receive an agreement in principle to receive increased market access while maintaining the right to shelter their domestic industries; and to allow three Singapore Issues (foreign investment, competition policy, and government procurement) to be dropped from the DDA with the fourth (trade facilitation) kept on in the understanding it would only result in a clarification and simplifying of current agreements. In exchange, developing countries agreed to further open their markets to manufactured imports and agreed to continue negotiations on a deal in trade in services.<sup>351</sup>

In November, Peter Mandelson took over Pascal Lamy's job as trade commissioner of the EU, already demonstrating that the Doha Development Agency (DDA) shall be a top priority during his mandate. At the African Caribbean Pacific (ACP)-EU ministerial on December 1<sup>st</sup> 2004, Mandelson stated that the "Doha mandate has to be implemented in a way that takes account of

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<sup>346</sup> Bruce Odessey, "House Committee Backs Continued US Participation in WTO," International Information Program US Info State Gov, 24 May 2005. Date of Access: 25 May 2005. <[usinfo.state.gov/ei/Archive/2005/May/25-762968.html](http://usinfo.state.gov/ei/Archive/2005/May/25-762968.html)>.

<sup>347</sup> "Open Letter from Pascal Lamy and Franz Fischler," European Commission (Brussels) 9 May 2004. Date of Access: 15 June 2005 [[trade-info.cec.eu.int/doclib/docs/2004/october/tradoc\\_119454.pdf](http://trade-info.cec.eu.int/doclib/docs/2004/october/tradoc_119454.pdf)].

<sup>348</sup> Devinder Sharma, "Once again, fooling the world," Indiatogether.org, June 2004. Date of Access: 25 May 2005. <[www.indiatogether.org/2004/jun/agr-wtoagro.htm](http://www.indiatogether.org/2004/jun/agr-wtoagro.htm)>.

<sup>349</sup> Bester Gabotlale, "EU to Forgo Farm Subsidies," *Mmegi/The Reporter* (Gaborone), 3 May 2005. Date of Access: 14 May 2005 [[allafrica.com/stories/200505040525.html](http://allafrica.com/stories/200505040525.html)].

<sup>350</sup> BBC, "World Trade Talks Reach Agreement" 1 August 2004, [news.bbc.co.uk/1/hi/business/3937745.stm](http://news.bbc.co.uk/1/hi/business/3937745.stm)

<sup>351</sup> Anup Shah, "WTO July Package of Framework Agreements," *Global Issues* (New York) 2 August 2004. Date of Access: 1 June 2005 [[www.globalissues.org/TradeRelated/FreeTrade/July2004Package.asp](http://www.globalissues.org/TradeRelated/FreeTrade/July2004Package.asp)]

the distinctive development profile of each individual developing country”<sup>352</sup>, outlining that success in progressive trade development at the WTO ministerial in Hong Kong this year is heavily dependent on active participation by the G90.<sup>353</sup>

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15 May 2005

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<sup>352</sup>Europa “The ACP-EU relationship in the global economy: Speech by EU Trade Commissioner Peter Mandelson, ACP-EU Ministerial, Brussels” , 1 December 2004,  
[europa.eu.int/comm/commission\\_barroso/mandelson/speeches\\_articles/temp\\_icentre.cfm?temp=sppm006\\_en](http://europa.eu.int/comm/commission_barroso/mandelson/speeches_articles/temp_icentre.cfm?temp=sppm006_en).

<sup>353</sup>Europa “The ACP-EU relationship in the global economy: Speech by EU Trade Commissioner Peter Mandelson, ACP-EU Ministerial, Brussels” , 1 December 2004,  
[europa.eu.int/comm/commission\\_barroso/mandelson/speeches\\_articles/temp\\_icentre.cfm?temp=sppm006\\_en](http://europa.eu.int/comm/commission_barroso/mandelson/speeches_articles/temp_icentre.cfm?temp=sppm006_en).

## Trade: Technical Assistance

### Commitment

“The progressive integration by developing countries of trade into their development policies and poverty reduction strategies is crucial for their integration in the global economy, and will increase the benefits they derive from the multilateral trading system. We call on developing countries to further increase their efforts in this regard, and pledge to provide strong support in the form of technical assistance to build their trading.”

*G8 Leaders Statement on Trade*

### Background

Within the World Trade Organization (WTO) framework, the member countries agreed that less developed countries (LDCs) need assistance in order to improve their trading capabilities in order to capitalize on economic growth and alleviate poverty. The countries recognize that to not get left behind in the global trading system, LDCs need to be aided and mentored in bringing their trading systems up to par with the rest of the global trading environment. Developed countries already have the capabilities and expertise necessary to trade on an advanced scale and can share this information with the LDCs in order to expedite trade liberalization. Indeed, WTO Director-General Supachai Panitchpakdi has stated that “[p]art of the reason why developing countries have difficulties participating actively in the Doha Development Agenda negotiations is their lack of human resources.”<sup>354</sup> Technical assistance includes, but is not limited to, the transfer of knowledge that will allow developing countries to create more environmentally friendly means of production, the creation of infrastructure and financial assistance to support developing industries.

### Assessment

Country	Non-Compliance –1	Work in Progress 0	Full Compliance +1
Canada			+1
France		0	
Germany			+1
Italy		0	
Japan			+1
Russia	–1		
United Kingdom			+1
United States			+1
European Union			+1
Overall: 0.56			

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<sup>354</sup> Canada donates 156,000 Canadian dollars for the second Caribbean Regional Trade Policy Course, World Trade Organization (Geneva) 21 April 2005. Date of Access: 1 June 2005 [www.wto.org/english/news\_e/pres05\_e/pr403\_e.htm].



## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada has achieved full compliance with respect to its commitment in providing technical assistance, which will be used to promote private sector development and trade in developing countries. Its efforts are mainly focused on supporting microcredit and microfinance initiatives and through contributions to the WTO's Doha Development Agenda Global Trust Fund.

On 21 April 2005, Canada announced that it will contribute CAN\$ 156,000 (CHF 149,000) to the Doha Development Agenda Global Trust Fund. The contribution was made towards the second Caribbean Regional Trade Policy Course. I welcome Canada's contribution," said Director-General Supachai Panitchpakdi. "Part of the reason why developing countries have difficulties participating actively in the Doha Development Agenda negotiations is their lack of human resources. Canada's donation will help train developing country officials." The Regional Trade Policy Courses are part of the WTO's technical assistance and capacity building programme, and are modelled on three-month trade policy courses that have been organized by the GATT/WTO in Geneva for over 40 years. They were introduced in 2002 and have since been held in Africa and in Hong Kong, China, for the Asia-Pacific region.<sup>355</sup>

On 7 June 2004, Canada also committed US\$95,000 for the Regional Gender & Trade Initiative aimed at African countries and recognized by the WTO as a form of trade-related technical assistance. This project facilitates the development of a training package for women entrepreneurs, combining the Canadian 'Going Global' Package with ITC's Business Management System in a gender-sensitive context. Course development activities involve a series of meetings by the course development team comprising both ITC as well as Canadian experts, as well as resource persons from Africa and the private sector.<sup>356</sup>

On 21 September 2004, Aileen Carroll, Minister of International Cooperation announced that Canada will contribute C\$17 million to the Tanzania Financial Sector Deepening Programme (FSDP) Trust Fund.<sup>357</sup> Minister Carroll said "improving access to cost-effective, efficient and reliable financial services is an important step toward building a sustainable private sector and reducing poverty overall."<sup>358</sup> Funding for these initiatives was provided for in the March 2004 federal budget and is therefore built into the existing fiscal framework.<sup>359</sup>

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<sup>355</sup> *Canada donates 156,000 Canadian dollars for the second Caribbean Regional Trade Policy Course*, World Trade Organization (Geneva) 21 April 2005. Date of Access: 1 June 2005 [www.wto.org/english/news\_e/pres05\_e/pr403\_e.htm].

<sup>356</sup> "PACT GTI-Design Training Programme," WTO Doha Development Agenda: Trade Capacity Building Database (Geneva) 7 June 2004. Date of Access: 1 June 2005 [tcbdb.wto.org/trta\_project.asp?prjcd=RAF/20/98A%20 &ctry=298].

<sup>357</sup> Canadian International Development Agency, "Canada Helps Reduce Poverty in Tanzania and Strengthens Microfinance Sector," News release, September 21<sup>st</sup>, 2004 www.acdi-cida.gc.ca/cida\_ind.nsf/vPrintNewsReleaseEn/5C184CA9FAEBB03785256F16004D66A4

<sup>358</sup> Ibid

<sup>359</sup> Ibid

Canada is also promoting private sector development and trade in developing countries. Aileen Carroll, Minister of International Cooperation announced that Canada will launch a series of new policies to strengthen the expansion of the private sector in developing countries in April, 2005.<sup>360</sup> The initiatives are valued at \$25 million and focused on projects in Africa, Asia and the Americas.<sup>361</sup> There are three policy areas, which CIDA will focus their projects on: “contributing conditions that encourage growth of the private sector; promoting entrepreneurship; and, supporting links to markets that help developing countries better integrate into the global trading system.”<sup>362</sup> CIDA will devote at least 75 % of their private sector development programming to these areas.<sup>363</sup> Out of \$25 million, CIDA will spend \$11 million for “a project to support land management and administration in Cambodia, including \$2.5 million to a World Bank Trust Fund.”<sup>364</sup> This project is expected to help farmers increase productivity, income equalities, and access to finance. At the same time, investment in rural activities and agriculture infrastructure will be encouraged.<sup>365</sup> The funding for these proposed projects has already been integrated into the existing fiscal framework since it was included in the February 2005 federal budget.<sup>366</sup>

## 2. France: 0

Overall, France has taken steps towards achieving compliance with its pledge to provide trade assistance to developing countries, but has yet to illustrate explicit support for programs in progressive technical assistance. France is, and always has been, one of the most generous donors of the G8, with plans to raise the official development assistance (ODA) to 0.5% of gross national income by 2007.<sup>367</sup> Much of this aid, however, has gone towards debt relief rather than support in the form of technical assistance, thus not generating fresh cash flow with which to fund progressive development programs.<sup>368</sup> President Chirac admitted to this problem in his speech at ‘The Meeting on Eradicating World Hunger and Poverty,’ suggesting not “to replace official development assistance or private action, but to round them out.”<sup>369</sup> In November 2004, Xavier Darcos, Minister for Cooperation, Development and Francophonie, met with Hilary Benn, Secretary of State for International Development, at a UK/France summit to launch a plan of action for cooperation on development issues.<sup>370</sup> This summit was held in preparation for the UK Presidency of the European Union in the latter half of 2005 and of the G8 in the same year, through which the UK intends to make development a top priority. France plans to make its

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<sup>360</sup> Canada International Development Agency, “Canada Builds Capacity of Private Sector in Poor Countries,” News Release, April 7<sup>th</sup>, 2005 [www.acdi-cida.gc.ca/cida\\_ind.nsf/vLookupNewsEn/203B9000A17A389585256FDC00547BF6?OpenDocument](http://www.acdi-cida.gc.ca/cida_ind.nsf/vLookupNewsEn/203B9000A17A389585256FDC00547BF6?OpenDocument)

<sup>361</sup> Ibid

<sup>362</sup> Ibid

<sup>363</sup> Ibid

<sup>364</sup> Ibid

<sup>365</sup> Ibid

<sup>366</sup> Ibid

<sup>367</sup> OECD “France. DAC Peer Review: Main Findings and Recommendations” January 4, 2005 [www.oecd.org/document/11/0,2340,en\\_2649\\_33721\\_32070731\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/11/0,2340,en_2649_33721_32070731_1_1_1_1,00.html)

<sup>368</sup> Ibid. [www.oecd.org/document/11/0,2340,en\\_2649\\_33721\\_32070731\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/11/0,2340,en_2649_33721_32070731_1_1_1_1,00.html)

<sup>369</sup> 8Le Palais de l’Elysee “Speech by Mr Jacques Chirac President of the French Republic to the meeting for the presentation of the report by the World Commission on the social dimension of globalization” (New York) 20 September 2004, [www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur\\_file=discours/2004/UK04920C.html](http://www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur_file=discours/2004/UK04920C.html)

<sup>370</sup> Foreign and Commonwealth Office “Action Plan on UK/France Cooperation on Development” pg. 1, November 18, 2004 [www.fco.gov.uk/Files/kfile/EC100\\_ActionPlan,0.pdf](http://www.fco.gov.uk/Files/kfile/EC100_ActionPlan,0.pdf)

development, trade, foreign and security policies mutually supportive with those of the UK, aiming to lay the foundations for “genuine and sustainable development.”<sup>371</sup>

In February of 2005, France, together with Germany, announced that they would lend their support to a pilot project, which promotes innovative funding towards development known as the: International Funding Facility (IFF).<sup>372</sup> This would mean an international solidarity tax, imposed on “air transport, kerosene, or airline tickets”<sup>373</sup> which would raise money for both trade development as well as health programs in the poorest countries.

At the Paris mini-ministerial in early May of 2005, in which WTO members met with the OECD, French foreign trade minister Francois Loos declared that the preservation of the interests of less developed countries remains a top priority for France.<sup>374</sup> Loos declared that this would involve increased aid in the development of south-south trade through the opening up of markets in developing countries, as well as the development of the service sector, to which France remains committed.<sup>375</sup>

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

Germany has taken the necessary steps to comply with its pledge to assist in the trade capacity building of developing nations. In an October 2004 statement to the Development Committee of the World Bank, Germany’s Development Minister Wieczorek-Zeul reaffirmed the country’s commitment to provide technical assistance for trade capacity building. The Minister called for a “boost in both the effectiveness and volume of development cooperation,”<sup>376</sup> as well as an “enhancement of absorptive capacities” of developing nations and the “more sensible combination of financial transfers with advice and technical assistance.”<sup>377</sup> In December 2004 Germany donated €250,000 to the Doha Development Global Trust Fund, bringing its contributions to the WTO technical assistance fund to a total of CHF 4.1 million, the eighth biggest voluntary contribution to the fund since 2001.<sup>378</sup> “The funds will help enhance developing countries’ understanding of WTO Agreements, to enable better compliance and

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<sup>371</sup> Ibid, pg. 3 [www.fco.gov.uk/Files/kfile/EC100\\_ActionPlan,0.pdf](http://www.fco.gov.uk/Files/kfile/EC100_ActionPlan,0.pdf)

<sup>372</sup> Ministère des Affaires Etrangères, “Innovative Financing of Development on the G8 Agenda”, May 11, 2005, [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=47631](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=47631)

<sup>373</sup> Ibid.

<sup>374</sup> OECD, “Négociations Commerciales dans le Cadre du Cycle de Doha sur le Développement” Déclaration de M. François Loos, Ministre Délégué au Commerce Extérieur, Pp. 2, 11, May 2005 [www.oecd.org/document/35/0,2340,en\\_21571361\\_34628784\\_34691427\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/35/0,2340,en_21571361_34628784_34691427_1_1_1_1,00.html)

<sup>375</sup> Ibid. Pp. 4

<sup>376</sup> “Statement by Heidemarie Wieczorek-Zeul Federal Minister for Economic Cooperation and Development Germany” The World Bank Development Committee, 2 October 2004. [siteresources.worldbank.org/DEVCOMMINT/Documentation/20264390/DCS2004-0050-Germany.pdf](http://siteresources.worldbank.org/DEVCOMMINT/Documentation/20264390/DCS2004-0050-Germany.pdf)

<sup>377</sup> “Statement by Heidemarie Wieczorek-Zeul Federal Minister for Economic Cooperation and Development Germany” The World Bank Development Committee, 2 October 2004. [siteresources.worldbank.org/DEVCOMMINT/Documentation/20264390/DCS2004-0050-Germany.pdf](http://siteresources.worldbank.org/DEVCOMMINT/Documentation/20264390/DCS2004-0050-Germany.pdf)

<sup>378</sup> World Trade Organization “Germany donates 250,000 euros to WTO technical assistance” 17 December 2004 [www.wto.org/english/news\\_e/pres04\\_e/pr391\\_e.htm](http://www.wto.org/english/news_e/pres04_e/pr391_e.htm)

integration in the multilateral trading system, as well as identify their infrastructural constraints and technical assistance needs.”<sup>379</sup>

The “Ministry for Economic Cooperation and Development (BMZ) is in charge of the development cooperation with developing countries and has planned, coordinated and implemented a wide range of programmes and projects through different national agencies and multilateral organizations.”<sup>380</sup> The bulk of German technical assistance is implemented through the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) focusing on institution and capacity building<sup>381</sup>, Internationale Weiterbildung und Entwicklung (InWEnt) focusing on training activities and the Kreditanstalt für Wiederaufbau (KfW Bank) focusing on infrastructure development.<sup>382</sup> The BMZ has aimed to provide anchor countries in Asia, Africa and South America with targeted support and has registered projects with 11 of them, with funding totaling €350 million.<sup>383</sup> The 2005 budget for the Ministry of Economic Cooperation and Development was increased by an additional €76 million.<sup>384</sup> Development cooperation will remain the biggest budget item for 2005, approximately €1 billion, and will include trade related technical assistance with developing countries in Africa.<sup>385</sup>

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

Italy, thus far, seems to want to use the European Union as its vehicle to comply with its technical assistance commitment. Although they directly gave money to the Doha Development Agenda Global Trust Fund in both 2002 and 2003 (for WTO technical assistance activities), they did not make a direct contribution in 2004. They have also not announced any programs for assistance outside of those outlined by the European Union (please see below).

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

Japan has registered full compliance with regard to its commitment to provide technical assistance to developing countries. This has been achieved through its initiatives to host the TICAD (Tokyo International Conference on African Development) Asia-Africa Trade and Investment Conference in the early November 2004 and its studies on effective means to facilitate trade in developing countries. There were about 700 participants from 102 countries and organizations.<sup>386</sup> It included 48 African and 13 Asian countries as well as more than 90

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<sup>379</sup> World Trade Organization “Germany donates 250,000 euros to WTO technical assistance” 17 December 2004 [www.wto.org/english/news\\_e/pres04\\_e/pr391\\_e.htm](http://www.wto.org/english/news_e/pres04_e/pr391_e.htm)

<sup>380</sup> World Trade Organization. Guide to source of Technical Assistance: Germany. 12 June 2003 [www.wto.org/english/tratop\\_e/devel\\_e/teccop\\_e/bil\\_ass\\_e/germany\\_e.htm](http://www.wto.org/english/tratop_e/devel_e/teccop_e/bil_ass_e/germany_e.htm)

<sup>381</sup> The German Federal Foreign Office. Technical Cooperation. February 2004 [www.auswaertiges-amt.de/www/en/aussenpolitik/aussenwirtschaft/entwicklung/tz\\_html](http://www.auswaertiges-amt.de/www/en/aussenpolitik/aussenwirtschaft/entwicklung/tz_html)

<sup>382</sup> World Trade Organization. Guide to source of Technical Assistance: Germany. 12 June 2003 [www.wto.org/english/tratop\\_e/devel\\_e/teccop\\_e/bil\\_ass\\_e/germany\\_e.htm](http://www.wto.org/english/tratop_e/devel_e/teccop_e/bil_ass_e/germany_e.htm)

<sup>383</sup> The German Federal Ministry for Economic Cooperation and Development. “Anchor countries - partners in global development” December 2004. [www.bmz.de/de/english\\_current\\_nl.html](http://www.bmz.de/de/english_current_nl.html)

<sup>384</sup> [www.bmz.de/de/zahlen/deutscherbeitrag/index.html](http://www.bmz.de/de/zahlen/deutscherbeitrag/index.html)

<sup>385</sup> The German Federal Ministry for Economic Cooperation and Development. “Haushalt 2005 - Entwicklungspolitik gestärkt” 12 November 2004 [www.bmz.de/de/presse/pm/120\\_2004.html](http://www.bmz.de/de/presse/pm/120_2004.html)

<sup>386</sup> TICAD Asia-Africa Trade and Investment Conference, “Chair’s Summary,” [www.mofa.go.jp/region/africa/ticad/aatic/summary.pdf](http://www.mofa.go.jp/region/africa/ticad/aatic/summary.pdf)

private enterprises and organizations.<sup>387</sup> Participants discussed the idea of “Poverty Reduction through Economic Growth,” which is one of the three pillars of Japan’s Policy on Cooperation with Africa.<sup>388</sup> Shoichi Nakagawa, Minister of Economy, Trade and Industry of Japan, stressed the importance of “a shift of focus from the provision of assistance to promotion of trade and investment; in other words, the integration of Africa into the global economy.”<sup>389</sup>

At the OECD Ministerial Council Meeting on May 3<sup>rd</sup>, 2005, Nobutaka Machimura, Minister for Foreign Affairs of Japan, announced Japan’s policy to increase their support to “further expand and strengthen a network to facilitate the exchange of trade and investment between Asia and Africa using information and communication technology.”<sup>390</sup> Japan also provided proposals to further reinforce the OECD-Africa investment initiatives on May 11<sup>th</sup>, 2005. For example, Japan suggested projects would “identify priority areas that governments will want to address to create a better investment climate by customizing the Policy Framework for Investment (PFI) for specific use in Africa through country/ regional case studies.”<sup>391</sup>

## 6. Russia: –1

Russia has not complied with its commitment to provide technical assistance, and it appears that it has been looking economically internally more so than externally. Russia experienced a financial crisis in mid-2004 resulting in a need to focus inwards on a national level<sup>392</sup>. With an inflation rate of 11.5%, Russia’s finance minister has claimed that Russia is in no position to make investments in any area<sup>393</sup>. Furthermore, the 2005 budget does not indicate any significant outward financial assistance or funding for programs that would provide technical assistance to developing countries<sup>394</sup>. In light of Russia’s domestic battles, it is not likely that technical assistance to other countries, similar to that given by other G8 members, will materialize. In fact Russia is currently a net-recipient of technical assistance from the European Union as part of a two-year program initiated in November 2003 to create a transparent and effective federal budget system.<sup>395</sup>

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<sup>387</sup> Ibid

<sup>388</sup> Ibid

<sup>389</sup> Shoichi Nakagawa, Minister of Economy, Trade and Industry, “Closing Remarks by Representative of Japan, Mr. Shoichi Nakagawa, at the TICAD Asia-Africa Trade and Investment Conference,” [www.mofa.go.jp/region/africa/ticad/aatic/closing0411.pdf](http://www.mofa.go.jp/region/africa/ticad/aatic/closing0411.pdf)

<sup>390</sup> Nobutaka Machimura, Minister for Foreign Affairs of Japan, “Table Speech at the Informal Dinner Discussion on the Millennium Declaration and Monterrey Consensus,” May 3<sup>rd</sup>, 2005 [www.mofa.go.jp/policy/economy/oecd/speech0505.html](http://www.mofa.go.jp/policy/economy/oecd/speech0505.html)

<sup>391</sup> Ministry of Foreign Affairs of Japan, “Strengthening the OECD-Africa Investment Initiative, Japan’s Proposal,” May 11<sup>th</sup>, 2005 [www.mofa.go.jp/policy/economy/oecd/proposal0505.html](http://www.mofa.go.jp/policy/economy/oecd/proposal0505.html)

<sup>392</sup> Pravda.ru, How to make money in times of crisis . July 20, 2004.

[english.pravda.ru/main/18/89/358/13457\\_investments.html](http://english.pravda.ru/main/18/89/358/13457_investments.html)

<sup>393</sup> Pravda.ru, Capital outflow from Russia stops, wages reach German and French level. November 30, 2004.

[english.pravda.ru/main/18/89/358/14658\\_investment.html](http://english.pravda.ru/main/18/89/358/14658_investment.html)

<sup>394</sup> The Russian Journal, Putin approves budget for 2005. December 27, 2004. [www.russijournal.com/news/cnews-article.shtml?nd=46863](http://www.russijournal.com/news/cnews-article.shtml?nd=46863)

<sup>395</sup> Pravda.ru. “European Union Allocates 3 million Euros to Support State Budget Reforms in Russia.” March 18, 2003. [english.pravda.ru/economics/2003/03/18/44597.html](http://english.pravda.ru/economics/2003/03/18/44597.html)

Russia did attend a WTO Workshop for Central and Eastern Europe, Central Asia and the Caucasus on the Agreement on Technical Barriers to Trade in Istanbul on 23-24 September 2004. Nevertheless, Russia was involved in this event as a participant rather than a donor, along with Turkey, Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Macedonia FYR, Moldova, Romania, Serbia and Montenegro, Turkmenistan, Tajikistan, Ukraine, and Uzbekistan. As such, this involvement cannot be counted towards its 2004 Sea Island commitment compliance.<sup>396</sup>

## 7. United Kingdom: +1

Since the 2004 Sea Island Summit, the United Kingdom (UK) has publicly reaffirmed its commitment to providing developing countries with trade related technical assistance. In July 2004, the Secretary of State for Trade and Industry, Patricia Hewitt, published a White Paper on Trade and Investment called, 'Making Globalization a Force for Good'.<sup>397</sup> The document highlights, amongst other things, the importance of increasing trade related capacity of developing countries so they too may benefit from globalization.<sup>398</sup> Hilary Benn, the UK Secretary of State for International Development echoed the importance of trade related capacity building in a speech to The Royal Institute of International Affairs, also known as Chatham House, declaring "2005 a critical year for moving the trade and development agenda forward." According to the Secretary, the United Kingdom's presidency over the G8 and EU will be used to put "trade high up on the international agenda."<sup>399</sup>

"On 4 February 2005, the United Kingdom signed a 'Memorandum of Understanding' with the WTO, agreeing to a contribution of £850,000 to the Standards and Trade Development Facility."<sup>400</sup> This program assists developing countries in improving their expertise and capacity to analyze and implement international sanitary and phytosanitary (SPS) standards, which regulate the food safety and animal and plant health of exports. WTO Director-General Dr. Supachai Panitchpakdi welcomed the contribution observing that, "Keeping pace with new SPS standards in export markets is a real challenge for developing countries" and, "by informing developing country governments of new developments in SPS standards and assisting them in their implementation, there is a direct impact on these countries' capacity to export."<sup>401</sup>

Currently, the United Kingdom is "the fourth largest donor to the International Development Association (IDA) — the arm of the World Bank that provides concessional loans to developing

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<sup>396</sup> *Technical Barriers To Trade: Technical Assistance Activities List Of Activities In 2004: 2004 Tbt Technical Assistance Activities Of The Secretariat*, World Trade Organization (Geneva) 2004. Date of Access: 1 June 2005 [[www.wto.org/english/tratop\\_e/tbt\\_e/tbt\\_tech\\_activ2004\\_e.htm](http://www.wto.org/english/tratop_e/tbt_e/tbt_tech_activ2004_e.htm)].

<sup>397</sup> "Trade and Investment White Paper" The Department of Trade and Industry, 6 July 2004. [www.dti.gov.uk/ewt/whitepaper.htm](http://www.dti.gov.uk/ewt/whitepaper.htm)

<sup>398</sup> "The Role of Trade and Investment in Global Poverty Reduction" The Department of Trade and Industry, July 2004. [www.dti.gov.uk/ewt/part3.pdf](http://www.dti.gov.uk/ewt/part3.pdf)

<sup>399</sup> "Living up to our promises: Helping developing countries to capture the gains from trade" The Department for International Development, 21 July 2004. [www.dfid.gov.uk/news/files/sp-bennspeechtrade.asp](http://www.dfid.gov.uk/news/files/sp-bennspeechtrade.asp)

<sup>400</sup> "The UK donates to Standards and Trade development facility" WTO Press Release, 10 February 2005. [www.wto.org/english/news\\_e/pres05\\_e/pr395\\_e.htm](http://www.wto.org/english/news_e/pres05_e/pr395_e.htm)

<sup>401</sup> "The UK donates to Standards and Trade development facility" WTO Press Release, 10 February 2005. [www.wto.org/english/news\\_e/pres05\\_e/pr395\\_e.htm](http://www.wto.org/english/news_e/pres05_e/pr395_e.htm)

countries.”<sup>402</sup> In part, these funds are used by the World Bank to further statistical capacity building of developing countries, by which “an adequate statistical base for the analysis of economic, financial and social developments necessary to guide trade policy making”<sup>403</sup> is provided.

Indeed, as a member of the European Common Market, the UK government has little national power to alter its trade policies which are largely decided by the EU. As such, while Brussels tries to improve the demand end of the trade equation, London has focused on the supply end, namely in improving African trade capacity. Indeed, the UK has increasingly adopted the approach that improving developing countries’ trade access and capacity is a more effective poverty-reduction strategy than aid, and will look to forward this approach at the G8 Summit in Gleneagles in July.<sup>404</sup> As of July 2004, the UK has committed £1.25 million to the Advisory Centre on WTO Law in Geneva — an independent centre assisting developing, least developed and transition countries by providing low-cost legal support to members pursuing cases in the Dispute Settlement Mechanism. Also, the UK is providing £1 million to support the United Nations Conference on Trade and Development’s (UNCTAD) Accession Trust Fund project that supports least developed countries to accede to the WTO on terms which are consistent with their specific development needs; the fund provides technical assistance at each stage of the accession process.<sup>405</sup> In March 2005, the UK awarded £750,000 to the Fairtrade Foundation over a period of three years to support the foundation’s work to promote products that guarantee developing farmers a fair price.<sup>406</sup>

## 8. United States: +1

The United States has complied with its commitment to provide technical assistance to developing countries even though the Bush administration was preoccupied with its re-election, Iraq and terrorism for the greater part of 2004. The recent appointment of a new US Trade Representative, Robert Portman, and the current focus on completing the Doha Development Round of trade negotiations before end-2006, have not shifted focus away from technical assistance and the 2004 Sea Island commitment.

On 17 May 2005, the United States pledged a contribution of US\$ 992,000 (CHF 1.2 million) to the Doha Development Agenda Global Trust Fund for 2005. The United States’ contribution will be used, among other things, to strengthen the technical capacity of developing countries to

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<sup>402</sup> “The World Bank and the International Monetary Fund” The Department for International Development, 16 April 2004. [www.dfid.gov.uk/aboutdfid/dfidwork/wbandimf.asp](http://www.dfid.gov.uk/aboutdfid/dfidwork/wbandimf.asp)

<sup>403</sup> The World Bank Group “Statistical Capacity Building” 2004

[web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/SCBEXTERNAL/0,,contentMDK:20100819~menuPK:229526~pagePK:229544~piPK:229605~theSitePK:239427,00.html](http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/SCBEXTERNAL/0,,contentMDK:20100819~menuPK:229526~pagePK:229544~piPK:229605~theSitePK:239427,00.html)

<sup>404</sup> *Speech by Hilary Benn, Minister of International Development: Living up to our promises: Helping developing countries to capture the gains from trade*, Department of International Development (London) 21 July 2004. Date of Access: 30 May 2005 [[www.dfid.gov.uk/news/files/sp-bennspeechtrade.asp](http://www.dfid.gov.uk/news/files/sp-bennspeechtrade.asp)].

<sup>405</sup> *Trade and Investment White Paper 2004: Part III: The Role of Trade and Investment in Global Poverty Reduction*, Department of Trade and Industry (London) 2004. Date of Access: 1 June 2005 [[www.dti.gov.uk/ewt/part3.pdf](http://www.dti.gov.uk/ewt/part3.pdf)], pp. 94.

<sup>406</sup> Eleanor Wason, “UK gives Fairtrade 750,000 pounds,” *Reuters* (London) 2 March 2005. Date of Access: 15 May 2005 [[www.tiscali.co.uk/news/newswire.php/news/reuters/2005/03/02/topnews/ukgivesfairtrade750000pounds.html](http://www.tiscali.co.uk/news/newswire.php/news/reuters/2005/03/02/topnews/ukgivesfairtrade750000pounds.html)].

participate in the market access related aspects of the Doha Development Agenda negotiations, including for the preparation of service requests and offers and negotiations on Trade Facilitation. “I heartily welcome the United States’ generous contribution,” said Dr. Supachai Panitchpakdi, Director-General of the WTO while U.S. Trade Representative, Robert Portman, commented: “As a leader in the Doha negotiations, this contribution is evidence of our commitment to provide assistance to the developing countries to help them participate in the negotiations and benefit from the results.” The Doha Development Agenda Global Trust Fund finances activities which aim to enhance developing countries’ participation in the WTO negotiations. Since 2001, the United States has contributed almost US\$ 5 million (approximately CHF 6 million) to WTO technical assistance activities.<sup>407</sup>

The US is involved in various projects involving technical assistance in the form of either transfer of knowledge, creation of infrastructure or financial assistance for developing an industry. In 2004 President Bush introduced the Millennium Growth Account (MCA). “MCA as a unique supplementary foreign aid program to provide incentives for countries that govern justly, invest in their people and promote economic freedom”<sup>408</sup>. Under the administration’s plan, the MCA will eventually add about \$5 billion in targeted assistance to the existing U.S. foreign aid budget and has announced the approval of the first Millennium Challenge Compact with Madagascar on March 14<sup>th</sup>, 2005.<sup>409</sup> This \$110 m program will stretch over four years and aims to increase incomes and create opportunities for rural Malagasy through the infusion of domestic investment.<sup>410</sup> This program will not only improve domestic investment, it will also provide technical assistance in agricultural practices and in identifying market opportunities.<sup>411</sup> According to the CEO of the Millennium Challenge Corporation, Paul Applegarth, it is expected that three to five more countries will be receiving similar compacts once negotiations are complete.<sup>412</sup>

Finally, according to Agriculture Secretary Ann Veneman, a team of public and private sector experts will be sent to West Africa’s cotton regions to assess the region’s cotton industry and suggest improvements to production, processing and logistics systems so the region can become more efficient and competitive<sup>413</sup>.

On 14 May 2004, then-US Trade Representative Robert Zoellick announced that the US would US\$1-million for trade-related technical assistance to the WTO. While this is the largest single

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<sup>407</sup> *The United States to contribute US\$ 992,000 to WTO technical assistance*, World Trade Organization (Geneva) 17 May 2005. Date of Access: 1 June 2005 [[www.wto.org/english/news\\_e/pres05\\_e/pr405\\_e.htm](http://www.wto.org/english/news_e/pres05_e/pr405_e.htm)].

<sup>408</sup> United States Department of State, Information Services. U.S. Aid Agency to Help Seven Countries Qualify for Targeted Aid. October 5, 2004. [usinfo.state.gov/gi/Archive/2004/Oct/05-980347.html](http://usinfo.state.gov/gi/Archive/2004/Oct/05-980347.html)

<sup>409</sup> US Department of State. “Board’s Decision to Approve the First Millennium Challenge Compact With Madagascar” March 14<sup>th</sup>, 2005. [www.state.gov/e/eb/rls/rm/2005/43423.htm](http://www.state.gov/e/eb/rls/rm/2005/43423.htm)

<sup>410</sup> US Department of State. “Board’s Decision to Approve the First Millennium Challenge Compact With Madagascar” March 14<sup>th</sup>, 2005. [www.state.gov/e/eb/rls/rm/2005/43423.htm](http://www.state.gov/e/eb/rls/rm/2005/43423.htm)

<sup>411</sup> US Department of State. “Board’s Decision to Approve the First Millennium Challenge Compact With Madagascar” March 14<sup>th</sup>, 2005. [www.state.gov/e/eb/rls/rm/2005/43423.htm](http://www.state.gov/e/eb/rls/rm/2005/43423.htm)

<sup>412</sup> US Department of State. “Board’s Decision to Approve the First Millennium Challenge Compact With Madagascar” March 14<sup>th</sup>, 2005. [www.state.gov/e/eb/rls/rm/2005/43423.htm](http://www.state.gov/e/eb/rls/rm/2005/43423.htm)

<sup>413</sup> <sup>413</sup> United States Department of State, Information Services. U.S. Team to Help West Africa Improve Its Cotton Industry. September 20, 2004. [usinfo.state.gov/gi/Archive/2004/Sep/20-825587.html](http://usinfo.state.gov/gi/Archive/2004/Sep/20-825587.html)



contribution the US has ever made for technical assistance, since it was pledged before the 2004 Sea Island Summit in June 2004, it cannot count towards compliance for the Sea Island Summit cycle.<sup>414</sup>

## 9. European Union: +1

The European Union has announced its strong commitment towards providing support for technical assistance in developing countries, and has begun to follow through on its promises, thereby complying with its commitment. The EU has taken steps to increase trade with developing countries by lowering tariffs and red tape as well as providing trade related assistance (TRA), promising to commit over €2 billion over the next 4-5 years.<sup>415</sup> The EU is the main contributor to the Doha Development Global Trust Fund and has set up four-week training programs in collaboration with the United Nations in efforts to deliver technical assistance and training.<sup>416</sup> Senior members of the European Commission met in London in January, together with the Organization for Economic Co-Operation and Development (OECD), United Nations Development Programme (UNDP), and the World Bank at a forum on development effectiveness.<sup>417</sup> On January 6 2005, Peter Mandelson met with the economic and development ministers of the Caribbean Community (CARICOM) and the Dominican Republic, making a number of new commitments concerning EU-ACP trade relations.<sup>418</sup> Mandelson plans to “establish a mechanism to monitor the roll out of our development and trade related assistance, to check continuously whether or not it is delivering the right results to build up local economic capacity.”<sup>419</sup>

The European Union boasts numerous on-going trade-related technical assistance programmes launched in the Sea Island compliance cycle, including some of the following: €50-million for TRADE.COM aimed at ACP countries, a major general capacity strengthening measure that will fund a network of some 55 regional and national trade advisors throughout the ACP. This could cover Trade Facilitation if requested by the beneficiary country. €1-2-million for the Argentina Trade Related Technical Assistance (TRTA) Programme, facilitating Argentina’s participation and implementation of new and on-going international trade agreements through policy-making support and capacity building activities. And, €1.3 million for trade-related technical assistance in the Philippines including development, installation of and training on a risk management system; installation, customization of and training on a valuation database; and Customs human

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<sup>414</sup> “U.S. Contributes \$1 Million to WTO Technical Assistance Efforts” Office of the United States Trade Representative (Washington D.C.) 14 May 2004. Date of Access: 1 June 2005 [www.ustr.gov/Document\_Library/Press\_Releases/2004/May/U.S.\_Contributes\_\$1\_Million\_to\_WTO\_Technical\_Assistance\_Efforts.html].

<sup>415</sup> 9Europa “WTO Doha Development Agenda : WTO midpoint paves the way for future conclusion of trade round — a stronger multilateral trading system” 31 July 2004 europa.eu.int/comm/trade/issues/newround/doha\_da/pr310704\_en.htm

<sup>416</sup> Europa “Ongoing WTO trade talks: the Doha Development Agenda “ August 2004 europa.eu.int/comm/trade/issues/global/development/index\_en.htm

<sup>417</sup> OECD “Senior Level Forum on Development Effectiveness in Fragile States, 13–14 January 2005” January 32005, www.oecd.org/document/30/0,2340,en\_2649\_33693550\_33964254\_1\_1\_1\_1,00.html

<sup>418</sup> Europa “Commissioner Mandelson reinforced commitments to EU-ACP trade relations” Georgetown, Guyana, 6 January 2005, europa.eu.int/comm/trade/issues/bilateral/regions/acp/pr010605\_en.htm 263

<sup>419</sup> Ibid.

resources development strategy upgrading, and development of the Customs Academy's courseware and training.<sup>420</sup>

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<sup>420</sup> *Communication From The European Communities: Technical Assistance And Support For Capacity Building*, World Trade Organization (Geneva) 29 April 2005. Date of Access: 1 June 2005 [trade-info.cec.eu.int/doclib/html/123447.htm].

## **Energy: Conservation and Renewables**

### **Commitment**

“We recognized the need for balanced energy policies, which increase energy supplies and encourage more efficient energy use and conservation, including through new technologies.”

*G8 2004 Sea Island Summit Chair's Summary*

### **Background**

In the face a growing realization over the dwindling supplies of conventional energy sources (particularly petroleum based energy sources) and the damaging effects of climate change, G8 member states have committed to developing and implementing energy policies that focus on innovation, conservation and sustainability. Particularly relevant is the adoption of renewable energy sources and technologies. At the 2003 Evian Summit, the G8 member states agreed “to support the development of cleaner, sustainable and more efficient technologies,” including developing technologies which would promote “cleaner, sustainable and more efficient energy use”.<sup>421</sup> These commitments dovetail with the commitments of all those G8 member-states who have ratified the Kyoto Protocol on Climate Change (all members but the United States). The Protocol, which calls for industrialized countries to collectively reduce their green house gas emissions by 5.2% (compared to 1990 levels) by the year 2012, became legally binding on February 16th, 2005.<sup>422</sup> All of the member states of the G8, along with many other states, also participated at the International Conference for Renewable Energies, which occurred from June 1-4th 2004 in Bonn Germany and concerned a global expansion of renewable energy usage.<sup>423</sup>

Due to these and other recent developments, energy efficiency and conservation will be a key issue at the 2005 Gleneagles G8 summit. One document, recently published on the internet and professing to be a leaked draft of a “Sustainable Energy and Climate Change” communiqué for the G8’s climate change talks at the Gleneagles summit, states that “At Evian and again at Sea Island,” the G8 “agreed on the need for the G8 to work together to develop innovative clean energy technologies. And there are already many examples of progress at all levels, ranging from the actions of individual companies, to cities and states, to national and international action. Now, we need to accelerate our efforts.”<sup>424</sup> Some sources, however, question the validity of the approach that the G8 has used as a basis for its policy formulation, calling it a “failed recipe” to stop climate change.<sup>425</sup> There has also been significant disagreement between the United States

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<sup>421</sup> “Science and Technology for Sustainable Development, a G8 Action Plan” 2003 G8 Summit Document. <[www.g8.fr/evian/english/navigation/2003\\_g8\\_summit/summit\\_documents/science\\_and\\_technology\\_for\\_sustainable\\_development\\_-\\_a\\_g8\\_action\\_plan.html](http://www.g8.fr/evian/english/navigation/2003_g8_summit/summit_documents/science_and_technology_for_sustainable_development_-_a_g8_action_plan.html)>

<sup>422</sup> Kyoto Protocol comes into force” BBC News Online. February 16<sup>th</sup>, 2005. <[news.bbc.co.uk/1/hi/sci/tech/4267245.stm](http://news.bbc.co.uk/1/hi/sci/tech/4267245.stm)>

<sup>423</sup> “Final Draft of the International Action Programme for Renewable Energies.” June 4<sup>th</sup> 2004. <[www.campus-oei.org/salactsi/International\\_Action\\_Programme\\_final.pdf](http://www.campus-oei.org/salactsi/International_Action_Programme_final.pdf)>

<sup>424</sup> “Leaked G8 Draft Climate Decisions” <[carroll.org.uk/archives/2005/05/25/leaked-g8-draft-climate-decisions/2](http://carroll.org.uk/archives/2005/05/25/leaked-g8-draft-climate-decisions/2)>

<sup>425</sup> “Blair wins support for G8 plans” BBC News Online. May 27<sup>th</sup>, 2005. <[news.bbc.co.uk/1/hi/uk\\_politics/4585273.stm](http://news.bbc.co.uk/1/hi/uk_politics/4585273.stm)>

and the United Kingdom over the climate change issues, and this could hinder the chances of a deal being reached at Gleneagles. The head American climate change negotiator has told the BBC that while the United States will continue to support investment in new forms of energy technology, the Bush administration feels that the science on climate is still uncertain and does not warrant immediate action.<sup>426</sup>

## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy		0	
Japan			+1
Russia		0	
United Kingdom			+1
United States			+1
European Union			+1
Overall: 0.78			

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada has complied with its G8 energy commitments. Canada maintains its involvement in the Generation IV International Forum (GIF) concerning nuclear energy. Additionally, the Canadian Ministry of Natural Resources continues to increase and improve energy supply in Canada through the use of public policy and the policy of crown corporations such as the Atomic Energy Corporation (AECL).

Since January 2005 Canada has shown itself to be proactive in balancing increased energy supply with efficiency and conservation. Following up on a September 2004 AECL recommendation to refurbish old nuclear plants to meet critical demand,<sup>427</sup> the Pickering and Bruce nuclear stations in the province of Ontario are currently under repair.<sup>428</sup> In addition, on a provincial level, the government of Ontario has committed to keeping one coal-fired electricity plant on-line for several more years to raise energy production while Prince Edward Island has announced a scheme to move to 100% wind power electricity use by 2015. In an effort to encourage more efficient energy use, the Canadian government is also advocating and publishing information on fuel efficiency and is trying to engage Canadians in the 1-Tonne challenge, a

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<sup>426</sup> Harrabin, Roger. "US to reject UK climate measures" BBC News Online. May 13<sup>th</sup>, 2005. <news.bbc.co.uk/1/hi/sci/tech/4542951.stm>

<sup>427</sup> Torgerson, David F. "Next Steps for Meeting the Power Demand in Canada." CERT Energy Conference. Atomic Energy of Canada Limited. 20 September 2004. Consulted: 3 January 2005. <www.aecl.ca/images/up-DFT-Brussels.pdf> p2

<sup>428</sup> Canadian Nuclear Association Electronic Newsletter. Vol. 6, number 5. April 8, 2005. Consulted 10 May 2005. <www.cna.ca/Newsletters/2005/NC0605.pdf>

challenge designed to reduce personal energy use.<sup>429</sup> Under the initiative, the federal government provides subsidies and refunds to improve home electricity efficiency, provide better insulation and power usage and not promote the use of hybrid vehicles.<sup>430</sup> Lastly, the 2005 federal budget was recently amended in a deal between the ruling Liberal Party and the New Democratic Party to provide an additional C\$900 million for the environment including home upgrades and energy efficiency, with one more cent of the federal gas tax going to public transit.<sup>431</sup>

On February 20, 2005, the Canadian government signed an international agreement as part of the GIF framework. The agreement is designed to “develop nuclear reactor designs for use beyond 2025 that address the challenges facing nuclear technologies today.”<sup>432</sup> The agreement will give Canadians a stake in GIF policy.<sup>433</sup>

Canada is also cooperating with other states to develop new energy technologies. A memorandum of understanding was signed between Canada and China on January 20<sup>th</sup>, 2005 that promises opportunities for further development of advanced CANDU reactors. The memorandum promises to “establish a framework for [Sino-Canadian] collaboration on research and development programs.”<sup>434</sup>

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

France is compliant with its energy commitments to promote energy conservation and the development of new technologies. In October 2004, the budget presented by the National Assembly of France increased financing for the Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME), a body which spends the majority of its money on projects relating to energy conservation, research and development.<sup>435</sup> Additionally, France has continued to fund the Commissariat à l’Energie Atomique (CEA) which is responsible for technological developments in the nuclear field.<sup>436</sup>

France also maintained a role in the Generation IV International Forum’s nuclear research and development commitments.<sup>437</sup> Furthermore, on the topic of nuclear power, France’s Electricite

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<sup>429</sup> NRCAN. November 2004. Consulted: January 7, 2005. <[www.nrcan-nrcan.gc.ca/media/newsreleases/2004/200466\\_e.htm](http://www.nrcan-nrcan.gc.ca/media/newsreleases/2004/200466_e.htm)>

<sup>430</sup> *One-Tonne Challenge*. Government of Canada (Ministry of Energy and Environment Canada) (Ottawa) 2005. Date of Access: 15 June 2005 [[www.climatechange.gc.ca/onetonne/english/index.asp](http://www.climatechange.gc.ca/onetonne/english/index.asp)].

<sup>431</sup> “Liberal-NDP Budget Deal – April 2005,” *CBC News* (Toronto) 27 April 2005. Date of Access: 1 June 2005 [[www.cbc.ca/news/background/budget2005/liberal-ndp-deal.html](http://www.cbc.ca/news/background/budget2005/liberal-ndp-deal.html)].

<sup>432</sup> “Nuclear Energy: Canada Signs International Research Agreement.” Government of Canada, 2005/11, February 28, 2005. Consulted: May 10, 2005.

<[www.nrcan.gc.ca/media/newsreleases/2005/200511\\_e.htm](http://www.nrcan.gc.ca/media/newsreleases/2005/200511_e.htm)>

<sup>433</sup> Ibid

<sup>434</sup> “Canada and China Strengthen Cooperation in Nuclear Energy.” Beijing, PRC, January 20<sup>th</sup>, 2005. Consulted May 13 2005. <[www.aec.ca/index.asp?layid=55&csid=168&csid1=121&menuid=48](http://www.aec.ca/index.asp?layid=55&csid=168&csid1=121&menuid=48)>

<sup>435</sup> “Annexe No17: Economie, Finances et Industrie” *Loi de Finance pour 2005*. Assemblée Nationale. 13 October, 2004. Consulted: 7 January, 2005. <[www.assemblee-nationale.fr/12/budget/plf2005/b1863-17.asp#P1206\\_69305](http://www.assemblee-nationale.fr/12/budget/plf2005/b1863-17.asp#P1206_69305)>

p34

<sup>436</sup> Ibid, p27

<sup>437</sup> Ibid, p36

de France (EDF), which uses nuclear energy to provide 86% of its power, decided in late October to construct a European Pressurized Reactor, due to be completed in 2012.<sup>438</sup>

Since the publication of the G8 mid-term compliance report in early January of 2005, France has invested in renewable energy and formed new international partnerships. On April 21, 2005, EDF engaged in a partnership with the China Guangdong Nuclear Power Holding Corp to expand energy supplies by building new nuclear plants, moving toward long-term cooperation in investment, engineering, and partnerships in the area of nuclear energy.<sup>439</sup> Also, on May 12, 2005, the EDF, in conjunction with Total, purchased 20% of Total Energy, which specializes in solar cell technology, thereby showing a commitment to the research and development of a renewable energy source.<sup>440</sup> The EDF also continues to advocate efficient energy use in buildings and in everyday life on its website.<sup>441</sup>

France has also increased its energy conservation and efficiency as measured by carbon emission per year. Overall, France has reduced its carbon emissions by 1.9% from 1990 levels since 2002 and they continue to fall. At this rate, France is already in compliance with its Kyoto goals for GHG emission reduction, which are a function of energy conservation.<sup>442</sup>

### 3. Germany: +1

Germany has demonstrated evidence of full compliance with its 2004 energy summit commitments. Germany continues to maintain its position as a European leader in renewable energy sources and carbon emission reduction.

Germany has continued with its planned phase out of nuclear-based energy with the second closure of a major nuclear power plant.<sup>443</sup> Despite the fact that nuclear-based power accounts for a third of Germany's energy production, Germany has made a commitment to phase out all nuclear power by the year 2020. In an interview in March 2005, German Environment Minister Jürgen Trittin promised to double renewable energies (wind, sun, biological and geo-thermal) from the current 10% to a projected 20% in order to replace the nuclear power shortfall by the year 2020. Trittin further committed to better efficiency pertaining to fossil fuels.<sup>444</sup>

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<sup>438</sup> Session Ordinaire de 2004-2005. Senat No76. 25 November, 2004. International Nuclear Energy Initiative. U.S. Department of Energy. October 24, 2004. Consulted: January 3, 2005. <[www.ne.doe.gov/infosheets/i-neri.pdf](http://www.ne.doe.gov/infosheets/i-neri.pdf)> p26

<sup>439</sup> "Chine: EDF Signe Deux Nouveaux Contrats de Partenariats Industrielle." Paris, EDF News Release. 21 April, 2005. Consulted: 13 May 2005. <[www.edf.com/index.php4?coe\\_i\\_id=20410&iPage=2&UserCoe\\_i\\_id=227](http://www.edf.com/index.php4?coe_i_id=20410&iPage=2&UserCoe_i_id=227)>

<sup>440</sup> "Energies Renouvelables: EDF et Total renforcent leur presence dans le photovoltaïque." Paris. EDF News Release. 12 May, 2005. Consulted: 13 May 2005.

<[www.edf.com/index.php4?coe\\_i\\_id=20410&iPage=1&UserCoe\\_i\\_id=227](http://www.edf.com/index.php4?coe_i_id=20410&iPage=1&UserCoe_i_id=227)>

<sup>441</sup> "Recherche et Developpement." Electricite de France. 2004. Consulted: 3 January, 2005.

<[www.edf.fr/index.php4?coe\\_i\\_id=20003](http://www.edf.fr/index.php4?coe_i_id=20003)>

<sup>442</sup> Table 1: Greenhouse gas emission in CO<sub>2</sub>-equivalents (excl. LULUCF emissions and removals) and Kyoto Protocol targets for 2008-2012, Europa: Environment: Greenhouse Gas Emissions in the Community (Brussels) 2004. Date of Access: 10 May 2005 [[europa.eu.int/comm/environment/climat/gge\\_press.htm](http://europa.eu.int/comm/environment/climat/gge_press.htm)].

<sup>443</sup> "Germany Shuts Second Nuclear Power Plant in Phase Out Plan" Bloomberg May 11 2005

<[www.climateark.org/articles/reader.asp?linkid=41684](http://www.climateark.org/articles/reader.asp?linkid=41684)>

<sup>444</sup> "Interview: Germany's Environment minister Jürgen Trittin" Guardian Unlimited Tuesday March 15, 2005 <[www.guardian.co.uk/climatechange/story/0,12374,1437662,00.html#article\\_continue](http://www.guardian.co.uk/climatechange/story/0,12374,1437662,00.html#article_continue)>

Germany is also working with other states to develop new energy policies. During a visit to Germany on February 25 2005, President George Bush of the United States joined with German chancellor Gerhard Schröder to announce the “U.S.-German Joint Actions on Cleaner and More Efficient Energy, Development and Climate Change”. The agreement outlined five areas where the U.S. would work with Germany to “promote strong economic growth, reduce harmful air pollution, improve energy security, and mitigate greenhouse gas emissions”<sup>445</sup> These action areas include energy cooperation with developing countries, energy conservation and efficiency, modernization of domestic power generation, innovation for future energy systems, and International cooperation for renewable energy.<sup>446</sup>

Germany’s Kyoto commitment is to reduce its green house gas emissions 21% by 2012 (after adjusted with the EU collective burden-sharing agreement). German Environment minister Jürgen Trittin states that Germany has already reached 19%, thereby surpassing their projected reductions for this year.<sup>447</sup>

#### 4. Italy: 0

Italy has shown adequate interest in renewable energies to partially comply with its G8 energy commitment but has not significantly succeeded in increasing its energy production and improving its energy efficiency.

Italy has committed to hosting *SolarExpo* an “International Conference & Exhibition on Renewable Energy” from May 19-21 2005 in Venice. The three-day summit, which focuses on “delivering a sustainable future,”<sup>448</sup> is a brokerage event, which promises to aid universities, businesses, and research institutes in promoting all aspects of the renewable energies sector.<sup>449</sup> The event has been called the “leading renewable energy event in Europe.”<sup>450</sup> Also, from November 14–16 2004, *Green Power Mediterranean* was hosted in Rome, Italy. The event created a “focused platform for networking and knowledge transfer that will further the adoption of renewable energy systems (RES) and energy efficiency (EE) programs in the region”.<sup>451</sup>

Italy has also shown interest in authenticating the claim that global warming is a reality, thereby supporting the need for renewable and more efficient forms of energy. On April 23, 2005, Italy sent a mission to the Antarctic that was able to gather data from a 900,000 year old sample of

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<sup>445</sup> “Bush Visit 2005: U.S.-German Joint Actions on Cleaner and More Efficient Energy, Development and Climate Change” The White House: United States Diplomatic Mission To Germany February 23 2005 <[www.usembassy.de/germany/statement\\_climate.html](http://www.usembassy.de/germany/statement_climate.html)>

<sup>446</sup> “Bush Visit 2005: U.S.-German Joint Actions on Cleaner and More Efficient Energy, Development and Climate Change” The White House: United States Diplomatic Mission To Germany February 23 2005 <[www.usembassy.de/germany/statement\\_climate.html](http://www.usembassy.de/germany/statement_climate.html)>

<sup>447</sup> “Interview: Germany’s Environment minister Jürgen Trittin” Guardian Unlimited Tuesday March 15 2005 <[www.guardian.co.uk/climatechange/story/0,12374,1437662,00.html#article\\_continue](http://www.guardian.co.uk/climatechange/story/0,12374,1437662,00.html#article_continue)>

<sup>448</sup> “SolarExpo: Delivering a Sustainable Future” SolarExpo Vicenza May 2005 <[www.solarexpo.com/](http://www.solarexpo.com/)>

<sup>449</sup> “Renewable Energy Brokerage Event, Italy.” Cordis News March 4 2005 <[dbs.cordis.lu/cgi-bin/srchidadb?CALLER=NHP\\_EN\\_NEWS&ACTION=D&SESSION=&RCN=EN\\_RCN\\_ID:23470](http://dbs.cordis.lu/cgi-bin/srchidadb?CALLER=NHP_EN_NEWS&ACTION=D&SESSION=&RCN=EN_RCN_ID:23470)>

<sup>450</sup> “Solarexpo 2005” Caddet: Energy Efficiency and Renewable Energy At Your Fingertips 2005 <[www.caddet.org/events/display.php?id=20459](http://www.caddet.org/events/display.php?id=20459)>

<sup>451</sup> “Green Power Mediterranean” Caddet: Energy Efficiency and Renewable Energy At Your Fingertips 2005 <[www.caddet.org/events/display.php?id=20249](http://www.caddet.org/events/display.php?id=20249)>

ice, double the age of any sample taken to date. The sample was able to show carbon levels in the atmosphere during previous cold and warm periods, proving that there currently exists a rise in carbon levels never before experienced in history. The new information could be enough to discredit the diminishing field of climate change sceptics.<sup>452</sup>

Italy also continues to show its interest in wind power. With the recent establishment of a new wind power plant in Sicily. Italian Environment Minister Altero Matteolli said: “Wind energy plays a part not to be ignored for reaching the environmental-energy policies of our country.” The plant was officially opened on May 12, 2005.<sup>453</sup> Nevertheless, Italy’s efforts at improving energy efficiency seemed to be stalled based on its carbon emissions rates. While Italy has been mandated to reduce its rates by 6.5% from 1990 levels by 2012, it has currently increased its rates 9.0% since 2002.<sup>454</sup>

## 5. Japan: +1

Japan has embraced new forms of energy. In 2004, Japan was the world leader in solar energy, accounting for more than 51 percent of world photovoltaic cell production in terms of electrical power measured in megawatts.<sup>455</sup> Japan is also very active in other forms of alternative energy, including wind and hydrogen power. Among other developments, some Japanese innovators have begun to develop a project which harnesses industrial exhausts to provide wind power.<sup>456</sup> Fiscally, the Japanese New Energy and Industrial Technology Development Organization, a part of the Ministry of Economy, Trade and Industry, had \$1.495 billion (USD) budgeted for research and development of oil alternative energy sources and new conservation methods for fiscal year March 2004- March 2005.<sup>457</sup>

Japan is also a world leader in promoting energy conservation. The Japanese Ministry of Economy, Trade and Industry announced in April 2005 that Japan plans to make a proposal at the November 2005 UN Framework Convention on Climate Change that industrialized nations transfer energy-saving technologies to developing nations.<sup>458</sup> This commitment extends to sustainable development. Sustainable development, including the use of new energy technologies, is one of the main themes of the 2005 World Expo, hosted in the Aichi province of Japan. According to the official expo website, “To demonstrate a model recycling society in the

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<sup>452</sup> “900,000-year-old ice may destroy US case on Kyoto” The Guardian April 23 2005

<[www.guardian.co.uk/climatechange/story/0,12374,1468499,00.html](http://www.guardian.co.uk/climatechange/story/0,12374,1468499,00.html)>

<sup>453</sup> “Environment: Matteoli Wind Power Plant Inaugurates In Sicily” Agenzia Giornalistica Italia May 13 2005

<[www.agi.it/english/news.pl?doc=200505121921-1217-RT1-CRO-0-NF51&page=0&id=agionline-eng.arab](http://www.agi.it/english/news.pl?doc=200505121921-1217-RT1-CRO-0-NF51&page=0&id=agionline-eng.arab)>

<sup>454</sup> Table 1: Greenhouse gas emission in CO<sub>2</sub>-equivalents (excl. LULUCF emissions and removals) and Kyoto Protocol targets for 2008-2012, Europa: Environment: Greenhouse Gas Emissions in the Community (Brussels) 2004. Date of Access: 10 May 2005 [[europa.eu.int/comm/environment/climat/gge\\_press.htm](http://europa.eu.int/comm/environment/climat/gge_press.htm)].

<sup>455</sup> “Japanese firms embrace green technology” Taipei Times, April 6<sup>th</sup>, 2005.

<[www.taipeitimes.com/News/biz/archives/2005/04/06/2003249373](http://www.taipeitimes.com/News/biz/archives/2005/04/06/2003249373)>

<sup>456</sup> “Around Japan: Wind-power gurus harness vent exhaust” Asahi.com, December 28<sup>th</sup>, 2004.

<[www.asahi.com/english/nation/TKY200412280161.html](http://www.asahi.com/english/nation/TKY200412280161.html)>

<sup>457</sup> “Japanese firms embrace green technology” Taipei Times, April 6<sup>th</sup>, 2005.

<[www.taipeitimes.com/News/biz/archives/2005/04/06/2003249373](http://www.taipeitimes.com/News/biz/archives/2005/04/06/2003249373)> and “What is NEDO?”

<[www.nedo.go.jp/english/introducing/what.html](http://www.nedo.go.jp/english/introducing/what.html)>

<sup>458</sup> “Japan to propose giving energy-saving know-how to developing nations” China View April 23<sup>rd</sup>, 2005.

<[news.xinhuanet.com/english/2005-04/23/content\\_2869368.htm](http://news.xinhuanet.com/english/2005-04/23/content_2869368.htm)>



21st century” the fair has models which show how “new energy and new recycling technology are utilized.”<sup>459</sup> Japanese Prime Minister Junichiro Koizumi has even gone so far as to state that his cabinet ministers and himself will shed their business suits and wear lighter khakis and golf shirts during the summer and has enjoyed fellow Japanese citizens to do the same as part of a campaign to cut down on the country crippling use of high-energy air-conditioning.<sup>460</sup>

## 6. Russia: 0

Russia, in its energy policy, has demonstrated partial compliance with its 2004–05 G8 energy summit commitments. Russia is moving towards expanding both its energy production and potential and existing markets for that energy.

On February 7<sup>th</sup>, 2005, the key points of the Russian report on the developmental prospects of energy sector, presented by the Russian delegation at the meeting of the G8 Finance Ministers, were supported by the Ministers and added to the final communiqué. Aside from highlighting the importance of price stability for further economic development, the Russian Minister of Finance, A. L. Kudrin also provided some comments on the report itself, which according to Kudrin emphasizes the following issues: “energy efficiency, distribution of resource sources and investments, and increased accounts’ transparency among countries- suppliers and countries-consumers of the energy resources”.<sup>461</sup>

On April 1<sup>st</sup>, 2005, the Government of Russia increased the export duties on oil a record of \$102.6 per tonne (in comparison, in February 2005 the same duty was \$83/ tonne and in June 2005 it is expected to reach \$130–133/ tonne)<sup>462</sup>. And on April 21, 2005, the Ministry of Economic Development of Russia presented to the Russian Government a progressive “Complex Plan for Reforming the Electric Energy Sector in the period of 2005-2008” that includes a total of 60 different projects.<sup>463</sup>

Nevertheless, the 2005 trial of billionaire Mikhail Khodorkovsky, owner of the Yukos oil conglomerate, in Moscow has sent a chill through the Russian oil sector and stalled foreign investment and expansion of Russia’s energy sector. Indeed, with Moscow confiscating one of Yukos’ main production facilities in order to finance unpaid tax claims, the country’s largest oil company is now generating only 20% the production of oil as it was at its peak. The fact that many suspect the trial of Mr Khodorkovsky to be politically motivated has further destabilized

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<sup>459</sup> “Themes and Sub themes” Expo 2005 Website.

<[www-1.expo2005.or.jp/en/whatexpo/theme.html](http://www-1.expo2005.or.jp/en/whatexpo/theme.html)>

<sup>460</sup> “Japanese Veto Suits in Summer Heat,” *BBC World News* (London) 1 June 2005. Date of Access: 16 June 2005 [[news.bbc.co.uk/2/hi/asia-pacific/4598329.stm](http://news.bbc.co.uk/2/hi/asia-pacific/4598329.stm)].

<sup>461</sup> RIA News, Ministry of Finance, 7 February 2005. Date of Access: 10 May 2006

<[www.minfin.ru/off\\_inf/1207.htm](http://www.minfin.ru/off_inf/1207.htm)>

<sup>462</sup> Interfaks, Ministry of Finance, 19 April 2005. Date of Access: 9 May 2005 <[www.minfin.ru/off\\_inf/1291.htm](http://www.minfin.ru/off_inf/1291.htm)>

<sup>463</sup> Ministry of the Economy, 21 April 2005. Date of Access: 13 May 2005

<[www.economy.gov.ru/wps/portal/!ut/p/\\_s.7\\_0\\_A/7\\_0\\_9H/.cmd/ad/.ar/sa.detailURI/.ps/X/.c/6\\_0\\_6A/.ce/7\\_0\\_1LB/.p/5\\_0\\_IV/.d/3/\\_th/J\\_0\\_CH/\\_s.7\\_0\\_A/7\\_0\\_9H?PC\\_7\\_0\\_1LB\\_documentId=1114087321609&PC\\_7\\_0\\_1LB\\_documentType=releases#7\\_0\\_1LB](http://www.economy.gov.ru/wps/portal/!ut/p/_s.7_0_A/7_0_9H/.cmd/ad/.ar/sa.detailURI/.ps/X/.c/6_0_6A/.ce/7_0_1LB/.p/5_0_IV/.d/3/_th/J_0_CH/_s.7_0_A/7_0_9H?PC_7_0_1LB_documentId=1114087321609&PC_7_0_1LB_documentType=releases#7_0_1LB)>

Russia's energy sector and has made foreign and domestic investors nervous to sink any amount of funds into large-scale project for increased power generation.<sup>464</sup>

## 7. United Kingdom: +1

The United Kingdom of Great Britain and Northern Ireland is in compliance with its 2004 Sea Island energy commitments. The United Kingdom is a part of the international energy challenge of maintaining access to secure and affordable energy supplies, while still contributing to climate change mitigation. Therefore, a number of major changes are expected in the near future. Upon this realization, UK's Prime Minister, Hon. Tony Blair has commented: "I want Britain to be a leading player in this coming green industrial revolution".<sup>465</sup>

On January 11<sup>th</sup>, 2005, 56 cross-national projects aimed at innovation and economy boosting received a £60 million funding from the Department of Trade and Industry, among which £16.6 million was dedicated to technologies for supporting environmentally friendly transport, and £9.3 million was awarded to projects that deal with renewable energy technologies.<sup>466</sup>

On January 31<sup>st</sup>, 2005, UK Ewnergy Minister Mike O'Brien announced that under a new support framework of £42million (from the Marine Reasearch Deployment Fund) the UK's first large scale wave and tidal power generation farms are expected to significantly contribute to the national grid within three years. "This will enable British industry to maintain world leadership in this crucial renewable energy sector", said the Minister.<sup>467</sup>

On March 16<sup>th</sup>, 2005, Energy and Environment Ministers from 20 countries agreed at the Rountable in London on the need for a portfolio of technologies and solutions in order for developed and the developing countries to combat the challenges posed by global climate change through carbon emission cuts. Margaret Beckett, Environment, Food and Rural Affairs Secretary of State commented on the event: "Today is the start of a new dialogue between Energy, Environment and Finance Ministers on how we can tackle the challenge of climate change".<sup>468</sup>

In May, 2005, a two-day Energy and Research Innovation Workshop on improving collaboration on clean energy was hosted by Oxford, UK (initiated by the energy developers from the G8 and five developing countries), in order to compare and link programmes and priorities of sustainable

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<sup>464</sup> "Russia Cuts Economic Forecast for the Second Time in a Month," *Bloomberg.com* (New York) 16 June 2005. Date of Access: 16 June 2005

[[quote.bloomberg.com/apps/news?pid=10000006&sid=akpd.twgWtQM&refer=home](http://quote.bloomberg.com/apps/news?pid=10000006&sid=akpd.twgWtQM&refer=home)].

<sup>465</sup> Sustainable Development and Environment Index, Department of Trade and Industry. Date of Access: 12 May 2005

<[www.dti.gov.uk/sustainability/index.htm](http://www.dti.gov.uk/sustainability/index.htm)>

<sup>466</sup> "Winners of £60 million DTI Technology Strategy Funding Announced Today" Government News Network, Department of Trade and Industry, 11 January 2005. Date of Access: 10 May 2005

<[www.gnn.gov.uk/content/detail.asp?ReleaseID=141382&NewsAreaID=2&NavigatedFromSearch=True](http://www.gnn.gov.uk/content/detail.asp?ReleaseID=141382&NewsAreaID=2&NavigatedFromSearch=True)>

<sup>467</sup> "Wave and Tidal Power to Feed Grid within Three Years" Government News Network, Department of Trade and Industry, 31 January 2005. Date of Access: 5 May 2005

<[www.gnn.gov.uk/content/detail.asp?ReleaseID=143951&NewsAreaID=203&NavigatedFromSearch=True](http://www.gnn.gov.uk/content/detail.asp?ReleaseID=143951&NewsAreaID=203&NavigatedFromSearch=True)>

<sup>468</sup> "International Conference Launches New Climate Change Dialogue" Government News Network, UK Department of the Environment, Food and Rural Affairs, 16 March 2005. Date of Access: 11 May 2005

<[www.gnn.gov.uk/content/detail.asp?ReleaseID=152277&NewsAreaID=2&NavigatedFromSearch=True](http://www.gnn.gov.uk/content/detail.asp?ReleaseID=152277&NewsAreaID=2&NavigatedFromSearch=True)>

energy (including enhanced research on solar energy, carbon capture and storage, bioenergy, and discussions on environment and transport).<sup>469</sup>

The UK has also increased its energy conservation and efficiency as measured by carbon emission per year. Overall, the UK has reduced its carbon emissions by 14.9% from 1990 levels since 2002 and they continue to fall. At this rate, the UK is already in compliance with its Kyoto goals for GHG emission reduction, which are one of the best indicators of energy conservation and efficiency in an economy.<sup>470</sup>

## 8. United States: +1

Although American energy policy does not appear to effectively balance its commitments to increasing supplies and to promoting conservation, the USA is in compliance with its Sea Island Summit energy commitment. US energy policy is focused on the development of domestic coal and petroleum reserves and technologies. A second objective of US policy is the development of new technologies to further improve America's domestic capacity for energy production from other sources and thus reduce its reliance on foreign producers. Finally, US policy seeks to promote greater awareness among consumers of efficient technologies and the need for greater conservation.

The Bush energy bill, the centrepiece of the administration's future energy policies, was passed by the US Congress in April 2005. The bill calls for \$8.1 BUSD in tax breaks over 10 years to promote the coal, nuclear, oil, and natural gas industries; and for the development of the Arctic National Wildlife Refuge for oil exploration and drilling.<sup>471</sup> The president remains firmly committed to developing the Arctic National Wildlife Reserve for oil and gas exploration, explaining this will reduce US dependence on foreign sources of oil,<sup>472</sup> yielding an additional 1.5 million barrels of oil per day.<sup>473</sup>

Increased development of domestic energy sources through the expansion of the American coal and oil sectors is the cornerstone of current US energy policy. In November of 2004 former Energy Secretary Abraham confirmed the primacy of coal in the administration's energy policy when he described coal as America's "most abundant and economical source of fuel," and "as a key factor in our nation's future energy security."<sup>474</sup> In order to further develop this resource the administration has "laid out a 10-year, \$2 billion commitment to the development of clean coal

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<sup>469</sup> "Improving Collaboration on Clean Energy" Government News Network, Department of Trade and Industry, 13 May 2005. Date of Access: 13 May 2005

<[www.gnn.gov.uk/Content/Detail.asp?ReleaseID=156525&NewsAreaID=2](http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=156525&NewsAreaID=2)>

<sup>470</sup> Table 1: Greenhouse gas emission in CO<sub>2</sub>-equivalents (excl. LULUCF emissions and removals) and Kyoto Protocol targets for 2008-2012, Europa: Environment: Greenhouse Gas Emissions in the Community (Brussels) 2004. Date of Access: 10 May 2005 [[europa.eu.int/comm/environment/climat/gge\\_press.htm](http://europa.eu.int/comm/environment/climat/gge_press.htm)].

<sup>471</sup> Final Vote on Energy Bill Expected Thursday. 21 April 2005. [www.cnn.com](http://www.cnn.com)

<sup>472</sup> President Discusses Energy Policy. 9 March, 2005. <[www.whitehouse.gov](http://www.whitehouse.gov)>

<sup>473</sup> "Abraham: Alaska Drilling, Energy Policy to Clear Senate". Reuters wire story. New York Times: January 4, 2005.

<[www.nytimes.com/reuters/politics-energy-usa-policy](http://www.nytimes.com/reuters/politics-energy-usa-policy)>.

<sup>474</sup> Remarks to the National Coal Council by Energy Secretary Abraham. 10 November 2004. <[www.energy.gov](http://www.energy.gov)>

technology.”<sup>475</sup> In March of 2005 the president pledged \$1.6-billion USD over five years for further development of ‘clean coal’ technologies.<sup>476</sup>

Additionally, current American energy policy includes a commitment to developing new technologies and new sources of energy, and expanding underdeveloped sectors. In July of 2004 the administration announced awards for “five new cost-shared research projects to help meet the nation’s growing demand for natural gas”<sup>477</sup>, including eleven new projects that focus on “solving the remaining issues in developing solid oxide fuel cell (SOFC) systems for commercial use.”<sup>478</sup> In addition the administration has “initiated a public-private partnership between DOE and the nation’s automakers to accelerate the development of hydrogen fuel cell vehicles.”<sup>479</sup> Secretary Bodman recently discussed the administration’s plans to fund research into solar power technologies, while re-asserting the commitment to develop hydrogen fuel technologies.<sup>480</sup> The expansion of existing energy sectors also includes an increased commitment to nuclear power generation.<sup>481</sup> This commitment has been confirmed by President Bush who recently called for the development of new nuclear facilities, explaining that no new plants have been constructed in America since the 1970s.<sup>482</sup>

According to President Bush, US energy consumption has been growing forty times faster than its domestic production capacity.<sup>483</sup> He recently explained, therefore, that “the first objective of a sound energy bill is to encourage the use of technology to improve energy conservation”, and that the administration’s policies regarding conservation are directed toward helping consumers “make better choices”.<sup>484</sup> Although concrete conservation policy initiatives are scarce, the administration is attempting to reduce US energy consumption by encouraging the development and adoption of energy-efficient technologies, and greater awareness among consumers.

In addition, on 15 June 2005, the US Senate passed a surprising amendment to President Bush’s ambitious energy bill. The US Senate vote 70-26 to incorporate an 8-billion-gallon Renewable Fuel Standard into the energy bill. Under the terms, 8-billion gallons of renewable fuel, primarily ethanol must be in use in the United States by 2012.<sup>485</sup> On the same day, President Bush outlined

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<sup>475</sup> Ibid.

<sup>476</sup> President Discusses Energy Policy. 9 March, 2005. <[www.whitehouse.gov](http://www.whitehouse.gov)>

<sup>477</sup> “DOE to Help Develop Advanced Energy Exploration Tools and Technologies”.  
<[www.fossil.energy.gov/news/techlines/2004/tl\\_advanced\\_diagnostics.html](http://www.fossil.energy.gov/news/techlines/2004/tl_advanced_diagnostics.html)>

<sup>478</sup> “New Fuel Cell Projects to Continue Progress to Zero Emissions Energy”. 19 July 2004.  
<[www.fossil.energy.gov/news/techlines/2004/tl\\_seca\\_awards071904.html](http://www.fossil.energy.gov/news/techlines/2004/tl_seca_awards071904.html)>

<sup>479</sup> Remarks to the National Petroleum Council by Energy Secretary Abraham. 1 December 2004.  
<[www.energy.gov](http://www.energy.gov)>

<sup>480</sup> “DOE’s support...in fiscal 2006 also includes funding the Concentrating Solar Power task force at about \$200,000.” Remarks of Secretary Bodman at the Western Governors Association Annual Breakfast. 1 March 2005.  
<[www.energy.gov](http://www.energy.gov)>

<sup>481</sup> “We are...pursuing Generation IV nuclear technologies...” Remarks to the National Petroleum Council by Energy Secretary Abraham. 1 December 2004. <[www.energy.gov](http://www.energy.gov)>

<sup>482</sup> President Discusses Energy Policy. 9 March, 2005. <[www.whitehouse.gov](http://www.whitehouse.gov)>

<sup>483</sup> President Bush’s News Conference: 28 April 2005. <[www.cnn.com](http://www.cnn.com)>

<sup>484</sup> President Discusses Energy Policy. 9 March, 2005. <[www.whitehouse.gov](http://www.whitehouse.gov)>

<sup>485</sup> *Senate Votes for 8-Billion-Gallon RFS; Cantwell Proposes 7.6 Mbpd Cut in Oil Consumption*, Green Car Congress (US) 15 June 2005. Date of Access: 16 June 2005

his new energy policy in Washington that underlined both of the Sea Island's energy commitment's main foci: increased energy production and increased energy efficiency. The Bush energy agenda highlight current initiatives while proposing new ones: continued support for US\$1.2 billion over five years already committed to develop hydrogen-powered fuel cell vehicles as a part of the Hydrogen Fuel Initiative; called for; proposed \$84 million in the 2006 budget for ongoing research into advanced technologies that can produce ethanol from farms, forests, or even municipal waste dumps; a proposed tax credit of \$4000 for every American who buys a hybrid car; and the proposal to expand and build new gasoline refineries in the United States, in particular on closed military bases.<sup>486</sup> All of these are components of the US Energy Bill that is due to be debated in the US Senate throughout June and July.

## 9. European Union

The European Union is currently in compliance with the Sea Island Summit energy commitment. EU policy commits the community to the development of biofuels and renewable energies in tandem with an emphasis on efficiencies and new technologies. These have been accompanied by the further development of relations with energy producing states and regions, and continuation of the EU's fusion program.<sup>487</sup> Adris Piebalgs, Energy Commissioner for the European Union, has identified several critical elements of energy policy for the EU. These include "creating a better linkage between energy...and research policies,...reducing energy demand," and "promoting renewable energy sources".<sup>488</sup>

Efficiency has become a central feature of EU energy policy during this G8 summit cycle. Commissioner Piebalgs has identified energy efficiency as his "key priority for 2005" pledging the EU to save the equivalent of 70 million tonnes of oil per annum by 2010, thus reducing external supply dependence by 4%.<sup>489</sup> Noting the recent surge in oil prices, Mr. Piebalgs has additionally called upon EU members to "strengthen...efforts on the demand side" to improve conservation efforts.<sup>490</sup> Mr. Piebalgs further stressed the EU's commitment to efficiency, conservation, and technological development when he explained "energy and research policies should be directly linked, with the aim to support technological development and more efficient energy use."<sup>491</sup>

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[[www.greencarcongress.com/2005/06/senate\\_votes\\_fo.html](http://www.greencarcongress.com/2005/06/senate_votes_fo.html)].

[www.greencarcongress.com/2005/06/senate\\_votes\\_fo.html](http://www.greencarcongress.com/2005/06/senate_votes_fo.html)

<sup>486</sup> "Remarks by President Bush to the 16th Annual Energy Efficiency Forum," PRNewsWire (New York) 15 June 2005. Date of Access: 16 June 2005 [[biz.yahoo.com/prnews/050615/dcw047.html?.v=12](http://biz.yahoo.com/prnews/050615/dcw047.html?.v=12)].

<sup>487</sup> While rejecting cooperation with Russia on the EU fusion project Mr. Pieblags confirmed the EU commitment to this endeavour. Adris Pieblags, speaking at a hearing on his candidacy for the position of Commissioner of Energy held by the Committee on Industry, Research, and Energy. Energy and Transport in Europe Digest. No. 116, November 19, 2004. <[europa.eu.int/comm/energy\\_transport/mm\\_dg/newsletter/nl116-2004-11-18\\_en.html](http://europa.eu.int/comm/energy_transport/mm_dg/newsletter/nl116-2004-11-18_en.html)>.

<sup>488</sup> Ibid.

<sup>489</sup> "Towards Zero Emission Power Plants." Remarks by Commissioner Adris Piebalgs at the European CO2 Capture and Storage Conference. 13 April 2005. Date of access: 14 May 2005.

<[europa.eu.int/comm/energy/index\\_en.html](http://europa.eu.int/comm/energy/index_en.html)>

<sup>490</sup> Commissioner Piebalgs' remarks at the IEA Ministerial Meeting. 2 May 2005. Date of access: 14 May 2005.

<[europa.eu.int/comm/energy/index\\_en.html](http://europa.eu.int/comm/energy/index_en.html)>

<sup>491</sup> Piebalgs' testimony.

A firm commitment to alternative energy sources and new technologies can also found in EU energy policy. The European Commission has made it a priority to “increase energy diversity”<sup>492</sup> and to meet a target of producing 21% of Europe’s electricity consumption from renewable energy sources.<sup>493</sup> Additionally, the commission has committed to the creation of a “Community action plan for energy from biomass by the end of 2005.”<sup>494</sup> The commission also recently adopted a new research framework programme which includes the further development of clean coal technology, hydrogen fuel cells, and other renewables as R&D priorities for the EU.<sup>495</sup> These policies have been matched by a pledge to the continuing development of, hydro, biomass, geothermal, solar energy and other technologies.<sup>496</sup> This includes a particular commitment to the development of the wind energy sector. In 2004, Europe accounted for 72.4% of all new wind installations in the world.<sup>497</sup>

The EU has also worked to establish and improve relations with energy producing states in order to increase energy supplies in Europe.<sup>498</sup> In fact, the EU-Russian relationship on energy has developed to the point where 30% of the EU’s oil needs and 50% of its gas needs are met with Russian supply.<sup>499</sup> Moreover, the Commissioner has acknowledged the continuing importance of Russia as a supplier of energy for the EU.<sup>500</sup> In addition, Commissioner Piebalgs has worked to improve and strengthen relations with states within the Persian Gulf region and with the Ukraine in an effort to secure and ensure energy supplies for the EU.<sup>501</sup>

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24 May 2005

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<sup>492</sup> “An Energy Outlook for Europe – From Today into the Next 30 Years.” Speech by Loyola de Palacio, Vice-President of the European Commission, Commissioner for Transport and Energy. 15 June 2004. Energy and Transport in Europe Digest. No. 98. 18 June 2004. <europa.eu.int/comm/energy\_transport/mm\_dg/newsletter/nl99-2004-06-18\_en.html>.

<sup>493</sup> Electricity From Renewable Energy Sources: Encouraging Green Electricity in Europe. <europa.eu.int/comm/energy/res/publications/doc/2004\_brochure\_green\_en.pdf>. 8.

<sup>494</sup> Ibid. 14.

<sup>495</sup> “Towards Zero Emission Power Plants.” Remarks by Commissioner Adris Piebalgs at the European CO2 Capture and Storage Conference. 13 April 2005. Date of access: 14 May 2005. <europa.eu.int/comm/energy/index\_en.html>

<sup>496</sup> Ibid. 6-7.

<sup>497</sup> “Renewable Energy: European Union Continues to Work Towards Ambitious Targets.” Remarks by Commissioner Adris Piebalgs, 9 March 2005. Date accessed: 14 May 2005. <europa.eu.int/comm/energy/index\_en.html>

<sup>498</sup> “I am ready to establish even stronger relations with Russia, which has always been and important supplier to the EU.” Piebalgs’ testimony.

<sup>499</sup> Presentation of Christian Cleutinx, Director, European Commission Coordinator of the EU-Russian Energy Dialogue. November 2004. <europa.eu.int/comm/energy/russia/presentations/doc/2004\_berlin\_en.pdf>.

<sup>500</sup> “...supplies from Russia will be of vital importance for long term economic growth.” Palacio speech.

<sup>501</sup> “Commissioner Piebalgs Launches Reinforced Energy Dialogue with Oil & Gas Producing Countries of the Gulf Cooperation Council Region.” 2 April 2005. Date accessed: 14 May 2005. <europa.eu.int/comm/energy/index\_en.html>; and,

“The Commission and Ukraine Strengthen Energy Cooperation in the Framework of the EU-Ukraine Neighbourhood Action Plan.” 28 April 2005. Date accessed: 14 May 2005. <europa.eu.int/comm/energy/index\_en.html>

## Environment

### Commitment

“Held First and Second Earth Observation Summits (EOS) and adopted a Framework document on a Global Earth Observation System of Systems (GEOSS). Planning to adopt a final 10-year strategic implementation plan on GEOSS at Third EOS in 2005 and working to identify the international mechanism to provide coordination and oversight for GEOSS.”

*Science and Technology for Sustainable Development:  
“3r” Action Plan and Progress on Implementation*

### Background

At the 2003 Evian summit, the G8 called for an integrated earth observation system (EOS) to observe and track climate change and other environmental trends on Earth. Such an integrated climate tracking system could provide valuable information to the benefit of all nations. Three summits (the first, second and third Earth Observation Summits) have been held to date. The third summit took place on February 16<sup>th</sup>, 2005, and was held in Brussels, Belgium. At the third EOS (EOS-3) summit, in accordance with the Sea Island commitment, a ten-year strategic implementation plan was adopted. The GEOSS 10-Year Implementation Plan outlined the “essential steps to be undertaken, over the next decade, by a global community of nations and intergovernmental, international, and regional organizations, to put in place Global Earth Observation System of Systems.”<sup>502</sup> The 10-Year Implementation Plan also outlines the methods of governance that the Group on Earth Observations (GEO) will employ to provide coordination and oversight for GEOSS. The plan states that the GEO will meet in plenary at least annually at the senior-official level, and periodically at the Ministerial level. The document goes on to say that the GEO plenary will establish an elected executive committee, subsidiary bodies which will include science and technical advisory mechanisms, and a secretariat, which will be comprised of “co-located, well-qualified, professional and administrative staff”<sup>503</sup>

For the full EOS-3 resolution, see:

[earthobservations.org/docs/Third%20Summit%20Tsunami%20Communique.pdf](http://earthobservations.org/docs/Third%20Summit%20Tsunami%20Communique.pdf)

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<sup>502</sup> “The Global Earth Observation System of Systems (GEOSS) 10-Year Implementation Plan (as adopted 16 February 2005)” <earthobservations.org> Last Accessed: 5 May 2005

<sup>503</sup> Ibid.

## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia			+1
United Kingdom			+1
United States			+1
European Union			+1
Overall: +1.00			

## Individual Country Compliance Breakdown

### 1. Canada

Canada has complied with its commitment to be an active participant in the Global Earth Observation System of Systems. As a member of the Group on Earth Observations,<sup>504</sup> Canada was present at the EOS-3 summit and agreed with the implementation plan that was reached at that summit.

At the EOS-3 summit the President of the Canadian Space Agency, Dr. Marc Garneau, speaking on behalf of Canadian Minister of the Environment Stephane Dion, stated: “Canada is proud to be a party to the adoption of this 10-Year Implementation Plan. [...] Canada has been a very active participant in the preparation of the Plan, including hosting the fifth meeting of the ad hoc Group on Earth Observations in Ottawa in November 2004. Canada looks forward to participating with equal or greater vigour during the implementation of the Plan.”<sup>505</sup>

### 2. France

France has complied with its commitment to be an active participant in the Global Earth Observation System of Systems. As a member of the Group on Earth Observations, France was present at the EOS-3 summit and agreed with the implementation plan that was reached at the summit.<sup>506</sup> France is also member of the European Space Agency, which has contributed a great deal to the GEOSS initiative (see European Union entry below). France also contributes bilaterally to a project known as PUMA, which since 1996 has ensured that 53 African national meteorology services have been capable of making use of data provided by European weather satellites. PUMA has set up a total of 59 receiving stations across the African continent — one

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<sup>504</sup> “Group on Earth Observations: Members” <[earthobservations.org/members.asp](http://earthobservations.org/members.asp)>

<sup>505</sup> Garneau, Marc. “Canada Country Statement” Canadian Group on Earth Observations Media Room <[www.ec.gc.ca/press/2005/050216\\_s\\_e.htm](http://www.ec.gc.ca/press/2005/050216_s_e.htm)>

<sup>506</sup> “Group on Earth Observations: Members” Group on Earth Observations Website. <[earthobservations.org/members.asp](http://earthobservations.org/members.asp)>



for each participating country and six regional centres — and 350 technicians will have been trained by September of this year.<sup>507</sup>

### **3. Germany**

Germany has complied with its commitment to be an active participant in the Global Earth Observation System of Systems. As a member of the Group on Earth Observations, Germany was present at the EOS-3 summit and agreed with the implementation plan that was reached at that summit.<sup>508</sup> Germany is a member of the European Space Agency, which has contributed a great deal to the GEOSS initiative (see European Union entry below).

### **4. Italy**

Italy has complied with its commitment to be an active participant in the Global Earth Observation System of Systems. As a member of the Group on Earth Observations, Italy was present at the EOS-3 summit and agreed with the implementation plan that was reached there.<sup>509</sup> Italy is a member of the European Space Agency, which has contributed a great deal to the GEOSS initiative (see European Union entry below).

### **5. Japan**

Japan has complied with its Sea Island Summit pledge. Japan attended the third Earth Observation Summit (EOS-3) meeting on February 16<sup>th</sup>, 2005 in Brussels, Belgium<sup>510</sup> and currently serves as one of four co-presidents of the Group on Earth Observation.<sup>511</sup> At the EOS-3 summit the Japan Aerospace Exploration Agency's (JAXA) Executive Director Yoji Furuhashi, as well as agreeing with the GEOSS initiative, signed on to the "Charter On Cooperation To Achieve The Coordinated Use Of Space Facilities In The Event Of Natural Or Technological Disasters (hereinafter called "The International Charter Space and Major Disasters")".<sup>512</sup> This charter, created in 2000, aims to provide "free earth observation satellite data and others based upon the best efforts of participating agencies at the time of major disasters."<sup>513</sup>

### **6. Russia**

Russia has complied with its commitment to be an active participant in the Global Earth Observation System of Systems. As a member of the Group on Earth Observations, Russia was

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<sup>507</sup> "Earth and Space Week: Third Earth Observation Summit agrees ten-year GEOSS action plan" European Space Agency Press Release. February 17<sup>th</sup>, 2005.  
< [www.esa.int/esaEO/SEMSABYEM4E\\_index\\_0.html](http://www.esa.int/esaEO/SEMSABYEM4E_index_0.html) >

<sup>508</sup> "Group on Earth Observations: Members" <[earthobservations.org/members.asp](http://earthobservations.org/members.asp)>

<sup>509</sup> "Group on Earth Observations: Members" <[earthobservations.org/members.asp](http://earthobservations.org/members.asp)>

<sup>510</sup> "Speeches and Statements by Prime Minister Junichiro Koizumi"  
<[www.kantei.go.jp/foreign/koizumispeech/2004/06/22science\\_e.html](http://www.kantei.go.jp/foreign/koizumispeech/2004/06/22science_e.html)>

<sup>511</sup> "Uniting to make a World of Difference" European Magazine on Research.  
<[europa.eu.int/comm/research/rtdinfo/44/01/article\\_2026\\_en.html#notes](http://europa.eu.int/comm/research/rtdinfo/44/01/article_2026_en.html#notes)>

<sup>512</sup> "Accession to the International Charter "Space and Major Disasters" Japan Space and Exploration Agency Press Release. February 2005. <[www.jaxa.jp/press/2005/02/20050210\\_disasterscherter\\_e.html](http://www.jaxa.jp/press/2005/02/20050210_disasterscherter_e.html)>

<sup>513</sup> Ibid.

present at the EOS-3 summit and agreed with the implementation plan that was reached at that summit.<sup>514</sup>

## 7. United Kingdom

The United Kingdom has complied with its commitment to be an active participant in the Global Earth Observation System of Systems. As a member of the Group on Earth Observations, the United Kingdom was present at the EOS-3 summit and agreed with the implementation plan that was reached.<sup>515</sup> The United Kingdom is also member of the European Space Agency, which has contributed a great deal to the GEOSS initiative (see European Union entry below). The United Kingdom also contributes bilaterally to the PUMA project to disseminate earth observation data to African states.<sup>516</sup>

## 8. United States

The United States of America attended the third Earth Observation Summit (EOS) meeting on February 16<sup>th</sup>, 2005 in Brussels, Belgium<sup>517</sup>, in compliance with their Sea Island Summit pledge. The United States joined 60 other nations in formally agreeing upon a ten-year plan to implement a Global Earth Observation System of Systems (GEOSS)<sup>518</sup> in order to “achieve comprehensive, coordinated and sustained observations of the Earth system”<sup>519</sup>. U.S. Secretary of Commerce Carlos Gutierrez solidified American commitment to the plan at the Summit by presenting the United States’ plan for an integrated U.S. Earth Observation system and identifying it as one of President Bush’s environmental priorities<sup>520</sup>. The United States is also one of four current co-presidents of the Group on Earth Observation.<sup>521</sup>

## 9. European Union

The European Union has complied with its commitment to be an active participant in the Global Earth Observation System of Systems. The European Union is one of four current co-presidents

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<sup>514</sup> “Group on Earth Observations: Members” Group on Earth Observations Website.  
<earthobservations.org/members.asp>

<sup>515</sup> “Group on Earth Observations: Members” Group on Earth Observations Website.  
<earthobservations.org/members.asp>

<sup>516</sup> “Earth and Space Week: Third Earth Observation Summit agrees ten-year GEOSS action plan” European Space Agency Press Release. February 17<sup>th</sup>, 2005.  
<www.esa.int/esaEO/SEMSABYEM4E\_index\_0.html>

<sup>517</sup> “MOST delegation attended the Third Earth Observation Summit”  
irdc.ia.ac.cn/cistc/english/Info/showInfo.asp?id=35776

<sup>518</sup> “Third Earth Observation Summit Agrees On Ten-Year GEOSS Action Plan” Space Daily News. February 21<sup>st</sup>, 2005. <www.spacedaily.com/news/eo-05u.html>

<sup>519</sup> “The Global Earth Observation System of Systems (GEOSS) 10-Year Implementation Plan” Group on Earth Observations.  
<earthobservations.org/docs/10-Year%20Implementation%20Plan.pdf>

<sup>520</sup> “Strategic Plan for the U.S. Integrated Earth Observation System”  
<iwgeo.ssc.nasa.gov/draftstrategicplan/IEOS\_Draft\_strategic\_plan.pdf>

<sup>521</sup> “Uniting to make a World of Difference” European Magazine on Research.  
<europa.eu.int/comm/research/rtdinfo/44/01/article\_2026\_en.html#notes>

of the Group on Earth Observation.<sup>522</sup> At the summit European Commission Environmental Commissioner Stavros Dimas stated his belief that a combination of different Earth Observation systems is needed to study the Earth: “Good policy needs good science — we need to understand the environment in order to protect it... launching a system that will greatly enhance our understanding of the environment and will hopefully help us to do what we can to improve it.”<sup>523</sup>

Director-General of Research at the European Commission Achilleas Mitsos has emphasized Europe’s commitment to GEOSS, stating that, “Europe has invested strongly in this project. It is of particular interest to us as European Earth observation expertise is among the most advanced in the world. It is a field in which the European Space Agency (ESA) member states have provided strong support...”<sup>524</sup> This support includes the €11 million the European Commission has contributed to the PUMA project to date.<sup>525</sup> Additionally, the PUMA Task Team is working on a follow-up project called African Monitoring of the Environment for Sustainable Development (AMESD), that extends beyond meteorology to cover Earth Observation capacity-building, with the intention of providing support for African policy makers. This program will serve as the African link to GEOSS.<sup>526</sup> The ESA’s Earth Observation Science and Applications Department is also involved in a project called TIGER which is focused on applying Earth Observation to Africa, with a particular focus on water management issues<sup>527</sup>

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<sup>522</sup> “Uniting to make a World of Difference” European Magazine on Research.  
<europa.eu.int/comm/research/rtdinfo/44/01/article\_2026\_en.html#notes>

<sup>523</sup> Cited in “Earth and Space Week: Third Earth Observation Summit agrees ten-year GEOSS action plan” European Space Agency Press Release. February 17<sup>th</sup>, 2005.  
<www.esa.int/esaEO/SEMSABYEM4E\_index\_0.html>

<sup>524</sup> Cited in “Uniting to make a World of Difference” European Magazine on Research.  
<europa.eu.int/comm/research/rtdinfo/44/01/article\_2026\_en.html#notes>

<sup>525</sup> “Earth and Space Week: Third Earth Observation Summit agrees ten-year GEOSS action plan” European Space Agency Press Release. February 17<sup>th</sup>, 2005.  
<www.esa.int/esaEO/SEMSABYEM4E\_index\_0.html>

<sup>526</sup> “Earth and Space Week: Third Earth Observation Summit agrees ten-year GEOSS action plan” European Space Agency Press Release. February 17<sup>th</sup>, 2005.  
<www.esa.int/esaEO/SEMSABYEM4E\_index\_0.html>

<sup>527</sup> “Earth and Space Week: Third Earth Observation Summit agrees ten-year GEOSS action plan” European Space Agency Press Release. February 17<sup>th</sup>, 2005.  
<www.esa.int/esaEO/SEMSABYEM4E\_index\_0.html>

## **Non-Proliferation: Weapons of Mass Destruction**

### **Commitment**

“...for the intervening year [between Sea Island and Gleneagles Summits], we agree that it would be prudent not to inaugurate new initiatives involving transfer of enrichment and reprocessing equipment and technologies to additional states. We call on all states to adopt this strategy with prudence.”<sup>528</sup>

*G8 Action Plan on Nonproliferation*

### **Background**

The G8's focus on Weapons of Mass Destruction dates back to the 2002 Kananaskis Summit at which the Global Partnership Against Weapons and Materials of Mass Destruction was launched. While this initiative was focused on safeguarding Russia's decommissioned nuclear arsenal and preventing nuclear proliferation to terrorist organizations, the focus has shifted in recent years. At the Sea Island Summit, concerns over nuclear proliferation were focused mainly on the issue 'rogue states' acquiring nuclear weapons — in particular, North Korea and Iran — as well as non-state terrorist actors. This growing crisis has been fuelled by a series of events that have demonstrated the decay of the nuclear non-proliferation regime: the arrest in 2002 of Abdullah Al Mujahir, a U.S. citizen, for allegedly conspiring with al Qaeda to detonate a 'dirty' (radiological) bomb inside the U.S.; the declaration by North Korea that it had restarted its nuclear fuel refinement process which the US estimates may already have yielded 1-2 atomic bombs; recent discoveries that Pakistan's 'father of the bomb' A.Q. Khan had an extensive network of nuclear technology customers; and Iran's decision to build further nuclear power stations across the country combined with its reluctance to submit to full IAEA inspections. In light of these alarming events, it has become increasingly important for G8 member countries to raise its level of cooperation on the issue of restricting the sharing of nuclear technology and enrichment techniques.

Currently, G8 member-states, the US, Japan, and Russia, along with South Korea and China are in six-party talks with North Korea to find a resolution to the nuclear crisis on the peninsula; these talks are stalled, however, over North Korea's demands for direct bilateral talks with the United States which Washington refuses. Currently the US has deferred to the UK, France and Germany in their talks with Iran to find a resolution to the nuclear crisis in that country. The international community is demanding the Iran end full-nuclear fuel cycle activity which can produce weapons-grade plutonium and uranium and to submit to full IAEA inspections. Iran, for its part, is asserting its right to a civilian nuclear industry and has been highly reluctant to allow the IAEA full access.

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<sup>528</sup> *G8 Action Plan on Nonproliferation*. Sea Island Summit Official Website (Sea Island/ Washington D.C.) 9 June 2004. Date of Access 17 May 2005 [www.g8usa.gov/d\\_060904d.htm](http://www.g8usa.gov/d_060904d.htm)

## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia	-1		
United Kingdom			+1
United States			+1
European Union			+1
Overall: 0.78			

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada registered a high level of compliance with Sea Island's weapons of mass destruction commitments, successfully restraining from inaugurating new initiatives involving transfer of enrichment and reprocessing equipment and technologies to additional states. In addition, Ottawa has bolstered other non-proliferation efforts through contributions to the Global Partnership Program, participation in the Proliferation Security Initiative, and vocal support of non-proliferation issues.

On 4 August 2004, Foreign Affairs Minister Pierre Pettigrew announced CDN\$24.4 million to assist Russia dismantle three nuclear submarines, as well as plans for an additional CDN\$112 to support the dismantlement of twelve additional submarines over the next four years.<sup>529</sup> On 26 April 2005, Pettigrew announced an increase to CAD32 million for this project.<sup>530</sup> The funding is part of Canada's CAD\$1-billion pledge to the Global Partnership Against Weapons and Materials of Mass Destruction. The Partnership, launched at the 2002 G8 Kananaskis Summit, supports cooperative projects to address non-proliferation, disarmament, counter-terrorism, and nuclear safety issues. Also under the banner of the Partnership, Canada funded a number of the International Science and Technology Center's projects, which contribute to the employment of former Soviet weapons scientists<sup>531</sup>. In September 2004, Canada's Ambassador to Russia, Christopher Westdal, noted "Canada is firmly committed to making a significant and sustained

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<sup>529</sup> Canada Helps Dismantle Nuclear Submarines, Department of Foreign Affairs and International Trade, (Ottawa), 4 August 2004. Date of Access: 15 December 2004. [webapps.dfait-maeci.gc.ca/minpub/Publication.asp?publication\\_id=381399](http://webapps.dfait-maeci.gc.ca/minpub/Publication.asp?publication_id=381399).

<sup>530</sup> Canada Signs Second Agreement to Help Dismantle Nuclear Submarines, Department of Foreign Affairs and International Trade, (Ottawa), 26 April 2005. Date of Access: 1 May 2005. [webapps.dfait-maeci.gc.ca/MinPub/Publication.asp?Language=E&publication\\_id=382478](http://webapps.dfait-maeci.gc.ca/MinPub/Publication.asp?Language=E&publication_id=382478).

<sup>531</sup> Projects Approved for Funding by the ISTC Governing Board at the 34<sup>th</sup> Funding Session, International Science and Technology Center, (Moscow), 11 April 2005. Date of Access: 1 May 2005. [www.istc.ru/ISTC/sc.nsf/df03ee290166f1ba052567a2005620cf/items-36gbm-projects.htm/\\$FILE/36GBM-projects.pdf](http://www.istc.ru/ISTC/sc.nsf/df03ee290166f1ba052567a2005620cf/items-36gbm-projects.htm/$FILE/36GBM-projects.pdf).

contribution to the employment of former Soviet weapons scientists,” he also reaffirmed Canada’s CAD1-billion pledge to the Partnership Program<sup>532</sup>.

Canada participated in three activities related to the Proliferation Security Initiative, a US-led effort that aims to stop shipments of WMD, their delivery systems, and related materials worldwide. On 1 October 2004, Canada sent operational experts to an American Department of Defense hosted maritime interdiction game<sup>533</sup>. In late October 2004, Canada participated as an observer in “Operation Samurai,” a Japanese-led maritime interdiction exercise<sup>534</sup>. In late March 2005, Canada attended a meeting of the Proliferation Security Initiative’s Operational Experts Group<sup>535</sup>.

Finally, Canada has called for strengthened non-proliferation mechanisms through the UN<sup>536</sup>, and given vocal support to the IAEA’s efforts at ending Iran’s uranium enrichment program<sup>537</sup>. Canada’s 2005 International Policy Statement notes as key governmental priorities the prevention of the spread of WMD and the strengthening of international export control regimes on proliferation-sensitive technologies. Further, it holds the expansion of the Global Partnership Program and participation in joint training missions and information sharing with Proliferation Security Initiative partners as key initiatives<sup>538</sup>.

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

France registered a high level of compliance with Sea Island’s weapons of mass destruction commitments, successfully restraining from inaugurating new initiatives involving transfer of enrichment and reprocessing equipment and technologies to additional states. In addition, Paris has bolstered other non-proliferation efforts. Being a permanent member of Security Council in UN, France continued its strong support for the non-proliferation commitment in 2004 through May 2005. France actively took part in a Japanese-organized multinational naval exercise in the context of the Proliferation Security Initiative in October 26, 2004, which was aimed to stop the

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<sup>532</sup> Speech by Ambassador Westdal presented at the Canadian Biological Sciences Colloquium, September 15–17, 2004, Department of Foreign Affairs and International Trade, (Ottawa), 11 November 2004. Date of Access: 1 January 2004. [www.dfait-maeci.gc.ca/foreign\\_policy/global\\_partnership/westdal-en.asp](http://www.dfait-maeci.gc.ca/foreign_policy/global_partnership/westdal-en.asp).

<sup>533</sup> DoD Hosts First Proliferation Security Initiative Maritime Interdiction Game, U.S. Department of Defence, (Washington), 1 October 2005. Date of Access: 1 January 2004. [www.defenselink.mil/releases/2004/nr20041001-1344.html](http://www.defenselink.mil/releases/2004/nr20041001-1344.html).

<sup>534</sup> Team Samurai 04, The Ministry of Foreign Affairs of Japan, (Tokyo), 28 October 2004. Date of Access: 1 January 2004. [www.mofa.go.jp/policy/un/disarmament/arms/psi/overview0410.html](http://www.mofa.go.jp/policy/un/disarmament/arms/psi/overview0410.html).

<sup>535</sup> Proliferation Security Initiative Logs Varied Activities in Two Years, U.S. Department of State, (Washington), 2 May 2005. Date of Access: 5 May 2005. [usinfo.state.gov/is/Archive/2005/May/03-764392.html](http://usinfo.state.gov/is/Archive/2005/May/03-764392.html).

<sup>536</sup> Address by Prime Minister Paul Martin at the United Nations, Office of the Prime Minister, (Ottawa), 22 September 2004. Date of Access: 1 January 2004. [www.pm.gc.ca/eng/news.asp?id=266](http://www.pm.gc.ca/eng/news.asp?id=266).

<sup>537</sup> Canada Supports Resolution on Iran’s Nuclear Program, Department of Foreign Affairs and International Trade, (Ottawa), 29 November 2004. Date of Access: 1 January 2004. [webapps.dfait-maeci.gc.ca/minpub/Publication.asp?publication\\_id=381830](http://webapps.dfait-maeci.gc.ca/minpub/Publication.asp?publication_id=381830).

<sup>538</sup> Making a Difference Globally, Canadian International Policy Statement, Department of Foreign Affairs and International Trade, (Ottawa), 15 April 2005. Date of Access: 1 May 2005. [www.dfait-maeci.gc.ca/cip-pic/ips/ips-overview5-en.asp](http://www.dfait-maeci.gc.ca/cip-pic/ips/ips-overview5-en.asp)

flow of weapons of mass destructions<sup>539</sup>. After its launching in May 2004, France agreed and took action to dispatch the French navy frigate Vendémiaire<sup>540</sup>. This initiative program included 15 other countries, of which members of G8 were also included. This proved France's eagerness to participate in strengthening coordination between countries that are part of the PSI initiative<sup>541</sup>.

In 2004 a deal was struck between Iran and Britain, France, and Germany (the EU3) wherein Iran agreed to suspend uranium enrichment and accept more intrusive inspections of its nuclear sites in exchange for technology. On 18 June 2004, the IAEA adopted a resolution drafted by the EU3 "deploring" Iran's poor cooperation with inspectors<sup>542</sup>. In response, on June 29<sup>th</sup>, Iran announced it would begin enriching uranium<sup>543</sup>. On November 15<sup>th</sup>, following "intense negotiations," German Foreign Minister Joschka Fischer announced an agreement between the EU3 and Iran, wherein Iran agreed to freeze uranium enrichment in exchange for technology and trade concessions<sup>544</sup>. On the basis of that agreement, further negotiations between the two parties, and supported by European Union High Representative Javier Solana, commenced on December 15<sup>th</sup> in search of a long-term accord. As of early May 2005, the negotiations are still in progress<sup>545</sup> to "ensure that Iran's nuclear program can only be used for peaceful purposes<sup>546</sup>." France, the UK and Germany has reportedly offered Tehran incentives such as facilitated WTO membership and technical assistance for a civilian nuclear energy industry in exchange for making the November 15 arrangement permanent.

France also showed its continuous involvement with regards to Resolution 1540, which was adopted by UN in April 28, 2004<sup>547</sup>. France submitted a state report dealing with the obligations

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<sup>539</sup> France took part in a Japanese-organized multinational naval exercise in the context of the Proliferation Security Initiative by Foreign Ministry Spokesperson (Paris, October 27, 2004) Date of access: May 7, 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45561](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45561)

<sup>540</sup> France took part in a Japanese-organized multinational naval exercise in the context of the Proliferation Security Initiative by Foreign Ministry Spokesperson (Paris, October 27, 2004) Date of access: May 7, 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45561](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45561)

<sup>541</sup> France took part in a Japanese-organized multinational naval exercise in the context of the Proliferation Security Initiative by Foreign Ministry Spokesperson (Paris, October 27, 2004) Date of access: May 7, 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45561](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45561)

<sup>542</sup> UN Raps Iran Over Nuclear Stance, BBC News UK Edition, (London), 18 June 2004. Date of Access: 1 January 2004. [news.bbc.co.uk/1/hi/world/middle\\_east/3818229.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3818229.stm).

<sup>543</sup> Iran Given New Nuclear 'Deadline', BBC News UK Edition, (London), 18 September 2004. Date of Access: 1 January 2004. [news.bbc.co.uk/1/hi/world/middle\\_east/3669008.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3669008.stm).

<sup>544</sup> Agreement with Iran is Important Step, German Embassy Washington D.C., 16 November 2004. Date of Access: 1 January 2004. [www.germanyinfo.org/relaunch/politics/new/pol\\_fischer\\_iran\\_11\\_2004.html](http://www.germanyinfo.org/relaunch/politics/new/pol_fischer_iran_11_2004.html).

<sup>545</sup> Speech by Joschka Fischer at the 7<sup>th</sup> Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, German Federal Foreign Office, (Berlin), 2 May 2005. Date of Access: 5 May 2005. [www.auswaertiges-amt.de/www/en/ausgabe\\_archiv?archiv\\_id=7133](http://www.auswaertiges-amt.de/www/en/ausgabe_archiv?archiv_id=7133).

<sup>546</sup> Speech by Joschka Fischer at the 7<sup>th</sup> Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, German Federal Foreign Office, (Berlin), 2 May 2005. Date of Access: 5 May 2005. [www.auswaertiges-amt.de/www/en/ausgabe\\_archiv?archiv\\_id=7133](http://www.auswaertiges-amt.de/www/en/ausgabe_archiv?archiv_id=7133).

<sup>547</sup> Non-proliferation / Adoption of resolution 1540 by the Security Council by Foreign Ministry Spokesperson (Paris, April 29, 2004) Date of access: May 7, 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41895](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41895)

for international commitment to combat the proliferation of weapons of mass destruction and their means of delivery, as required by the resolution<sup>548</sup>.

To sum its past and on-going contribution to non-proliferation of the nuclear arms, France produced a progress report on its contribution to non-proliferation<sup>549</sup>. The report, entitled “Fighting Proliferation, Promoting Arms Control and Disarmament: France’s Contribution”, has been reviewed as the principal foundation of the collective security in the NPT Review Conference of May 2005 in New York<sup>550</sup>.

### 3. Germany: +1

Germany has registered a high level of compliance with Sea Island’s weapons of mass destruction commitments, successfully restraining from inaugurating new initiatives involving transfer of enrichment and reprocessing equipment and technologies to additional states. In addition, Berlin has bolstered other non-proliferation efforts through continued negotiations with Iran, over the latter’s nuclear program, and participation in the Proliferation Security Initiative.

In 2004 a deal was struck between Iran and Britain, France, and Germany (the EU3) wherein Iran agreed to suspend uranium enrichment and accept more intrusive inspections of its nuclear sites in exchange for technology. On 18 June 2004, the IAEA adopted a resolution drafted by the EU3 “deploring” Iran’s poor cooperation with inspectors<sup>551</sup>. In response, on June 29<sup>th</sup>, Iran announced it would begin enriching uranium<sup>552</sup>. On November 15<sup>th</sup>, following “intense negotiations,” German Foreign Minister Joschka Fisher announced an agreement between the EU3 and Iran, wherein Iran agreed to freeze uranium enrichment in exchange for technology and trade concessions<sup>553</sup>. On the basis of that agreement, further negotiations between the two parties, and supported by European Union High Representative Javier Solana, commenced on December 15<sup>th</sup> in search of a long-term accord. As of early May 2005, the negotiations are still in progress<sup>554</sup>. Fisher noted the objective of the negotiations was to “ensure that Iran’s nuclear program can only be used for peaceful purposes<sup>555</sup>.” France, the UK and Germany has reportedly

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<sup>548</sup> French report to the UN Security Council on the proliferation of weapons of mass destruction and their means of delivery by Foreign Ministry Spokesperson (Paris, October 28, 2004) Date of access: May 7, 2005

[www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45596](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45596)

<sup>549</sup> Fighting proliferation, promoting arms control and disarmament : France's contribution (April 18, 2005) Date of access: May 7, 2005

[www.diplomatie.gouv.fr/actu/article.gb.asp?ART=48847](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=48847)

<sup>550</sup> Fighting Proliferation, Promoting Arms Control and Disarmament: France’s Contribution (2005) Date of access: May 7, 2005 [www.diplomatie.gouv.fr/actual/pdf/maitrise\\_armement.pdf](http://www.diplomatie.gouv.fr/actual/pdf/maitrise_armement.pdf)

<sup>551</sup> UN Raps Iran Over Nuclear Stance, BBC News UK Edition, (London), 18 June 2004. Date of Access: 1 January 2004. [news.bbc.co.uk/1/hi/world/middle\\_east/3818229.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3818229.stm).

<sup>552</sup> Iran Given New Nuclear ‘Deadline’, BBC News UK Edition, (London), 18 September 2004. Date of Access: 1 January 2004. [news.bbc.co.uk/1/hi/world/middle\\_east/3669008.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3669008.stm).

<sup>553</sup> Agreement with Iran is Important Step, German Embassy Washington D.C., 16 November 2004. Date of Access: 1 January 2004. [www.germanyinfo.org/relaunch/politics/new/pol\\_fischer\\_iran\\_11\\_2004.html](http://www.germanyinfo.org/relaunch/politics/new/pol_fischer_iran_11_2004.html).

<sup>554</sup> Speech by Joschka Fischer at the 7<sup>th</sup> Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, German Federal Foreign Office, (Berlin), 2 May 2005. Date of Access: 5 May 2005. [www.auswaertiges-amt.de/www/en/ausgabe\\_archiv?archiv\\_id=7133](http://www.auswaertiges-amt.de/www/en/ausgabe_archiv?archiv_id=7133).

<sup>555</sup> Speech by Joschka Fischer at the 7<sup>th</sup> Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, German Federal Foreign Office, (Berlin), 2 May 2005. Date of Access: 5 May 2005. [www.auswaertiges-amt.de/www/en/ausgabe\\_archiv?archiv\\_id=7133](http://www.auswaertiges-amt.de/www/en/ausgabe_archiv?archiv_id=7133).



offered Tehran incentives such as facilitated WTO membership and technical assistance for a civilian nuclear energy industry in exchange for making the November 15 arrangement permanent.

Finally, Germany participated in a number of activities under the flag of the Proliferation Security Initiative, a US-led effort that aims to stop shipments of WMD, their delivery systems, and related materials worldwide. On 1 October 2004, Germany sent operational experts to participate in an American Department of Defense hosted maritime interdiction game<sup>556</sup>. In late October 2004, Germany participated as an observer in Team Samurai, a Japanese-led maritime interdiction exercise<sup>557</sup>. In late March 2005, Germany attended a meeting of the Proliferation Security Initiative's Operational Experts Group<sup>558</sup>.

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

Italy registered a high level of compliance with Sea Island's weapons of mass destruction commitments, successfully restraining from inaugurating new initiatives involving transfer of enrichment and reprocessing equipment and technologies to additional states. In addition, Rome has bolstered other non-proliferation efforts through continued participation in the Global Partnership Program and the Proliferation Security Initiative and by voicing concern on non-proliferation issues.

In November 2004, Italy committed €60 million to aid in the dismantlement of a Russian nuclear-powered cruiser formerly known as Admiral Ushakov<sup>559</sup>. The aid is part of Italy's €1-billion pledge to the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. The Partnership, launched at the 2002 G8 Kananaskis Summit, supports cooperative projects to address non-proliferation, disarmament, counter-terrorism, and nuclear safety issues.

Italy also participated in activities under the banner of the Proliferation Security Initiative, a US-led effort that aims to stop shipments of WMD, their delivery systems, and related materials worldwide. On 1 October 2004, Italy sent operational experts to participate in an American Department of Defense hosted maritime interdiction game<sup>560</sup>, and, in late October, Italy participated as an observer in Team Samurai, a Japanese-led maritime interdiction exercise<sup>561</sup>. In

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<sup>556</sup> DoD Hosts First Proliferation Security Initiative Maritime Interdiction Game, U.S. Department of Defence, (Washington), 1 October 2005. Date of Access: 1 January 2004. [www.defenselink.mil/releases/2004/nr20041001-1344.html](http://www.defenselink.mil/releases/2004/nr20041001-1344.html).

<sup>557</sup> Team Samurai 04, The Ministry of Foreign Affairs of Japan, (Tokyo), 28 October 2004. Date of Access: 1 January 2004. [www.mofa.go.jp/policy/un/disarmament/arms/psi/overview0410.html](http://www.mofa.go.jp/policy/un/disarmament/arms/psi/overview0410.html).

<sup>558</sup> Proliferation Security Initiative Logs Varied Activities in Two Years, U.S. Department of State, (Washington), 2 May 2005. Date of Access: 5 May 2005. [usinfo.state.gov/is/Archive/2005/May/03-764392.html](http://usinfo.state.gov/is/Archive/2005/May/03-764392.html).

<sup>559</sup> Italy Helps Russia Dismantle Nuclear-Powered Missile Cruiser, BBC/Itar Tass, 5 November 2004. Date of Access: 1 January 2004. [www.sgpproject.org/Personal%20Use%20Only/Ushakov2.html](http://www.sgpproject.org/Personal%20Use%20Only/Ushakov2.html).

<sup>560</sup> DoD Hosts First Proliferation Security Initiative Maritime Interdiction Game, U.S. Department of Defence, (Washington), 1 October 2005. Date of Access: 1 January 2004. [www.defenselink.mil/releases/2004/nr20041001-1344.html](http://www.defenselink.mil/releases/2004/nr20041001-1344.html).

<sup>561</sup> Team Samurai 04, The Ministry of Foreign Affairs of Japan, (Tokyo), 28 October 2004. Date of Access: 1 January 2004. [www.mofa.go.jp/policy/un/disarmament/arms/psi/overview0410.html](http://www.mofa.go.jp/policy/un/disarmament/arms/psi/overview0410.html).

late March 2005, Italy attended a meeting of the Proliferation Security Initiative's Operational Experts Group<sup>562</sup>.

Finally, on 13 December 2004 Italian Foreign Minister Gianfranco Fini expressed a strong desire to work through the EU to permanently end Iran's uranium enrichment program<sup>563</sup>. On 3 May 2005, Fini called for the Non-Proliferation Treaty to be strengthened through better monitoring mechanisms and concrete initiatives to counter illegal trafficking<sup>564</sup>.

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

Italy registered a high level of compliance with Sea Island's weapons of mass destruction commitments, successfully restraining from inaugurating new initiatives involving transfer of enrichment and reprocessing equipment and technologies to additional states. In addition, Tokyo has bolstered other non-proliferation efforts through a variety of activities detailed below. Being the only great power without nuclear arsenal, Japan has always shown great interest towards the non-proliferation of weapons of mass destructions.

Throughout 2004 and early 2005, Japan continuously acted upon the universalization of IAEA Additional Protocol. Being the only victim of major nuclear bombs, Japan has shown understanding for the increasing importance of the peaceful use of nuclear energy. Tokyo welcomed the IAEA implementations of integrated safeguards to Japan's nuclear activities as of September 15, 2004, which was the first case of a state implementing such integrated safeguards for large-scale nuclear operations<sup>565</sup>. Japan has also urged Iran to implement relevant IAEA resolutions and reach an agreement with France, Germany and United Kingdom on the "objective guarantees" that Iran's nuclear program is exclusively for peaceful purposes<sup>566</sup>.

As the only Asian participant in G8, Japan has exhibited considerable commitments in negotiation with North Korea. Japan played an active role in various talks in negotiating with North Korea, regarding its nuclear program in 2004 through early May 2005. Despite heightened tension between Japan and North Korea regarding abduction issue, Japan reconfirmed the Japan-DPRK Pyongyang Declaration of 2002 in the Japan-North Korea Meeting on May 22, 2004<sup>567</sup>. Japan also had frequent bilateral talks with the United States of America and South Korea to

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<sup>562</sup> Proliferation Security Initiative Logs Varied Activities in Two Years, U.S. Department of State, (Washington), 2 May 2005. Date of Access: 5 May 2005. [usinfo.state.gov/is/Archive/2005/May/03-764392.html](http://usinfo.state.gov/is/Archive/2005/May/03-764392.html).

<sup>563</sup> Iran-EU: Italy Says Whole EU to be Involved in Future Nuclear Negotiations, Adnkronos International, (Brussels), 13 December 2004. Date of Access: 1 January 2004. [www.adnki.com/index\\_2Level.php?cat=Politics&loid=8.0.74139901&par=](http://www.adnki.com/index_2Level.php?cat=Politics&loid=8.0.74139901&par=).

<sup>564</sup> A United "No" to Nuclear Weapons, Italian Ministry of Foreign Affairs, (Rome), 3 May 2005. Date of Access: 5 May 2005. [www.esteri.it/eng/6\\_38\\_90\\_01.asp?id=1742&mod=4&min=1](http://www.esteri.it/eng/6_38_90_01.asp?id=1742&mod=4&min=1).

<sup>565</sup> Statement by the Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the Implementation of Integrated Safeguards by the International Atomic Energy Agency (IAEA) to Japan's Nuclear Activities (September 14, 2004) Date of access: May 7, 2005 [www.mofa.go.jp/announce/announce/2004/9/0914-5.html](http://www.mofa.go.jp/announce/announce/2004/9/0914-5.html)

<sup>566</sup> Statement by H.E. Mr. Nobutaka Machimura Minister for Foreign Affairs of Japan at the 2005 NPT Review Conference (New York, May 2, 2005) Date of access: May 7, 2005 [www.mofa.go.jp/policy/un/fmv0504/npt.html](http://www.mofa.go.jp/policy/un/fmv0504/npt.html)

<sup>567</sup> Japan-North Korea Meeting on May 22, 2004 Date of access: May 7, 2005 [www.kantei.go.jp/foreign/koizumipphoto/2004/05/22saihouchou\\_e.html](http://www.kantei.go.jp/foreign/koizumipphoto/2004/05/22saihouchou_e.html)

confirm their cooperative position towards the North Korean question. Minister for Foreign Affairs of Japan Nobutaka Machimura conveyed in his speech at the NPT Review Conference that Japan will urge the DPRK to expeditiously return to Six-Party Talks which have recently stalled<sup>568</sup>.

Japan has also actively collaborated with European Union, as evident from the Japan-EU Joint Declaration on Disarmament and Non-proliferation signed in June 22, 2004<sup>569</sup>. Joint work between Japan and EU for the peaceful community and non-proliferation of weapons of mass destruction were confirmed. Japan also led a multilateral meeting regarding naval exercise in the context of Proliferation Security Initiative on October 26, 2004<sup>570</sup>. It was aimed to stop the flow of weapons of mass destruction, their delivery systems and related material and equipment to and from states and non-state actors that are sources of concern with regard to proliferation<sup>571</sup>. 15 countries including G8 members participated in this meeting, which proves Japan's active commitment towards the issues on weapons of mass destruction.

Japan submitted "21 Measures for the 21<sup>st</sup> Century", a working paper for further measures to be taken for strengthening the NPT in Japan<sup>572</sup>.

## 6. Russia: –1

Russia has registered a level of non-compliance with its Sea Island's commitments regarding transfer of enrichment and reprocessing equipment and technologies to additional states. This wording applies to Russian partnership with Iran, and Russian level of compliance needs to be determined with an eye on its contract for construction of a pressurized light-water nuclear reactor in Bushehr and subsequent supply of fuel for the reactor.

In the months following the Sea Island summit, where Russia backed language of the declaration deploring Iran's failure to cooperate with IAEA<sup>573</sup>, Russia heightened restrictions on the technology and equipment it supplies for Iran's nuclear energy program but was reluctant to give up the lucrative contracts.<sup>574</sup> On September 2, 2004 Iranian Ambassador to Russia Gholamreza Shafei said that Moscow and Tehran should soon sign an agreement on returning spent nuclear

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<sup>568</sup> Statement by H.E. Mr. Nobutaka Machimura Minister for Foreign Affairs of Japan at the 2005 NPT Review Conference (New York, May 2, 2005) Date of access: May 7, 2005

[www.mofa.go.jp/policy/un/fmv0504/npt.html](http://www.mofa.go.jp/policy/un/fmv0504/npt.html)

<sup>569</sup> Japan-EU Joint Declaration on Disarmament and Non-proliferation (June 22, 2004) Date of access: May 7, 2005 [www.mofa.go.jp/region/europe/eu/summit/joint0406-2.pdf](http://www.mofa.go.jp/region/europe/eu/summit/joint0406-2.pdf)

<sup>570</sup> France took part in a Japanese-organized multinational naval exercise in the context of the Proliferation Security Initiative by Foreign Ministry Spokesperson (Paris, October 27, 2004) Date of access: May 7, 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45596](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45596)

<sup>571</sup> France took part in a Japanese-organized multinational naval exercise in the context of the Proliferation Security Initiative by Foreign Ministry Spokesperson (Paris, October 27, 2004) Date of access: May 7, 2005 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45596](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=45596)

<sup>572</sup> Working Paper of Japan: Further Measures to be taken for strengthening the NPT ("21 Measures for the 21<sup>st</sup> Century") Date of access: May 7, 2005 [www.mofa.go.jp/policy/un/fmv0504/npt2.pdf](http://www.mofa.go.jp/policy/un/fmv0504/npt2.pdf)

<sup>573</sup> "Preventing Iran From Acquiring Nuclear Weapons", US Fed News (Washington), 17 August 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>574</sup> "Iran Nuclear", Voice of America Press Releases and Documents (Washington), 18 August 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

fuel from Iran to Russia, which would be valid until Iran starts producing its own nuclear fuel.<sup>575</sup> On September 20, 2004, the Russian information agency announced that Russia supports the IAEA's demand that Iran should resume its moratorium on all uranium enrichment activities.<sup>576</sup> The same week, Russia's President Vladimir Putin confirmed that Russia is categorically against the emergence of new nuclear states and Iran should fully comply with IAEA requirements. At the same time, he said that Russia believes that at the moment Iran was fulfilling every IAEA requirement. Three weeks later, Russia declared that it finished construction work at Bushehr nuclear reactor and was hoping to sign agreements on shipping nuclear fuel in November.<sup>577</sup> This action immediately placed it in non-compliance with its Sea Island WMD commitments. Nevertheless, on October 22, 2004 RosAtom (Russian Nuclear Agency) welcomed the initiative of EU3 to cooperate with Iran in nuclear technology domain and to ship nuclear fuel for a research reactor.<sup>578</sup>

On February 27, 2005 Russia and Iran signed an intergovernmental protocol on the return of spent nuclear fuel from the Bushehr nuclear power plant and amendments to the fuel contract.<sup>579</sup> Iran agreed to repatriate spent nuclear fuel to Russia and to allow round-the-clock monitoring of the fuel by IAEA.<sup>580</sup> Head of the Russian Federal Atomic Energy Agency Alexander Rumyantsev said the Bushehr power plant will be launched in 2006.<sup>581</sup> On April 22, 2005 Vladimir Putin insisted that Russia-Iran atomic cooperation is exclusively peaceful and under complete control of IAEA, and that Russia will continue insisting on the Iranian refusal from the development of uranium enrichment systems and nuclear cycle technologies.<sup>582</sup> On April 28, 2005 Moscow called on Iran to show a certain restraint in terms of using its right to develop nuclear technologies, and Iran obliged by treating these wishes with understanding, which can mean that Iran will not lift the moratorium on uranium enrichment or withdraw from the negotiating process in the near future.<sup>583</sup> The next day, Vladimir Putin reiterated that Iran should give up the idea of creating a nuclear cycle technology and allow all of their nuclear programs to be placed under total international control, and did not exclude the possibility that Russia might

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<sup>575</sup> "Moscow, Tehran May Sign Spent Nuclear Fuel Deal Soon", Interfax News Service, 2 September 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>576</sup> "Russia backs IAEA demand for Iran to freeze uranium enrichment", Prime-TASS Energy Service (Moscow), 20 September 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>577</sup> "Russia finished construction work at Bushehr nuclear reactor, hopes to sign treaty with Iran", Associated Press Newswires (Moscow), 15 October 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>578</sup> "Rosatom welcomes the decision of three leading European Union countries to cooperate with Tehran in the sphere of nuclear technologies", ITAR-TASS (Moscow), 22 October 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>579</sup> "Russia, Iran sign accord on spent nuke fuel return", ITAR-TASS World Service, 27 February 2005. Date of Access: 08 May 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>580</sup> "Nuclear deal makes Iran more transparent - Russian envoy", BBC Monitoring Former Soviet Union, 2 March 2005. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>581</sup> "Iran unlikely to create full cycle of nuclear fuel processing", Prime-TASS Energy Service (Russia), 28 February 2005. Date of Access: 08 May 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>582</sup> "Russia-Iran atomic cooperation absolutely peaceful – Putin", ITAR-TASS World Service, 22 April 2005. Date of Access: 08 May 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>583</sup> "Moscow Calls on Iran to Retain IAEA Trust", RIA Novosti, 28 April 2005. Date of Access: 08 May 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

support the transfer of this issue to the Security Council and the imposition of sanctions on Iran depending on how Iran deals with these issues.<sup>584</sup>

Besides playing a key role in the situation with Iran, Russia is participating in other initiatives like Global Threat Reduction Initiative. Together with western partners, it reduced and secured stockpiles of nuclear materials and returned spent fuel from Bulgaria, Romania, Serbia and Libya, as well as took part in development of an international effort to improve security and control of radioactive materials that could be used to create a radiological dispersion device, or “dirty bomb.”<sup>585</sup> In addition, three more shipments are scheduled for this year from Latvia, the Czech Republic and Libya, and Russia continued high-level talks with U.S. to accelerate joint work on minimizing the proliferation threat from high-enriched uranium (HEU) at research reactors worldwide.<sup>586</sup>

Russia also expressed interest in transparent cooperation between North Korea and the IAEA to clarify all issues related to its nuclear experiments. Russian First Deputy Foreign Minister Valery Loshchinin raised the subject at his Moscow meeting with South Korean Foreign Minister Ban Ki-moon who accompanied President Roh Moo Hyun on his official visit to Russia.<sup>587</sup> In the mid-January 2005 Russian Deputy Foreign Minister Aleksander Alekseev discussed “some aspects of the nuclear problem on the Korean Peninsula” with the South Korean Ambassador in Moscow Kim Jae Sob and the North Korean Ambassador to Moscow Pak I Choon. Russia also urged all members of the “group of six” to return to negotiations “as soon as possible”.<sup>588</sup>

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

The United Kingdom has registered a high level of compliance with regards to its Sea Island commitments over the course of the past year in regards to weapons of mass destruction. Plus, with the United Kingdom holding the presidency of the G8 this year, their role in the organization has taken an added degree of importance. The United Kingdom have affirmed their commitment to halt all transfers of enrichment and reprocessing equipment and technologies to other states, at the same time pressuring other states to adopt this approach as per the commitment made at the Sea Island summit.

Since November of 2004, when the United Kingdom, France and Germany signed a ground breaking agreement, persuading Iran to suspend all ‘enrichment-related’ activities<sup>589</sup>, there unfortunately have been several developments that do not bode well on stemming nuclear

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<sup>584</sup> “Statement and Q&A following his talks with Israeli President Moshe Katsav in Jerusalem on April 28, 2005, April 29, 2005. Date of Access: 08 May 8, 2005. [www.president.kremlin.ru](http://www.president.kremlin.ru)

<sup>585</sup> “GTRI Partners Conference Opening Keynote Address”, Department of Energy Documents (Washington), 20 September 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>586</sup> “U.S., Russia focus on quicker removal of HEU from test reactors”, Nucleonics Week, 14 April 2005. Date of Access: 08 May 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>587</sup> “Russia wants to know true purpose of nuclear experiments in S. Korea”, Interfax News Service (Moscow), 22 September 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>588</sup> “Deputy Foreign Minister and South Korean Ambassador in Moscow discussed nuclear problem settlement”, ITAR-TASS, 18 January 2005. Date of Access: 08 May 2005.

[www.minatom.ru/News/Main/viewPrintVersion?id=13159&idChannel=579](http://www.minatom.ru/News/Main/viewPrintVersion?id=13159&idChannel=579)

<sup>589</sup> The New Scientist, May 11, 2005, [www.newscientist.com/article.ns?id=dn7368](http://www.newscientist.com/article.ns?id=dn7368)

enrichment and development. On May 8, Iranian leaders said that they plan to restart work on a plant in Isfahan to convert uranium ore into uranium hexafluoride gas, which in turn would aid in the process of nuclear enrichment<sup>590</sup>. Jack Straw, the British Foreign Secretary stated that it was ‘far from a good idea and that it would put numerous benefits already secured for the country at risk<sup>591</sup>.’ The United Kingdom is actively trying to convince Iran not to restart its nuclear enrichment program, and is actively pushing for other states, most notably other European ones to put pressure on the Iranian government.

The United Kingdom has also condemned the decision by North Korea to actively pursue its nuclear program and is putting pressure on the North Koreans, but is leaving much of the active talk to be left to the United States, South Korea and Japan, which are all members of the virtually dead six party talks.

The United Kingdom is a strong supporter of effective control regimes, and is continuing to build upon the Global Partnership agreements, pledging \$750 million over the next ten years<sup>592</sup>.

Since the Sea Island Summit, the United Kingdom has actively complied with the commitments laid out in front of them. They have also taken a lead role in the situation over Iran’s desire to restart its nuclear program. There are no indications that the United Kingdom plans on proposing any new initiatives and by all accounts and purposes the United Kingdoms is completing its goals set forth in the 2004 Sea Island Summit.

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

The United States has registered a high level of compliance with regards to its Sea Island commitments over the course of the past year in regards to weapons of mass destruction and has taken a lead role throughout the world. The United States have reaffirmed their commitment to halt all transfers of enrichment and reprocessing equipment and technologies to other states, at the same time pressuring other states to adopt this approach as per the commitment made at the Sea Island summit.

The United States has remained ardent that itself, and other states throughout the world not transfer equipment or technology to other states that may aid in the creation or advancement of weapons of mass destruction. ‘Good’ news was released by the 1700 Iraq Survey Team which was responsible for the weapons hunt this past April, saying that they found no evidence that Iraq transferred WMD to Syria before the U.S. invasion in March 2003, and that it knew of no Iraq officials with direct knowledge of a transfer of weapons of mass destruction developed by former President Saddam Hussein<sup>593</sup>.

The United States has also taken a very important role in the worsening situation in North Korea. With North Korea announcing that it had removed fuel rods to produce plutonium for several

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<sup>590</sup> Ibid.

<sup>591</sup> BBC News, [news.bbc.co.uk/1/hi/uk\\_politics/4541195.stm](http://news.bbc.co.uk/1/hi/uk_politics/4541195.stm)

<sup>592</sup> Terrorism and Security, *Foreign and Commonwealth Office UK Counter-Proliferation Strategy*. Oct 1, 2004. [www.fco.gov.uk](http://www.fco.gov.uk)

<sup>593</sup> Reuters, *No Proof Iraq Hid Weapons in Syria*, April 26, [uk.news.yahoo.com/050426/325/fh9dq.html](http://uk.news.yahoo.com/050426/325/fh9dq.html)

nuclear weapons, the United States has denounced the move and is continuing to put pressure on the North Koreans, as well as the European Union and Japan to help in the situation<sup>594</sup>. The United States is also trying to revamp the failing six party talks that it seems to be relying quite heavily on, even though the six party talks, which also include fellow G8 member states Japan and Russia is essentially dead. Currently, the United States is weighing its options over North Korea and not closing the door to anything.

The Bush administration has taken a very active role in fulfilling its commitments. The Proliferation Security Initiative, launched by President Bush aims at stopping arms shipments to rogue states or state sponsors of terrorism<sup>595</sup>.

The United States has not proposed any new nuclear initiatives and is fulfilling its commitments made at the Sea Island summit last summer.

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

European Union has registered an acceptable level of compliance with Sea Island's WMD commitments, focusing primarily upon the efforts towards prevention of uranium enrichment by Iran. Europe has traditionally strong economic ties with Iran, which is now its third biggest trade partner in the Middle East.<sup>596</sup> On most occasions the European Union was represented by EU Big Three (or EU3) — France, Germany and Britain. This group persuaded Iran in October 2003 to halt activities consistent with a weapons program.<sup>597</sup> In response to Iran's step, EU3 promised to start supplying Iran with modern nuclear equipment<sup>598</sup> but this promise was not fulfilled. Moreover, EU3 co-authored a highly critical resolution adopted at the IAEA managing board in June, which prompted Iran to declare that it was free from any obligations to these countries.<sup>599</sup> Since then, EU3 has made considerable efforts to heal the rift.

On July 28, 2004 European Union officials met in Paris with a high-level Iranian envoy to obtain guarantees from Iran that its nuclear program is peaceful. The parties shared their positions and continued negotiations process.<sup>600</sup> Overall, European Union took a firm stance but not as tough as U.S. would like.<sup>601</sup> On October 18, 2004 Chris Sanders, Netherlands' Permanent

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<sup>594</sup> Financial Times, *U.S. Mulls Options as Iran and North Korea Stand Firm*, May 12, 2005, [news.ft.com/cms/s/a7646a44-c26b-11d9-866a-00000e2511c8.html](http://news.ft.com/cms/s/a7646a44-c26b-11d9-866a-00000e2511c8.html)

<sup>595</sup> "Fight on WMDs boasts global backing; 60 nations support security effort," The Washington Times, December 23, 2004. [www.globalfactiva.com/](http://www.globalfactiva.com/)

<sup>596</sup> "Newscast: IAEA relying on the goodwill of nations to be open about their nuclear weapons programs", Minnesota Public Radio: Marketplace (Saint Paul, MN) 20 September 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>597</sup> "Effort to Curb Iran's Nuclear Ambitions on Allies' Agenda", The Washington Post (Washington) 28 July 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>598</sup> "Iran Seeks Support on Nuclear Technology", Associated Press Newswire (Vienna) 9 August 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>599</sup> "US defence secretary to visit Russia soon – official", ITAR-TASS World Service (Moscow) 10 August 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>600</sup> "Iranian, EU officials seek common position in nuclear talks", Associated Press Newswires (Paris) 30 July 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>601</sup> "UPDATE 1-U.S. sees no immediate push for sanctions on Iran", Reuters (Washington) 8 September 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

Representative to the UN Conference on Disarmament demanded on behalf of the European Union that Iran assists IAEA to understand the full extent of its nuclear program and clarifies outstanding issues before the next meeting of IAEA board of governors.<sup>602</sup> EU3 at the same time told Iran that European Union is ready to promise a light-water reactor and other nuclear equipment in exchange of cooperation and will join US in taking Iran to UN Security Council if it fails.<sup>603</sup> As a result, in mid-November Iran agreed to halt all its uranium enrichment activities and, although it made additional last minute demands, EU's hard stance forced Iran to give up.<sup>604</sup> However, on January 7, 2005 a high official of Iranian Atomic Energy Association said that Iran will resume its enrichment program if European Union breaches its commitments, which indicates that further efforts are necessary in order to resolve the conflict.<sup>605</sup> In response, EU3 took a tougher stance and cast doubts on Iran's position that it has a legal right to produce nuclear fuel.<sup>606</sup> On February 28, 2005 European Union backed the new deal between Moscow and Teheran but insisted on the need for Iran to respect IAEA safeguards and NPT.<sup>607</sup> The European Parliament on March 10, 2005 had urged Iran to "reaffirm its commitment to the nuclear non-proliferation treaty", to "make its decision to suspend nuclear enrichment permanent", and to "cease making unsettling and contradictory declarations" on Iran's intentions in negotiations with Germany, France and the United Kingdom. The EP also called on the Council of Ministers to apply pressure on the Russian government to secure guarantees that its supply of nuclear materials to Iran will be reserved for purely civil and peaceful uses.<sup>608</sup> On 19 April, 2005 Iran and EU resumed talks in Geneva "in a more favourable atmosphere".<sup>609</sup> On May 7, 2005 Iranian Foreign Minister Kamal Kharrazi said that Iran would continue negotiations providing it will lead us somewhere tangible in a matter of time," despite the deadlock over the Islamic Republic's desire to make nuclear fuel. EU signalled continued commitment to negotiations, but said only countries "that unambiguously comply with their international obligations" under the NPT should have access to peaceful nuclear technology, as guaranteed by the treaty.<sup>610</sup>

In addition to its efforts to freeze Iran's nuclear program, EU is taking other active steps to promote non-proliferation. For instance, French ambassador to Seoul hinted that communication

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<sup>602</sup> "Possible treaty banning production of fissile material for weapons purposes debated in First Committee", M2 Presswire (Geneva), 18 October 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\_hl.asp]

<sup>603</sup> "Europe to offer Iran reactor if Tehran shows nuclear program is peaceful", AFP (Vienna), 19 October 2004. Date of Access: 08 January 2005. www.spacewar.com/2004/041019210335.m84gaqew.html

<sup>604</sup> "EU Stands Firm on Nuclear Freeze, Iran Backs Down", Reuters (Vienna), 26 November 2004. Date of Access: 08 January 2005. abcnews.go.com/International/wireStory?id=284336

<sup>605</sup> "Iran will resume nuclear fuel production if Europe breaches commitments", BBC Monitoring Middle East (Tehran), 07 January 2005. Date of Access: 08 January 2005. global.factiva.com/en/eSrch/ss\_hl.asp

<sup>606</sup> "UPDATE 2-Iran must dismantle nuke enrichment programme-EU", Reuters News, 26 January 2005. Date of Access: 08 May 2005. global.factiva.com/en/eSrch/ss\_hl.asp

<sup>607</sup> "EU backs Russia over Iran, despite US protests", Agence France Press, 28 February 2005. Date of Access: 08 May 2005. global.factiva.com/en/eSrch/ss\_hl.asp

<sup>608</sup> "EU/Iran: Parliament Demands Final Ruling on Uranium Enrichment", Europe Information Energy, 11 March 2005. Date of Access: 08 May 2005. global.factiva.com/en/eSrch/ss\_hl.asp

<sup>609</sup> "Iranian radio sees bright prospect for ties with Russia, nuclear talks with EU", BBC Monitoring Middle East", 19 April 2005. Date of Access: 08 May 2005. global.factiva.com/en/eSrch/ss\_hl.asp

<sup>610</sup> "Pakistan to send centrifuge parts to IAEA for Iran tests; Tehran and Europeans recommit to talks", Daily Star, 07 May 2005. Date of Access: 08 May 2005. global.factiva.com/en/eSrch/ss\_hl.asp



between European Union and North Korea is taking place through diplomatic channels.<sup>611</sup> In a joint declaration with China on 8 December 2004, EU also confirmed its concern with illicit trade of WMD-related materials, equipment and technology; support of efforts in facilitating a political resolution of the Iran nuclear issue and support for a Korean Peninsula free of nuclear weapons.<sup>612</sup> EU will continue to urge North Korea to “comply fully with all its international non-proliferation commitments, including the Non-Proliferation Treaty and the IAEA safeguards Agreement, and to completely dismantle any nuclear weapons programme”. At the same time, it encourages more contacts between North Korea and the outside world and support of economic reform and change in this country.<sup>613</sup>

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May 21, 2005

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<sup>611</sup> “French envoy to Seoul views North Korean nuclear issue”, BBC Monitoring Asia Pacific (Seoul), 30 November 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>612</sup> ““Text” of China-EU joint declaration on non-proliferation, arms control”, BBC Monitoring Asia Pacific (Hague), 09 December 2004. Date of Access: 08 January 2005. [global.factiva.com/en/eSrch/ss\\_hl.asp](http://global.factiva.com/en/eSrch/ss_hl.asp)

<sup>613</sup> European Parliament Plenary Session, Strasbourg, 08 March 2005. Date of Access: 08 May 2005. [[europa.eu.int/comm/external\\_relations/cfsp/news/ip05\\_147.htm](http://europa.eu.int/comm/external_relations/cfsp/news/ip05_147.htm)]

## Terrorist Financing: Counter-Terrorism Action Group — Finance

### Commitment

“We will develop a diplomatic strategy to urge speedy consideration of ratification of the TOC [Transnational Organized Crime] Convention and coordinate with others, including donors to the UN Office on Drugs and Crime, to provide technical assistance to promote implementation of the Convention.”

*Fighting Corruption and Improving Transparency*<sup>614</sup>

### Background

On September 29, 2003, the United Nations Transnational Organized Crime (TOC) Convention entered into force, having received the minimum 40 ratifications required as of July 2003. The TOC Convention represents a significant achievement between states in the fight against organized crime and terrorism. Specifically, it presents a number of measures that enable states to cooperate against activities such as money laundering, corruption, and the obstruction of investigations. The Convention was first officially adopted by the UN General Assembly at the Millennium Assembly in November 2000.

At the 2004 Sea Island Summit, members of the G8 placed a strong emphasis on countering terrorism. This was motivated by not only the memories of 9/11 terrorist attacks, the war in Iraq, and the security malaise in Afghanistan, but the terrorist attacks in Madrid, Spain just prior to the Sea Island Summit as well. One of the main pledges made by the G8 under the banner of counter terrorism was to ratify the TOC Convention so that states would be better equipped to deal with terrorism, particularly its funding, in a more efficient and collaborative manner. The pledge also called on all members of the G8 to actively help non-members ratify the Convention.

### Assessment

Country	Non-Compliance –1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany		0	
Italy		0	
Japan		0	
Russia			+1
United Kingdom		0	
United States		0	
European Union			+1
Overall: 0.44			

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<sup>614</sup> Fighting Corruption and Improving Transparency, 2004 Sea Island Summit Official Website (Sea Island) 10 June 2004. Date of Access: 3 January 2005 [www.g8usa.gov/d\\_061004e.htm](http://www.g8usa.gov/d_061004e.htm)

## Individual Country Compliance Breakdown

### 1. Canada: 1

Canada has complied with the main component of its terrorist funding commitment by ratifying the United Nations Transnational Organized Crime (TOC) Convention<sup>615</sup> and coordinating with others to provide technical assistance to promote the implementation of the convention. It should be noted that the majority of Canada's support for the second half of the commitment comes from programs initiated before the Sea Island Summit. In general these do not count towards commitment compliance since such activities must be initiated in response to, not previous to, the Summit. Nevertheless, since budget funding for these programs were approved for FY2005, this can be construed as compliance to the 2004-2005 Sea Island compliance period.

Canada, on May 13, 2002, ratified the UN TOC (also known as the Palermo Convention), "...which entered into force on September 29, 2003."<sup>616</sup> In the fight against terrorism, particularly terrorist financing, the TOC convention is a landmark agreement. The Convention calls for, *inter alia*, law enforcement cooperation, technical assistance and training, encouraging information sharing, and removing impediments to international extradition. Furthermore, Canada should be commended for ratifying the conventions' two accompanying protocols addressing the smuggling of migrants and trafficking of persons.

Canada has also undertaken several measures with China, Mexico and France to fulfil the second component of the commitments regarding technical assistance for the implementation of the TOC. A project of great importance has been Canada's work with China through the "Canada-China Procuratorate Reform Cooperation Project."<sup>617</sup> This program, which began in 2002, aims to further develop China's judicial capabilities. Canada hopes that the program will encourage more consistent implementation of new legal codes and laws in China, which will in turn allow China to implement the Convention more efficiently. The Canadian International Development Agency (CIDA) will monitor this program until 2007. According to Reid Cooper, an official with the International Crime and Terrorism Division in Canada's Department of Foreign Affairs and International Trade (DFAIT), Canada has also been engaging in ongoing counter-terrorism legislative drafting workshops with the United Nations Office on Drugs and Crime (UNODC), the Inter-American Committee Against Terrorism (CICTE), and Mexico.<sup>618</sup>

In addition to these activities, Canada is to be commended for its recent cooperation with France. In early 2005, Canada's Financial Transactions and Reports Analysis Centre (FINTRAC) and its French counterpart, la Traitement du renseignement et action contre les circuits financiers

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<sup>615</sup> *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 1 May 2005 [[www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)]

<sup>616</sup> *International Crime and Terrorism*, Department of Foreign Affairs and International Trade Website (Ottawa) 16 August 2004. Date of Access: 7 January 2005 [[www.dfait-maeci.gc.ca/internationalcrime/human\\_trafficking-en.asp](http://www.dfait-maeci.gc.ca/internationalcrime/human_trafficking-en.asp)]

<sup>617</sup> *China: Approved Projects As of December 2003*, Canadian International Development Agency Website (Ottawa) 4 May 2004. Date of Access: December 29, 2004 [[www.acidida.gc.ca/CIDAWEB/webcountry.nsf/VLUDocEn/777F860193C7183185256DEB005A3EFC#30](http://www.acidida.gc.ca/CIDAWEB/webcountry.nsf/VLUDocEn/777F860193C7183185256DEB005A3EFC#30)]

<sup>618</sup> *RE: Terrorist Financing and the G8/UN TOC Convention*, Email Correspondence between Reid Cooper and Stefan Kahandalyanage (Toronto) 6 January 2005

clandestins (TRACFIN), signed an agreement to share intelligence on money laundering and terrorist financing. The agreement “sets out terms for the sharing of financial intelligence and the protection of personal information. FINTRAC will benefit from the expanded financial intelligence from its French counterpart as it works to identify links between transactions.”<sup>619</sup> FINTRAC Director Horst Intscher believes the agreement will prove to be a major boon in Canada’s national initiative to combat money laundering and terrorist financing.

## 2. France: +1

France has shown an outstanding level compliance with respect to its terrorist funding commitment. On October 29, 2002, France ratified the Transnational Organized Crime (TOC) Convention and was one of the first states to do so.<sup>620</sup> France has also upheld the second part of its commitment, which involves helping others implement the Convention, by planning with Spain “to establish a joint, cross-border police and judicial corps against terrorism and [terrorist] financing...”<sup>621</sup> This plan is uniquely designed to target the Basque militant group ETA and Islamic extremists operating in Europe. However, it remains unclear as to how French and Spanish law enforcement will coordinate with each other given each states’ respective domestic laws.

On November 30, 2004, France also participated in the inaugural Ministerial Meeting of the Middle East and North Africa Financial Action Task Force (MENAFATF) held in Manama, Bahrain.<sup>622</sup> At this meeting, France supported the decision of the governments of Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen to establish the Middle East and North Africa Financial Action Task Force. The organization’s main objective will be to of fight terrorist funding. It will do so by acting as a “regional FATF” by abiding by the treaties and resolutions of the United Nations.<sup>623</sup>

In addition to this, France and the UK have also begun a coordinated effort on transnational crime prevention in Africa through the “Action Plan for Organised Crime in Africa.”<sup>624</sup> This plan

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<sup>619</sup> *France and Canada sign agreement to share financial intelligence on money laundering and terrorist financing*, FINTRAC Website (Ottawa) 1 February 2005. Date of Access: May 1, 2005 [www.fintrac.gc.ca/publications/nr/2005-02-01\_e.asp]

<sup>620</sup> *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 29 December 2004 [www.unodc.org/unodc/en/crime\_cicp\_signatures\_convention.html465]

<sup>621</sup> *France and Spain Debut New Terror Teams*, Washington Times Website (Washington D.C.) 20 September 2004. Date of Access: 20 December 2004 [www.washingtontimes.com/upi-breaking/20040920-125638-4764r.htm]

<sup>622</sup> *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action Task Force (MENAFATF) Against Money Laundering and Terrorist Financing*, Bahrain Ministry of Finance and National Economy (Manama) 30 November 2004. Date of Access: 5 December 2004 [www.mofne.gov.bh/English/news\_detail.asp?ID=286]

<sup>623</sup> *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action Task Force (MENAFATF) Against Money Laundering and Terrorist Financing*, Bahrain Ministry of Finance and National Economy (Manama) 30 November 2004. Date of Access: 5 December 2004 [www.mofne.gov.bh/English/news\_detail.asp?ID=286]

<sup>624</sup> *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005. [www.fco.gov.uk/Files/kfile/EC100\_Crime,0.pdf]

focuses on capacity building between France, Britain, and African states vis-à-vis terrorist financing and other criminal activities that hinder development.<sup>625</sup> Regarding the UNTOC Convention specifically, this plan calls for “...the signing, ratification and effective implementation by African States of the United Nations Convention against Transnational Organized Crime (2000), in accordance with the modalities defined at the first session of the Conference of the Parties in Vienna in July 2004.”<sup>626</sup> In addition, France and the UK have pledged to continue to support programs which have been developed in Africa by the United Nations Office on Drugs and Crime (UNODC).

France is also to be applauded for its recent cooperation with Canada. In early 2005, France’s *Traitement du renseignement et action contre les circuits financiers clandestins* (TRACFIN) and its Canadian counterpart, Financial Transactions and Reports Analysis Centre (FINTRAC), signed an agreement to share intelligence on money laundering and terrorist financing. The agreement “sets out terms for the sharing of financial intelligence and the protection of personal information.”<sup>627</sup>

Lastly, the interior ministers of France, Germany, Spain, the UK, and Italy met earlier this year in Granada for an anti-terrorism summit, which focused on, *inter alia*, terrorist financing and anti-money laundering initiatives: “To combat terrorism the ministers agreed to make it easier for police forces in their respective states to share data about suspects connected to international terror groups. Information shared could also involve intelligence about money laundering, the forgery of identity papers, stolen cars, DNA data, missing persons and unidentified corpses. Part of this anti-terror work will involve the creation of the technical team that will keep an eye on how organized crime groups and terrorists make use of the web.”<sup>628</sup>

### 3. Germany: 0

Germany still has yet to comply with its terrorist funding commitment, for it has failed to ratify the UN Convention on Transnational Organized Crime (TOC).<sup>629</sup> Although Germany signed the United Nations Convention Against Corruption on 9 December, 2003, the legislation has not yet been ratified in the German legislature.<sup>630</sup>

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<sup>625</sup> *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005. [www.fco.gov.uk/Files/kfile/EC100\_Crime,0.pdf]

<sup>626</sup> *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005. [www.fco.gov.uk/Files/kfile/EC100\_Crime,0.pdf]

<sup>627</sup> *France and Canada sign agreement to share financial intelligence on money laundering and terrorist financing*, FINTRAC Website (Ottawa) 1 February 2005. Date of Access: 1 May 2005 [www.fintrac.gc.ca/publications/nr/2005-02-01\_e.asp]

<sup>628</sup> *Web to have 'terror watch' team*, BBC News World Edition Website (London) 18 March 2005. Date of Access: May 5 2005 [news.bbc.co.uk/2/hi/technology/4360727.stm]

<sup>629</sup> *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 1 May 2005 [www.unodc.org/unodc/en/crime\_cicp\_signatures\_convention.html]

<sup>630</sup> *United Nations Conventions against Transnational Organized Crime: Signatories Page*, UN Office on Drugs and Crime (Vienna) 2004. Date of Access: 1 May 2005. www.unodc.org/unodc/en/crime\_cicp\_signatures\_convention.htm

Though Germany has yet to ratify the Convention, it has, however, shown a concern for the general aims of the Convention and for the second component of the Sea Island commitment: providing technical assistance to aid in the implementation of the commitment. Since June 2004, The German Bundesnachrichtendienst (Federal Intelligence Service or BND), has played a central role in the fight against terrorist financing.<sup>631</sup> The BND coordinates with other states as well as Interpol and Europol on overseeing inter-European financial structures. In addition, the BND cooperates with national and international information agencies on information gathering on known terrorist organisations.<sup>632</sup>

Germany has also shown concern for the aims of the Convention through its security ties with Russia. Germany's cooperation with Russia against organized crime and terrorism has led to the successful establishment of the Russo-German Working Group on counter-organized crime initiatives.<sup>633</sup> Through this Working Group, Germany and Russia share information on organized crime that occurs between their respective borders. In addition to this, Germany has also participated in the Joint European Project to Counter Organized Crime also known as the Falcone Programme of the European Union.<sup>634</sup> The Project's main goals include the improving of professional skills and know-how in countering organized crime across the EU. The project specifically focuses on law related to organized crime and how it can and should be harmonized across the EU.

In 2005, Germany has continued to be active in the international arena vis-à-vis combating terrorist financing. On May 5, Germany was the first nation to hold a conference on money laundering and terrorist financing on American soil entitled "Money Laundering and Terrorist Financing: What Has Been Achieved in Countering Abuse of the Financial System? What Needs to be Done?"<sup>635</sup> The conference aims "to enhance the understanding of the two nations' approaches and to provide a forum for discussion of what has been achieved to date and what steps can be taken in the future."<sup>636</sup> To this end, the conference focused on developing international standards and guidelines, private sector approaches to anti-money laundering and terrorist financing and national regulations, government oversight and law enforcement.

In addition to coordinating efforts with the United States, the interior ministers of Germany, Spain, the UK, France, and Italy met earlier this year in Granada for an anti-terrorism summit,

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<sup>631</sup> *Terrorfinanzierung*, Bundesnachrichtendienst Website (Pullach) Date of Access: 29 December 2004 [www.bundesnachrichtendienst.de/auftrag/terrorfinanzierung.htm]

<sup>632</sup> *Terrorfinanzierung*, Bundesnachrichtendienst Website (Pullach) Date of Access: 29 December 2004 [www.bundesnachrichtendienst.de/auftrag/terrorfinanzierung.htm]

<sup>633</sup> *Erfolg gegen die Organisierte Kriminalität: Festnahme dank guter Zusammenarbeit in "Deutsch-Russischer Arbeitsgruppe,"* Bundeskriminalamt Website (Wiesbaden) 21 July 2004. Date of Access: 12 January 2005 [www.bka.de/pressemitteilungen/2004/pm210704.html]

<sup>634</sup> *Joint European Project to Counter Organized Crime*, Max Planck Institute for Foreign and International Criminal Law (Freiburg) 23 June 2004. Date of Access: 7 January 2005 [www.iuscrim.mpg.de/forsch/beide/falcone1.html]

<sup>635</sup> *Germany is First Foreign Government to Hold Money Laundering, Terrorist Financing Conference on US Soil*, Global Policy Forum Website (New York) 5 May 2005. Date of Access: 7 May 2005 [www.globalpolicy.org/nations/launder/general/2004/0505germany.htm]

<sup>636</sup> *Germany is First Foreign Government to Hold Money Laundering, Terrorist Financing Conference on US Soil*, Global Policy Forum Website (New York) 5 May 2005. Date of Access: 7 May 2005 [www.globalpolicy.org/nations/launder/general/2004/0505germany.htm]

which focused on, *inter alia*, terrorist financing and anti-money laundering initiatives: “To combat terrorism the ministers agreed to make it easier for police forces in their respective states to share data about suspects connected to international terror groups. Information shared could also involve intelligence about money laundering, the forgery of identity papers, stolen cars, DNA data, missing persons and unidentified corpses. Part of this anti-terror work will involve the creation of the technical team that will keep an eye on how organized crime groups and terrorists make use of the web.”<sup>637</sup>

#### 4. Italy: 0

Italy has not yet met its commitment to ratifying the UN Transnational Organized Crime (TOC) Convention.<sup>638</sup> Italy therefore has registered a low level of compliance. This seems ironic given the fact that Italy hosted the Convention’s signing ceremony in 2000. Nevertheless, Italy has at least shown concern for the spirit of the UN TOC Convention: Rome’s participation in the Joint European Project to Counter Organized Crime, also known as the Falcone Programme of the European Union.<sup>639</sup> The Project focuses on developing professional skills and know-how in countering organized crime—an important foundational step in the battle against transnational crime across the EU. The project focuses also on law related to organized crime and how it can and should be harmonized across the EU.

In addition to the Falcone Programme, Italy earlier this year participated in a summit with Spain, the UK, France, and Germany, which focused on, *inter alia*, terrorist financing and anti-money laundering initiatives: “To combat terrorism the ministers agreed to make it easier for police forces in their respective states to share data about suspects connected to international terror groups. Information shared could also involve intelligence about money laundering, the forgery of identity papers, stolen cars, DNA data, missing persons and unidentified corpses. Part of this anti-terror work will involve the creation of the technical team that will keep an eye on how organized crime groups and terrorists make use of the web.”<sup>640</sup>

#### 5. Japan: 0

Japan has demonstrated a moderate level of compliance with respect to its terrorist funding commitment. Currently, Japan is in the process of ratifying the UN Transnational Organized Crime (TOC) Convention; however, it still has yet to implement the second part of the convention, i.e. it has not shown enough solid evidence of helping others implement the Convention in the post-Sea Island period.

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<sup>637</sup> *Web to have 'terror watch' team*, BBC News World Edition Website (London) 18 March 2005. Date of Access: May 5 2005 [news.bbc.co.uk/2/hi/technology/4360727.stm]

<sup>638</sup> *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 1 May 2005 [www.unodc.org/unodc/en/crime\_cicp\_signatures\_convention.html]

<sup>639</sup> *Joint European Project to Counter Organized Crime*, Max Planck Institute for Foreign and International Criminal Law (Freiburg) 23 June 2004. Date of Access: 7 January 2005 [www.iuscrim.mpg.de/forsch/beide/falcone1.html]

<sup>640</sup> *Web to have 'terror watch' team*, BBC News World Edition Website (London) 18 March 2005. Date of Access: May 5 2005 [news.bbc.co.uk/2/hi/technology/4360727.stm]

On December 12, 2000 in Palermo, Japan signed the UN TOC Convention<sup>641</sup>, and was approved by the Japanese Diet in 2003.<sup>642</sup> As soon as the Diet approves the corresponding national legislation, Japan will be able to conclude its ratification of the Convention. In February 2004, a draft of the legislation was submitted by the Cabinet.<sup>643</sup> This legislation is being closely examined with the goal of gaining the Diet's ratification in the next ordinary Diet session.<sup>644</sup>

In addition to this, Japan has also held meetings in which have promoted the ratification of the TOC Convention in 2002.<sup>645</sup> With regard to post-Sea Island initiatives that help implement the TOC Convention, leaders of the 10-member Association of Southeast Asian Nations (ASEAN) and Japan adopted an anti-terrorism plan, the ASEAN-Japan Joint Declaration for Cooperation to Combat International Terrorism, at a summit held in Vientiane, Laos in November 2004.<sup>646</sup> One of the goals of the declaration is full cooperation with UN conventions and protocols related to combating international terrorism, including of course its financing: "...[ASEAN and Japan reaffirm] their determination to prevent, suppress and eliminate all forms of international terrorism in accordance with the Charter of the United Nations, international law and all the relevant United Nations resolutions or declarations on international terrorism...the United Nations should play a major role in combating terrorism...."<sup>647</sup>

## 6. Russia: +1

Russia has demonstrated an acceptable level of compliance with respect to its terrorist funding commitment. Russia ratified the UN Transnational Organized Crime (TOC) Convention before the Sea Island Summit.<sup>648</sup> Russia has also adhered to the second part of its terrorist funding commitment, as it has assisted others in implementing the TOC Convention. Through the U.S.-Russia Working Group on Counterterrorism, Russia has continued to cooperate with the United

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<sup>641</sup> *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 1 May 2005

[[www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)]

<sup>642</sup> *Statement by Michiaki Ozaki, Public Prosecutor, Supreme Public Prosecutors Office On the Occasion of the 13th Session of the Commission on Crime Prevention and Criminal Justice*, Permanent Mission of Japan to the International Organizations in Vienna Website (Vienna) Date of Access: 8 January 2005 [[www.vie-mission.emb-japan.go.jp/statements/unov/ccpcj/ccpcj13general.htm](http://www.vie-mission.emb-japan.go.jp/statements/unov/ccpcj/ccpcj13general.htm)]

<sup>643</sup> *Report on Observance of Standards and Codes FATF Recommendations for Anti Money Laundering and Combating the Financing of Terrorism*, International Monetary Fund Website (Washington, D.C.) July 2004. Date of Access: 7 January 2005 [[www.imf.org/external/pubs/ft/scr/2004/cr04187.pdf](http://www.imf.org/external/pubs/ft/scr/2004/cr04187.pdf)]

<sup>644</sup> *Human Trafficking for Sexual Exploitation in Japan*, International Labour Organization Website (Geneva) Date of Access: 5 January 2005 [[www.ilo.org/dyn/declaris/DECLARATIONWEB.DOWNLOAD\\_BLOB?Var\\_DocumentID=4556](http://www.ilo.org/dyn/declaris/DECLARATIONWEB.DOWNLOAD_BLOB?Var_DocumentID=4556)]

<sup>645</sup> *Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 29 December 2004 [[www.unodc.org/unodc/en/organized\\_crime.html](http://www.unodc.org/unodc/en/organized_crime.html)]

<sup>646</sup> *ASEAN-Japan Joint Declaration for Cooperation to Combat International Terrorism*, Association of Southeast Asian Nations Website (Jakarta) 13 November 2004. Date of Access: January 3 2005 [[www.aseansec.org/16808.htm](http://www.aseansec.org/16808.htm)]

<sup>647</sup> *ASEAN-Japan Joint Declaration for Cooperation to Combat International Terrorism*, Association of Southeast Asian Nations Website (Jakarta) 13 November 2004. Date of Access: January 3 2005 [[www.aseansec.org/16808.htm](http://www.aseansec.org/16808.htm)]

<sup>648</sup> *United Nations Convention Against Transnational Organized Crime*, United Nations Convention Against Transnational Organized Crime, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 29 December 2004 [[www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)]



States on the financing of terrorism. This group aims to fight the financing of terrorism through effective information exchange, “support for the anti-money laundering work of the Financial Action Task Force (FATF), United Nations sanctions against individuals and groups associated with al Qaida...”<sup>649</sup>

Russia held the sixth meeting of the Memorandum of Understanding on Sub-Regional Drug Control Cooperation on December 14–15. During this meeting, Russia and the Central Asian republics declared their support for “the creation of the Central Asian Regional Information Coordination Centre.” The participants recognized that “illicit drug trafficking is closely linked with the financing of terrorist and organized crime,” and agreed to increase their efforts in strengthening “anti-drug security belts” around Afghanistan.<sup>650</sup>

In addition, Russia has also collaborated with Association of Southeast Asian Nations (ASEAN) by signing the ASEAN-Russia Joint Declaration to Combat International Terrorism. The Declaration aims to “designate an agency to coordinate with law enforcement agencies, authorities dealing with countering terrorism financing and other concerned government agencies [and to] improve intelligence and terrorist financing information sharing on counter-terrorism measures, including the development of more effective counter-terrorism policies and legal, regulatory and administrative counter-terrorism regimes.”<sup>651</sup> This Declaration calls on Russia and ASEAN to comply with all relevant UN conventions, resolutions, and protocols related to terrorism.

## 7. United Kingdom: 0

The United Kingdom has not complied with its terrorist funding commitment because it has yet to ratify the UN Convention on Transnational Organized Crime (TOC).<sup>652</sup> That said, its activities with regard to the spirit of the Convention are noteworthy. The Sirene UK and the Schengen Information System are key developments over the past year which facilitate information sharing and capacity building to combat terrorist financing, among other criminal activity, across Europe.<sup>653</sup>

Furthermore, the UK and France have begun a coordinated effort on transnational crime prevention in Africa through the “Action Plan for Organised Crime in Africa.”<sup>654</sup> This plan

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<sup>649</sup> *Russia Expand Cooperation in Combating Terrorist Financing*, Embassy of the United States Japan Website (Tokyo) 28 May 2004. Date of Access: 6 January 2005 [[japan.usembassy.gov/e/p/tp-20040602-07.html](http://japan.usembassy.gov/e/p/tp-20040602-07.html)]

<sup>650</sup> *Final Statement of the Parties of the Memorandum of Understanding on Subregional Drug Control Cooperation*, Moscow 14–15 December 2004, [[www.in.mid.ru/brp\\_4.ndf/e78a4807f128a7b43256999005bcbb3/53780aecaa48fe4dc3256t73004ec450?OpenDocument](http://www.in.mid.ru/brp_4.ndf/e78a4807f128a7b43256999005bcbb3/53780aecaa48fe4dc3256t73004ec450?OpenDocument)]

<sup>651</sup> *ASEAN-Russia Joint Declaration for Cooperation to Combat International Terrorism*, ASEAN Website. Date of Access: 10 January 2004 [[www.aseansec.org/16225.htm](http://www.aseansec.org/16225.htm)]

<sup>652</sup> *United Nations Convention Against Transnational Organized Crime*, United Nations Convention Against Transnational Organized Crime, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 7 May 2004 [[www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)]

<sup>653</sup> *Introducing Sirene UK and the Schengen Information System*, Sirene Website (London) Date of Access: 4 January 2005 [[www.sirene.gov.uk/index.html](http://www.sirene.gov.uk/index.html)]

<sup>654</sup> *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005 [[www.fco.gov.uk/Files/kfile/EC100\\_Crime,0.pdf](http://www.fco.gov.uk/Files/kfile/EC100_Crime,0.pdf)]

focuses on capacity building between France, Britain, and African states vis-à-vis terrorist financing. It also calls for “the signing, ratification and effective implementation by African States of the United Nations Convention against Transnational Organized Crime (2000), in accordance with the modalities defined at the first session of the Conference of the Parties in Vienna in July 2004.”<sup>655</sup>

In addition, the UK and France will continue to support the programs developed in Africa by the United Nations Office on Drugs and Crime (UNODC).<sup>656</sup> The UK has also participated in the inaugural Ministerial Meeting of the Middle East and North Africa Financial Action Task Force (MENA-FATF) held in Manama, Bahrain on November 30, 2004.<sup>657</sup> The UK applauded the decision of Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen to establish the MENA-FATF. This organization will act like a “regional FATF” with the main objective of fighting terrorist funding by adhering to the treaties and resolutions of the UN.<sup>658</sup>

In addition to participating in the inaugural Ministerial Meeting of the MENAFATF, the UK earlier this year participated in a summit with Spain, Italy, France, and Germany, which focused on, *inter alia*, terrorist financing and anti-money laundering initiatives: “To combat terrorism the ministers agreed to make it easier for police forces in their respective states to share data about suspects connected to international terror groups. Information shared could also involve intelligence about money laundering, the forgery of identity papers, stolen cars, DNA data, missing persons and unidentified corpses. Part of this anti-terror work will involve the creation of the technical team that will keep an eye on how organized crime groups and terrorists make use of the web.”<sup>659</sup>

## 8. United States: 0

The United States has registered a moderate level of compliance with respect to its terrorist funding commitment. Although the United States has yet to ratify the UN Transnational Organized Crime (TOC) Convention, the President has made a noteworthy effort thus far to push the Senate for ratification. On February 23, 2004, President Bush sent a letter to the senate which stated: “I recommend that the Senate give early and favorable consideration to the [UN TOC]

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<sup>655</sup> *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005 [[www.fco.gov.uk/Files/kfile/EC100\\_Crime,0.pdf](http://www.fco.gov.uk/Files/kfile/EC100_Crime,0.pdf)]

<sup>656</sup> *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005 [[www.fco.gov.uk/Files/kfile/EC100\\_Crime,0.pdf](http://www.fco.gov.uk/Files/kfile/EC100_Crime,0.pdf)]

<sup>657</sup> *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action TaskForce (MENAFATF) Against Money Laundering and Terrorist Financing*, Ministry of Finance and National Economy Website (Manama) 30 November 2004. Date of Access: 5 January 2005 [[www.mofne.gov.bh/English/news\\_detail.asp?ID=286](http://www.mofne.gov.bh/English/news_detail.asp?ID=286)]

<sup>658</sup> *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action TaskForce (MENAFATF) Against Money Laundering and Terrorist Financing*, Ministry of Finance and National Economy Website (Manama) 30 November 2004. Date of Access: 5 January 2005 [[www.mofne.gov.bh/English/news\\_detail.asp?ID=286](http://www.mofne.gov.bh/English/news_detail.asp?ID=286)]

<sup>659</sup> *Web to have 'terror watch' team*, BBC News World Edition Website (London) 18 March 2005. Date of Access: May 5 2005 [[news.bbc.co.uk/2/hi/technology/4360727.stm](http://news.bbc.co.uk/2/hi/technology/4360727.stm)]

Convention and Protocols, and that it give its advice and consent to ratification....”<sup>660</sup> At this time, the UN TOC Convention is waiting for Senate approval. In the words of the Chairman of the Senate’s Foreign Relations Committee, which is the Senate committee responsible for scrutinizing the TOC Convention, “[ratification would] enhance the United States’ ability to render and receive assistance on a global basis in the common struggle to prevent, investigate, and prosecute transnational organized crime.”<sup>661</sup> Thus, given the above encouraging actions and remarks of officials within the US Administration and the Senate, ratification at this point seems well on its way.

The US has also taken action to fulfil the second component of the UN TOC convention as it has helped others to implement the Convention. On November 30, 2004, the US participated in the inaugural Ministerial Meeting of the Middle East and North Africa Financial Action Task Force (MENAFATF) held in Manama, Bahrain.<sup>662</sup> The US applauded the decision of the governments of Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen to establish the MENAFATF. This organization will act like a “regional FATF” with the main objective of fighting terrorist funding by adhering to the treaties and resolutions of the United Nations.

Furthermore, through the U.S.-Russia Working Group on Counterterrorism, the US continues to cooperate with Russia on the financing of terrorism. The Group aims to combat the financing of terrorism through effective information exchange and, “support for the anti-money laundering work of the Financial Action Task Force (FATF), [and] United Nations sanctions against individuals and groups associated with al Qaida....”<sup>663</sup>

In a conference hosted by the German Embassy in Washington earlier this year, US representatives from the Federal Reserve Board, Office of the Comptroller of the Currency, Financial Crimes Enforcement Network, Federal Bureau of Investigation, as well as representatives from the American Bankers Association, the American Council of Life Insurers and the Securities Industry Association discussed ways the international community could set standards and guidelines on terrorist financing and money laundering, private sector approaches to these problems, and national regulations and law enforcement.

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<sup>660</sup> *Bush Urges Senate to OK UN Convention Against Organized Crime*, The United States Mission to the European Union Website (Brussels) 23 February 2004. Date of Access: 5 January 2005  
[[www.useu.be/Categories/Justice%20and%20Home%20Affairs/Feb2304OrganizedCrimeConvention.html](http://www.useu.be/Categories/Justice%20and%20Home%20Affairs/Feb2304OrganizedCrimeConvention.html)]

<sup>661</sup> *Senate Panel Reviews U.N. Convention Against Transnational Organized Crime*, United Nations Association of the United States of America Website (New York) 30 June 2004. Date of Access: 5 January 2005  
[[www.unausa.org/policy/NewsActionAlerts/info/dc063004.asp](http://www.unausa.org/policy/NewsActionAlerts/info/dc063004.asp)]

<sup>662</sup> *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action Task Force (MENAFATF) Against Money Laundering and Terrorist Financing*, Ministry of Finance and National Economy Website (Manama) 30 November 2004. Date of Access: 5 January 2005  
[[www.mofne.gov.bh/English/news\\_detail.asp?ID=286](http://www.mofne.gov.bh/English/news_detail.asp?ID=286)]

<sup>663</sup> *U.S., Russia Expand Cooperation in Combating Terrorist Financing*, Embassy of the United States Japan Website (Tokyo) 28 May 2004. Date of Access: 6 January 2005 [[japan.usembassy.gov/e/p/tp-20040602-07.html](http://japan.usembassy.gov/e/p/tp-20040602-07.html)]

## 9. European Union: +1

The EU has achieved a satisfactory level of compliance with respect to its terrorist funding commitment. Although, the EU has ratified the UN Transnational Organized Crime (TOC) Convention, it has not shown evidence of helping others implement it in the post-Sea Island period. On December 12, 2000, the EU signed the UN Transnational Organized Crime (TOC) Convention and its protocols on smuggling migrants, trafficking human beings, and firearms and was ratified on May 21, 2004.<sup>664</sup> By doing so, the EU has fulfilled the main component of its terrorist funding commitment.

In terms of technical assistance, most of the EU's activities have focused on improving transparency and accountability in governance in states applying for membership in the Union. Brussels has placed considerable pressure on Romania and Bulgaria, due to enter the Union in 2007, to reduce corruption and improve political transparency in their countries — including through programs to improve coordination with EUROPOL and INTERPOL and to bring national policies in line with EU anti-corruption ordinances. Similar strategies for reform have been pushed in Turkey and Croatia as they seek Union membership on a more long-term schedule.<sup>665</sup> All four of these EU-candidate states have ratified the Convention within the past three years,<sup>666</sup> no doubt to improve their attractiveness as potential member-states and to assuage the concerns of many European Commission officials who warn corruption is too rampant in these countries.

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<sup>664</sup> *United Nations Convention Against Transnational Organized Crime*, United Nations Convention Against Transnational Organized Crime, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 7 May 2004 [[www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)]

<sup>665</sup> "The Summit Decisions," *Enlargement Weekly – A Publication of the European Union* (Brussels) 21 December 2004. Date of Access: 1 May 2005 [[europa.eu.int/comm/enlargement/docs/newsletter/latest\\_weekly.htm](http://europa.eu.int/comm/enlargement/docs/newsletter/latest_weekly.htm)].

<sup>666</sup> *Nations Convention Against Transnational Organized Crime*, United Nations Convention Against Transnational Organized Crime, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 29 December 2004 [[www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)]

Outside of the 2004-2005 Sea Island period, and, thus, not counting towards compliance, the 1997 and 1998 Action Plans to combat organized crime are two of several instruments implemented by the EU for combating organized crime. The conclusions of the special European Council held in Tampere, Finland on 15 and 16 October 1999 concerning the creation of an area of freedom, security, and justice in the EU and the EU strategy of 27 March 2000 for the beginning of the new millennium on the prevention and control of organized crime exemplify some concrete steps that have already been taken by the EU Council to fight transnational organized crime. In past years, the EU has supported and participated in counter-terrorism activities carried out by the Council of Europe, the OSCE, and various UN bodies, including the UN Office on Drugs and Crime.<sup>667</sup>

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G8 Research Group  
23 May 2005

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<sup>667</sup> *General Secretariat of the Council's Report on the Measures and Steps Taken with Regard to the Implementation of the Recommendations of the European Union Strategy for the Beginning of the New Millennium on Prevention and Control of Organised Crime*, The Council of the European Union (Brussels) 30 June 2003. Date of Access: 3 January 2005 [[ue.eu.int/ueDocs/cms\\_Data/docs/dynadoc/out/jai/EN/ST010925\\_03ORIEN.pdf](http://ue.eu.int/ueDocs/cms_Data/docs/dynadoc/out/jai/EN/ST010925_03ORIEN.pdf)]

# Transnational Crime, Transparency & Corruption

## Commitment

“We support our [Home Affairs and Justice] Ministers’ determination to detect, recover and return these illicitly acquired assets, including by:

- establishing G8 accelerated response teams;
- enhancing G8 asset recovery case coordination; and
- holding G8 asset recovery workshops.

To meet these goals, we will ensure that:

- each of our countries has rules in place by Summer 2005, where possible, to require due diligence for “politically exposed persons” accounts;
- each of our countries has rules in place, preferably by 12/31/04, to require wire transfer originator information;
- we create G8 best practices for modalities of disposition and return; and
- we explore effective measures to recover assets in corruption cases.

*Fighting Corruption and Improving Transparency*

## Background

The G8 has recognized that corruption and non-transparent governance are hindrances to economic growth and development in both developing countries and advanced economies alike. The G8 has supported the work of various International Financial Institutions to strengthen public financial management and accountability programs. At the 2003 Evian Summit, the G8 pledged to conclude the United Nations Convention Against Corruption as well as committed to strengthening the OECD Anti-Bribery Convention. The G8 has also offered its support in the implementation of the forty recommendations forwarded by the Financial Action Task Force (FATF). At the 2004 Sea Island Summit, the G8 continued its efforts to fight corruption and improve transparency in coordination with various international financial institutions. The G8 also varied its approach to the issue, and asserted a common belief that transparency in both the public and private sector is crucial to economic advancement; countries with large extractive industries sectors as being particularly at risk for corruption. At Sea Island, compacts were formed between the G8 and governments of Georgia, Nicaragua, Nigeria, and Peru to encourage bilateral support and assistance in their endeavors to improve transparency and fight against corruption. The G8’s fight against corruption and attempts to improve transparency continues to embody policy coordination among G8 nations to produce best practices. These include, first and foremost, demonstrating leadership to encourage transparent governance practices in developing nations to maximize these nation’s economic growth as well as that of the global economy.

## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada		0	
France		0	
Germany		0	
Italy		0	
Japan		0	
Russia		0	
United Kingdom		0	
United States			+1
European Union		0	
Overall: 0.11			

## Individual Country Compliance Breakdown

### 1. Canada: 0

Canada has failed to take focused action in addressing specific commitments concerning corruption made at the 2004 Sea Island Summit. Realizing that corruption is a major impediment to good governance and sustainable development, Canada along with Asian-Pacific Economic Cooperation (APEC) leaders from Australia, Chile, China, Japan, Korea and the United States jointly endorsed the Santiago Commitment to Fight Corruption and Ensure Transparency as well as the APEC Course of Action on Fighting Corruption and Ensuring Transparency (COA).<sup>668</sup> On 21 November 2004, Canada announced its plan to contribute \$12 million in order to help APEC developing countries effectively combat corruption.<sup>669</sup> At the Committee of the Eleventh United Nations (UN) Congress on Crime Prevention and Criminal Justice, Canada praised the Commission, the UN programme network of institutions and non-governmental organizations for establishing the requisite norms and standards.<sup>670</sup>

Following a bilateral meeting between Prime Minister Paul Martin and the Premier of the State Council of China Wen Jiabao, both Canada and China pledged to “continue to cooperate in the fight against terrorism and transnational organized crime on the basis of the United Nations and its Charter and agreed standards and institutions.”<sup>671</sup> Canada has not carried out the specific commitments necessary for full compliance in spite of having taken positive actions against transnational crime. For instance, at Sea Island, the leaders agreed that asset recovery would be a central goal in their fight against corruption but neither Canada nor any other G8 country has ratified the UN Convention against Corruption, which too stresses the importance of asset

<sup>668</sup> *Anti-Corruption: Latest Developments*, Asian-Pacific Economic Cooperation (Singapore) 2004. Date of Access: 8 May 2005 [www.apec.org/apec/apec\_groups/other\_apec\_groups/anti-corruption.html].

<sup>669</sup> *Joint announcement on Anti-Corruption and Transparency Support and Capacity-Building Program*, Office of the Prime Minister. (Ottawa) 21 November 2004. Date of Access: 8 May 2005 [www.pm.gc.ca/eng/news.asp?id=329].

<sup>670</sup> *UN Standards, Norms Provide States with Valuable Guidelines, Best Practices, Crime Congress Committee I Told*, United Nations Information Services. (Vienna) 20 April 2005. Date of Access: 8 May 2005 [www.unis.unvienna.org/unis/pressrels/2005/bkkcp12.html].

<sup>671</sup> *Joint declaration by Canada and China*, Office of the Prime Minister (Ottawa) 20 January 2005. Date of Access: 8 May 2005 [www.pm.gc.ca/eng/news.asp?id=397].

recovery.<sup>672</sup> Canada acknowledges that no state is immune from corruption: To be sure, the government sponsorship scandal has caused Canada to drop to 12th place on a list of 146 most corrupt countries as determined by the Transparency International Corruption Perceptions Index.<sup>673</sup>

Indeed, this latter scandal has raised considerable attention in Canada to the question of “diligence for “politically exposed persons” accounts” as the Sea Island commitment terms it. The sponsorship scandal involves nearly C\$100-million in government advertising funds to promote federalism in Quebec, managed by Human Resources Canada and the Prime Minister’s Office, being unaccounted for and largely ending up in the pockets of officials from the ruling Liberal Party. While the government launched a major public inquiry into the matter that is still on going, Parliament has yet to release any new national guidelines for how government funds, especially those directly controlled by ministers, are dispersed. Indeed, Ottawa is likely awaiting the conclusions of the public inquiry due December. In the meantime, many government ministries have announced sweeping new reforms in their transparency in procurement in response to the scandal in order to regain public trust.

## **2. France: 0**

France has continued their effort in attempting to achieve compliance with the commitment outlines at the 2004 G8 Summit, however, many actions did not take place in order for France to register full compliance. Regulations for originator information to be disclosed are contained within the United Nations Convention against Corruption, signed by France in December 2003, but not yet ratified and not in force. Nor has the requirement to perform due diligence on politically exposed persons’ assets been addressed.<sup>674</sup> The French government has participated in anti-corruption workshops, and in fact took an active role in the Baltic Anti-Corruption Initiative Workshop on Private Sector Integrity in Tallinn on 30-31 August 2004. This joint effort by the OECD and the government of Estonia was created in response to the growing salience of corporate governance and integrity in the private sector.<sup>675</sup> French representatives also took part in the Anti-Corruption Network for Transnational Economies general meeting in Istanbul May 30, 2005.<sup>676</sup> French authorities participated in another conference organized by the OECD, the Global Forum on Governance Fighting Corruption and Promoting Integrity in Public Procurement.<sup>677</sup> This event took place on November 29th-30th in Paris and was sponsored by le Ministre de l’Économie des Finances et de l’Industrie de la France; anti-corruption workshops

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<sup>672</sup> *United Nations Convention Against Corruption: Signatories.*, United Nations Office on Drugs and Crimes. (Vienna). 2005. Date of Access: 8 May 2005 [[www.unodc.org/unodc/en/crime\\_signatures\\_corruption.html](http://www.unodc.org/unodc/en/crime_signatures_corruption.html)].

<sup>673</sup> *Corruption Perceptions Index 2004*, Transparency International (London) 22 October 2004. Date of Access: 8 May 2005. [www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004](http://www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004)

<sup>674</sup> “United Nations Convention Against Corruption” United Nations Office of Drugs and Crime. Date of Access: December 21, 2004 [[www.unodc.org/unodc/en/crime\\_signatures\\_corruption.html](http://www.unodc.org/unodc/en/crime_signatures_corruption.html)].

<sup>675</sup> “Anti-Corruption Network for Transitional Economies” Date of Access: December 20, 2004. [[www.anticorruptionnet.org/indexgr.html](http://www.anticorruptionnet.org/indexgr.html)].

<sup>676</sup> Global Corruption Reports: Country Reports. *Transparency International*, p 47. Date of Access: December 20, 2004 [[www.globalcorruptionreport.org/download/gcr2004/10\\_Country\\_reports\\_A\\_K.pdf](http://www.globalcorruptionreport.org/download/gcr2004/10_Country_reports_A_K.pdf)].

<sup>677</sup> “Global Forum on Governance Fighting Corruption and Promoting Integrity in Public Procurement” OECD Online. Date of Access: December 20, 2004 [[www.oecd.org/dataoecd/37/33/33790924.pdf](http://www.oecd.org/dataoecd/37/33/33790924.pdf)].



served as the main focus of the conference.<sup>678</sup> Although the workshops mentioned were not exclusively regarding asset recovery, a commitment pledge at the G8 Sea Island Summit, the anti-corruption workshops are a positive step. In the past, France has signed both the Council of Europe's Civil & Criminal Law Conventions on Corruption (November 1999 and September 1999, respectively) but has yet to ratify both conventions. France does have a continuing and active anti-corruption role through groups such as the OECD and GRECO, however France appears not to have focused resources specifically at fulfilling its commitment at the G8 Summit.<sup>679</sup>

### 3. Germany: 0

Germany has extended considerable effort in fighting corruption and improving transparency, however, it is yet to demonstrate full compliance. Although Germany signed the United Nations Convention Against Corruption on 9 December, 2003, the legislation has not yet been ratified in the German legislature.<sup>680</sup> That ratification is crucial, as its provisions legally bind its signatories to cooperate with other governments in the recovery of assets in corruption cases.<sup>681</sup> There is concern that ratification will be difficult, as German lawmakers have previously expressed reluctance to do so.<sup>682</sup> Germany has worked closely with several countries, forming close ties with neighboring states such as Poland, Hungary and the Czech Republic, as well as non-EU nations such as Albania, Bulgaria and Macedonia, with more limited cooperation with Romania. These relationships provide the framework for the dispersion of liaison officers in neighboring countries to provide that country with direct links to foreign law enforcement authorities to facilitate the exchange of information and to speed judicial cooperation. As well, joint investigation teams and international joint customs surveillance operations are undertaken.<sup>683</sup> Much of this cooperation contains the means to ensure that any personal data is not processed or transferred "in a way incompatible with the purposes for which the data were collected."<sup>684</sup> It is ensured that any transfer of personal data must take place in accordance with the 1981 Convention for the Protection of Individuals with Regard to Automatic Processing of Personal Data.<sup>685</sup> Although Germany provides much aid to developing countries to ensure that nascent governments do not succumb to corrupt practices, this aid is focused on legal and institutional

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<sup>678</sup> "Anti-Corruption Network for Transitional Economies" Date of Access: May 6, 2005 [www.anticorruptionnet.org/indexgr.html].

<sup>679</sup> "Member States of GRECO" Council of Europe. Date of Access: December 22, 2004 [www.greco.coe.int=20].

<sup>680</sup> "Signatories" United Nations Conventions against Transnational Organized Crime. Date of Access: January 1, 2005 [www.unodc.org/unodc/en/crime\_cicp\_signatures\_convention.htm].

<sup>681</sup> "Press Release" United Nations Convention against Corruption. Mérida, Mexico, 8 December 2003. Date of Access: January 1, 2005 [www.un.org/webcast/merida/statements/curtain-eng.htm].

<sup>682</sup> "German Lawmakers Uneasy About Stricter Anti-Corruption Laws" Deutsche-Welle, 10/12/2003. Date of Access: January 1, 2005 [www.unodc.org/unodc/en/crime\_cicp\_signatures\_convention.html].

<sup>683</sup> Ernesto U. Savona and Federica Curtol. The Contribution of data Exchange Systems to the Fight Against Organised Crime in the SEE Countries. Final Report. November, 2004. Date of Access: January 1, 2005 [www.stabilitypact.org/upload/documents/044-transcrimereport.pdf].

<sup>684</sup> Ibid.

<sup>685</sup> www.privacy.org/pi/intl\_orgs/coe/dp\_convention\_108.txt

frameworks for economic development and not on the specific aspects of the commitment made by the G8 in 2004.<sup>686</sup>

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

Italy has done little to improve its ability to fight corruption since the Sea Island Summit. Although Italy signed the UN Convention against Corruption on 9 December, 2003, it has failed to ratify the treaty.<sup>687</sup> The ratification of this convention is crucial to achieving the goals set at the Sea Island summit, as its provisions legally binds the signatories to cooperate with other governments in the recovery of assets in corruption cases.<sup>688</sup> Although Italy has been willing to cooperate in combating corruption, often through the channels of the EU, its ability to investigate possible cases is limited due to the limits placed upon investigations by the Code of Criminal Procedure. In limiting the amount of time that can be spent on investigating alleged cases of corruption to six months in an attempt to protect those suspected of crimes, the Italian government places limits on the abilities of public prosecutors to successfully compile sufficient evidence both in Italy and abroad to ensure that the case can be prosecuted.<sup>689</sup> While this limitation does not apparently inhibit domestic cases, the often lengthy processes which must be followed in order to gather information from foreign sources present problems for the limited time period in which evidence may be gathered; while extensions can be applied for, these limitations remain a problem in investigating and prosecuting cases of corruption.<sup>690</sup>

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

Japan has taken many initiatives to combat corruption and improve transparency; however, more actions are needed in order to achieve full compliance. Prime Minister Junichiro Koizumi has indicated on several occasions in joint statements with fellow leaders, and most notably through the ASEAN-Japan, declaration his resolve to “strengthen necessary measures to counter and prevent the financing of terrorists and terrorist organizations and the use of alternative means of remittance such as illegal money transfer.”<sup>691</sup> At the 12th APEC Economic Leaders Meeting, Japan was party to an agreement reached to “endorse the APEC course of action on fighting corruption and ensuring transparency which develops and implements it, including through the APEC anti corruption initiative.”<sup>692</sup> Japan is vigorously taking part in activities as a central member of the Financial Action Task Force on Money Laundering (FATF) by serving as the chair of the non-cooperative countries and territories (NCCT).<sup>693</sup> While the Japanese government

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<sup>686</sup> Utstein Anti-Corruption Resource Centre.[www.u4.no/projects/search.cfm?freetext=Germany](http://www.u4.no/projects/search.cfm?freetext=Germany)].

<sup>687</sup> “Signatories” United Nations Conventions against Transnational Organized Crime. Date of Access: January 1, 2005 [[www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.htm](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.htm)].

<sup>688</sup> “Press Release” United Nations Convention against Corruption. Mérida, Mexico, 8 December 2003. Date of Access: December 28, 2004 [[www.un.org/webcast/merida/statements/curtain-eng.htm](http://www.un.org/webcast/merida/statements/curtain-eng.htm)].

<sup>689</sup> “Report on the Application of the convention on Combatting Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendations on Combating Bribery in International Business Transactions. Italy: Phase 2.” OECD Directorate for Financial and Enterprise Affairs; Approved and Adopted by the Working Group on Bribery in International Business Transactions on 29 November, 2004. p. 36 Date of Access: December 29, 2004 [[www.oecd.org/dataoecd/0/50/33995536.pdf](http://www.oecd.org/dataoecd/0/50/33995536.pdf)].

<sup>690</sup> *ibid.* pp. 36-37.

<sup>691</sup> [www.kantei.go.jp/foreign/koizumispeech/2004/11/30terrorism\\_e.html](http://www.kantei.go.jp/foreign/koizumispeech/2004/11/30terrorism_e.html)

<sup>692</sup> [www.kantei.go.jp/foreign/koizumispeech/2004/11/21sengen\\_e.html](http://www.kantei.go.jp/foreign/koizumispeech/2004/11/21sengen_e.html)

<sup>693</sup> [www.mofa.go.jp/policy/other/bluebook/2004/chap3-c.pdf](http://www.mofa.go.jp/policy/other/bluebook/2004/chap3-c.pdf)

has signed the UN Convention on Transnational Crime, the country has yet to ratify the convention, which is imperative in the fight against corruption.<sup>694</sup> Japan has clearly recognized the importance of the issues of corruption transparency as evidenced in its cooperation with other nations, however, further actions must be taken before full compliance can be attained.

## 6. Russia: 0

Although it has not ratified the UN Convention against Corruption, Russia has made some positive efforts towards complying with the commitments made at the 2004 Sea Island.<sup>695</sup> Positive actions on the part of Russia thus far include its adoption of Special Recommendation IX, a new measure to combat transnational money laundering and terrorist financing, following a Financial Action Task Force (FATF) meeting<sup>696</sup> and its plans for the establishment of an intergovernmental agreement with Association of South East Asian Nations (ASEAN) to counter “terrorism and other manifestations of transnational crime.”<sup>697</sup> In a recent discussion held between the Russian Minister of Foreign Affairs Sergey Lavrov and the UN Undersecretary General Antonia Maria Costa, prospects for further Russian cooperation with the United Nations Office on Drugs and Crime (UNODC) in the area of transnational crime were discussed.<sup>698</sup> While these are all positive steps in fighting corruption and improving transparency, Russia has not yet fulfilled the specific commitments to which it agreed.

Corruption remains a major domestic problem for Russia: Russia ranks 90<sup>th</sup> on the Transparency International Corruption Perceptions Index.<sup>699</sup> Concerns include President Putin’s treatment of the Yukos corporation<sup>700</sup> and his control of private media and nongovernmental organizations.<sup>701</sup> Aware that corruption among state officials is an increasing problem, President Vladimir Putin reiterated his commitment to join current efforts to combat transnational crimes and offered to focus “the efforts of law enforcement bodies on the fight against crime, including tax

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<sup>694</sup> [www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html#declaration](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html#declaration)

<sup>695</sup> *United Nations Convention Against Corruption: Signatories*. United Nations Office on Drugs and Crimes. (Vienna). 2005. Date of Access: 8 May 2005. [[www.unodc.org/unodc/en/crime\\_signatures\\_corruption.html](http://www.unodc.org/unodc/en/crime_signatures_corruption.html)]

<sup>696</sup> *On the Outcome of a Visit Paid by Ong Keng Yong, Secretary General of the Association of South East Asian Nations (ASEAN), to Russia [unofficial translation]*, Ministry of Foreign Affairs of the Russian Federation: Information and Press Releases, (Moscow) 4 October 2004.

[[www.ln.mid.ru/Brp\\_4.nsf/arh/735103733F3B073FC3256F240030D793?OpenDocument](http://www.ln.mid.ru/Brp_4.nsf/arh/735103733F3B073FC3256F240030D793?OpenDocument)]

<sup>697</sup> *FATF targets cross-border cash movements by terrorists and criminals*. Financial Action Task Force: NCCT Reports and News Releases. (Paris) 22 October 2004. [[www.fatf-gafi.org/pdf/PR-20041022\\_en1.pdf](http://www.fatf-gafi.org/pdf/PR-20041022_en1.pdf)]

<sup>698</sup> *Russian Minister of Foreign Affairs Sergey Lavrov Meets with Antonio Maria Costa, UN Under-Secretary-General and Executive Director of the United Nations Office on Drugs and Crime [Unofficial translation]*, Ministry of Foreign Affairs of the Russian Federation: Information and Press Releases, (Moscow). 30 March 2005. Date of Access: 8 May 2005.

[[www.ln.mid.ru/brp\\_4.nsf/e78a48070f128a7b43256999005bcb3/6c76ca4531de8a00c3256fd50040117b?OpenDocument](http://www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcb3/6c76ca4531de8a00c3256fd50040117b?OpenDocument)]

<sup>699</sup> *Corruption Perceptions Index 2004*, Transparency International (London) 22 October 2004. Date of Access: 8 May 2005. [www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004](http://www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004)

<sup>700</sup> *Russia launches anti-corruption campaign*. Xinhua News Agency, 26 October 2004.

<sup>701</sup> Orttung, Robert and Christopher Walker, *Steps toward democracy, Russian leader must accept Western help and draw on resources of domestic groups for meaningful reform*, Newsday, A41. (Long Island) 3 March 2005. Date of Access: 09 May 2005.

evasion.”<sup>702</sup> Thus, while the Russian Federation has made an effort to combat corruption and improve transparency, corruption remains a serious problem in the country and no concrete actions have been taken as of yet to meet the commitment made at Sea Island.

## 7. United Kingdom: 0

The United Kingdom has taken positive steps toward meeting its commitments concerning transnational crime at the Sea Island summit, although full compliance has not yet been realized. On December 14th, 2000, the United Kingdom signed the UN Convention on Transnational Crime; however it has not yet ratified the act, aspects of which are crucial to the fight against corruption and transnational crime.<sup>703</sup> More positively, in November, the Serious Organized Crime Agency was introduced to the House of Commons, where it was announced that various strategies involving, “investigation and prosecution of criminals involved in serious organized crime, the disruption of supply networks, the confiscation of criminal assets, the taxation of undeclared earnings and improving the defences of the financial sector and others against attack by organised criminals.”<sup>704</sup> This is a significant step taken by the UK towards meeting the criteria outlined by the G8 in Sea Island. The International Monetary Fund (IMF) has recently commented on the fact that the UK “has a strong and comprehensive regime to combat money laundering,” although there is still much to be done by the government of the UK in order to achieve full compliance before July.<sup>705</sup>

While full compliance has not yet been achieved, the UK’s Anti Money Laundering Strategy deserves special attention. This initiative is evidence of the UK’s commitment to combating transnational financial crimes, particularly money laundering, and demonstrates the UK’s leadership in this issue area. Most relevant to the commitment are the Strategy’s aims concerning wire transfer originator information and its approach to asset recovery. The strategy notes that the UK, as a member of the FATF Working Group looking at wire transfers and terrorist financing, is reviewing the FATFs Special Recommendation VII [outlines a framework of obligations for financial institutions to send wire transfer originator information] to ensure that it is the most effective means of combating transnational financial crimes. The expected outcome of this initiative is updated wire transfer guidance.<sup>706</sup> The Strategy also places a priority on asset recovery, offering police forces a financial incentive to recovery criminally acquired wealth by awarding them with a stake in the recovered wealth/assets, within limits.<sup>707</sup> Therefore, while the efforts of the UK were not sufficient to meet the specific criteria necessary to achieve full compliance, its efforts demonstrate that the government of the UK is committed to combating corruption and transnational crime.

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<sup>702</sup> *Annual Address to the Federal Assembly [Unofficial translation]*, Ministry of Foreign Affairs of the Russian Federation: Information and Press Releases, (Moscow). 25 April 2005. Date of Access: 8 May 2005. [[www.ln.mid.ru/brp\\_4.nsf/e78a48070f128a7b4325699005bcb3/c037a4e7135fffcac3256fef0035c2c5?OpenDocument](http://www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b4325699005bcb3/c037a4e7135fffcac3256fef0035c2c5?OpenDocument)]

<sup>703</sup> [www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html#declaration](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html#declaration)

<sup>704</sup> [www.publications.parliament.uk/pa/cm200405/cmbills/005/en/05005x-a.htm](http://www.publications.parliament.uk/pa/cm200405/cmbills/005/en/05005x-a.htm)

<sup>705</sup> [www.hm-treasury.gov.uk/media/D57/97/D579755E-BCDC-D4B3-19632628BD485787.pdf](http://www.hm-treasury.gov.uk/media/D57/97/D579755E-BCDC-D4B3-19632628BD485787.pdf)

<sup>706</sup> “Anti-Money Laundering Strategy” Her Majesty’s Treasury, October 2004, p. 26. Date of Access: May 20, 2005 [[www.hm-treasury.gov.uk/media/D57/97/D579755E-BCDC-D4B3-19632628BD485787.pdf](http://www.hm-treasury.gov.uk/media/D57/97/D579755E-BCDC-D4B3-19632628BD485787.pdf)].

<sup>707</sup> *Ibid*, p. 22.

## 8. United States: 1

The United States has taken notable steps in fighting corruption and improving transparency since the Sea Island summit, and while it has not met the criteria of the specific commitments made at the Sea Island Summit, its general level of activity is sufficient to consider in compliance with the 2004 commitment. On August 27, 2004, President Bush ordered new policy stating that “[t]o the maximum extent consistent with applicable law, agencies shall give the highest priority to (i) the detection, prevention, disruption, preemption, and mitigation of the effects of transnational terrorist activities against the territory, people, and interests of the United States of America.”<sup>708</sup> The US worked with G8 partner nations in October 2004 when it hosted a two day foreign affairs meeting of the G8 in Washington, D.C. to work with Georgia, Nicaragua, Nigeria and Peru in their fight against corruption.<sup>709</sup> Positive actions were also taken on November 21, 2004 when the US launched with its Asia-Pacific Economic Cooperation (APEC) partners, the Santiago Commitment to Fight Corruption and Ensure Transparency and the APEC Course of Action on Fighting Corruption and Ensuring Transparency.<sup>710</sup> This commitment supports the commitment made by the United States in Sea Island to detect, recover and return illicitly acquired assets. Furthermore, the US has initiated a program supported by a commitment of US\$2.5 million over four years to help developing countries meet their anticorruption commitments with the APEC Anticorruption and Transparency Capacity Building Program.<sup>711,712</sup>

Positive actions continued in December when a \$500 000 (USD) contribution was to the United Nations Office on Drugs and Crime was announced by Assistant Secretary of State for International Narcotics and Law Enforcement Affairs Robert Charles to encourage the ratification and implementation of the UN Convention Against Corruption.<sup>713</sup> This money will be used by the U.N. Office on Drugs and Crime to create a program that would implement regional workshops as outlined in their G8 commitment.<sup>714</sup> The United States has also pledged to contribute further funding in FY 2005 to the Global Programme against Money Laundering and to offer its technical and financial support to the UN Office on Drugs and Crime’s Terrorism Prevention Branch.<sup>715</sup> In the Congressional Budget Justification FY 2006, the President has designated \$2,976,000 for fiscal year 2005 and \$3,000,000 for fiscal year 2006 for Regional Anticorruption Initiatives such as the provision of training to officials from groups of countries and creating teams of U.S. experts that could build capacity in investigating and prosecuting asset recovery efforts.<sup>716</sup>

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<sup>708</sup> Date of Access: December 29, 2004 [[www.whitehouse.gov/news/releases/2004/08/20040827-5.html](http://www.whitehouse.gov/news/releases/2004/08/20040827-5.html)].

<sup>709</sup> Date of Access: December 29, 2004 [[www.state.gov/e/rls/rm/2004/36867.html](http://www.state.gov/e/rls/rm/2004/36867.html)].

<sup>710</sup> Date of Access: December 29, 2004 [[www.whitehouse.gov/news/releases/2004/11/20041121-4.html](http://www.whitehouse.gov/news/releases/2004/11/20041121-4.html)].

<sup>711</sup> Date of Access: December 29, 2004 [[www.whitehouse.gov/news/releases/2004/11/20041121-4.html](http://www.whitehouse.gov/news/releases/2004/11/20041121-4.html)].

<sup>712</sup> Date of Access: December 29, 2004 [[www.whitehouse.gov/news/releases/2004/11/20041121-3.html](http://www.whitehouse.gov/news/releases/2004/11/20041121-3.html)].

<sup>713</sup> Date of Access: December 29, 2004 [[www.state.gov/g/inl/rls/other/39714.htm](http://www.state.gov/g/inl/rls/other/39714.htm)].

<sup>714</sup> Date of Access: December 29, 2004 [[www.state.gov/g/inl/rls/other/39714.htm](http://www.state.gov/g/inl/rls/other/39714.htm)].

<sup>715</sup> “Statement by the United States During the High-Level Segment of the 11th UN Congress on Crime Prevention and Criminal Justice” Elizabeth Verville, Transnational Organized Crime and Corruption; Bangkok, Thailand, April 24, 2005. Date of Access: May 5, 2005 [[www.state.gov/g/inl/rls/rm/45393.htm](http://www.state.gov/g/inl/rls/rm/45393.htm)].

<sup>716</sup> “Congressional Budget Justification FY 2006” Federal Government of the United States of America. Date of Access: May 5, 2005 [[www.state.gov/documents/organization/42258.pdf](http://www.state.gov/documents/organization/42258.pdf)].

The American creation of International Law Enforcement Academies [ILEAs]- a collaborative effort between the Department of State, Department of justice, Department of Homeland Security, and the Department of Treasury and foreign governments- represent a innovative model of international assistance with various objectives including combating transnational crime.<sup>717, 718</sup> The ILEAs consist of a series of specialized training courses and regional seminars tailored to region-specific needs and emerging global threats, with topics of the Regional Seminars including transnational crimes, financial crimes, and counterterrorism; graduates of the ILEAs exchange information with their U.S. counterparts and assist in transnational investigations.<sup>719</sup> The ILEA budget averages approximately US\$16–17 million annually.<sup>720</sup>

## 9. European Union: 0

The European Union has undertaken initiatives that indicates near, but not quite full compliance with the commitment made at the Sea Island Summit. Partial compliance was achieved through the EU's heavy involvement in asset recovery workshops, case co-ordination and the exploration of anticorruption best practices. EU compliance was mainly the result of the work conducted by the European Anti-Fraud Office (OLAF).<sup>721</sup> The EU and OLAF hosted the Fifth Conference of International Investigators during the month of September 2004. The conference discussed “the ‘Uniform Guidelines’ created in an effort to assist parties involved in international inquiries to complete their inquiries efficiently, openly and accountably in a transparent manner to guarantee the protection of fundamental rights. The Conference also analyzed the questions that usually arise during the final phase of an inquiry regarding the preparation of the referral of a case to a national judicial authority and the recovery of assets.”<sup>722</sup> On 24 November, 2004 OLAF hosted a training seminar focusing on the discussion of strategies and tools to be invoked to prevent fraud and corruption through information and communication.<sup>723</sup> Case coordination was the theme of the OLAF conference on Co-operation with Public Prosecutors in November 2004 which aimed to ensure that participants remained informed of current OLAF proceedings and to further improve the efficiency of the investigative work of the Office in the pursuit of the implementation of judicial measures for follow up. The conference underscored the notion that the aim of an investigation is to preserve relevant national rules to provide the groundwork for sufficiently well founded cases to be sent to national prosecution offices.<sup>724</sup>

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<sup>717</sup> “International Narcotics Control Strategy Report, Volume II: Money Laundering and Financial Crimes”, March 2005. Date of Access: May 5, 2005 [[www.state.gov/documents/organization/42881.pdf](http://www.state.gov/documents/organization/42881.pdf)].

<sup>718</sup> Ibid.

<sup>719</sup> Ibid.

<sup>720</sup> Ibid.

<sup>721</sup> “Welcome to OLAF, The European Anti-Fraud Office.” Date of Access: December 23, 2004. [[europa.eu.int/comm/anti\\_fraud/index\\_en.html](http://europa.eu.int/comm/anti_fraud/index_en.html)].

<sup>722</sup> “Fifth Conference of International Investigators” OLAF Press Releases. Date of Access: December 23, 2004 [[europa.eu.int/rapid/pressReleasesAction.do?reference=3DOLAF/04/16&format=3D=HTML&aged=3D1&language=3DEN&guiLanguage=3Den](http://europa.eu.int/rapid/pressReleasesAction.do?reference=3DOLAF/04/16&format=3D=HTML&aged=3D1&language=3DEN&guiLanguage=3Den)].

<sup>723</sup> “OLAF Seminar on Anti-Fraud Communication” OLAF Press Releases. Date of Access: December 23, 2004 [[europa.eu.int/rapid/pressReleasesAction.do?reference=3DOLAF/04/23&format=3D=HTML&aged=3D0&language=3DEN&guiLanguage=3Den](http://europa.eu.int/rapid/pressReleasesAction.do?reference=3DOLAF/04/23&format=3D=HTML&aged=3D0&language=3DEN&guiLanguage=3Den)].

<sup>724</sup> “OLAF co-operation with public prosecutors” OLAF Press Releases. Date of Access: December 27, 2004

Rules concerning the due diligence of politically exposed persons, part of the commitment at the Sea Island Summit, are set out in a proposal for a directive of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering, including terrorist financing, dated June 30th, 2004, in Section 3, Article 11.<sup>725</sup> This directive is not yet law, but is a foundation for future action. The EU has continued their anti-corruption activities in 2005, as highlighted by new antifraud initiatives in Slovakia and Hungary.<sup>726</sup> Overall, however, the EU appears to have just fallen short of achieving full compliance with the G8 commitment.

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May 23, 2005.

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[europa.eu.int/rapid/pressReleasesAction.do?reference=3DOLAF/04/22&format=3D=HTML&aged=3D0&language=3DEN&guiLanguage=3Den].

<sup>725</sup> “Directive of The European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering, including terrorist financing” Date of Access: December 27, 2004.

[europa.eu.int/eurlex/pri/en/lip/latest/doc/2004/com2004\_0448en01.doc].

<sup>726</sup> “Anti-Fraud Assistance For Hungary And Slovakia” OLAF Press Releases. Date of Access: May 5, 2005.  
[www.europa.eu.int/comm/anti\_fraud/press\_room/pr/2005/04\_en.html].

# Transport Security

## Commitment

“Accelerate development of international standards for the interoperability of government-issued smart chip passports and other government-issued identity documents. We will work for implementation by the 2005 Summit.”

*G8 Secure and Facilitated International Travel Initiative (SAFTI)*

## Background

Since the September 11 terrorist attacks on the United States, transport safety has been a recurrent item on the G8 policy agenda. The 2003 Evian Summit contained a G8 Action Plan to counteract the threat posed by Man Portable Air Defense System (MANPADS), shoulder-fired missiles, to civilian aviation. At the 2004 Sea Island, the US unveiled the Secure and Facilitated Travel Initiative (SAFTI) to consolidate and harmonize G8 efforts to make civilian transport, travel documents, and airports more secure.

SAFTI measures are designed to address the current lacunas in the global integration of information systems, designed to not only share data on personal travellers, but also exchange information on commercial shipments and prevent the shipment of illicit weapons material that could threaten international security. Soon after the 2001 terrorist attacks and the subsequent crack-down on border control in the US, the American government announced it would be phasing in the issuance of bio-metric/smart-chip passports to its citizens that would contain personal information such as fingerprints or retina scans. More importantly, as a part of the campaign to control exactly who enters and exits the US, the US Congress passed legislation demanding that all 27 countries currently exempted from requiring visas to enter the United States to also implement biometric passports for their nationals or lose their visa-waiver status. They set the implementation date for October 2004. Nevertheless, after hearing testimony from Secretary of State Colin Powell who recommended a two-extension on this deadline, the US Congress extended the deadline until October 2005.<sup>727</sup> Nevertheless, in February 2005, the US State Department once again conceded that major countries like Japan, France and the UK would not have biometric passports on-line until Spring 2006.<sup>728</sup> Therefore the US House Judiciary Subcommittee on Immigration and Border Security is again considering the question of extending the implementation deadline on 21 April 2005. Ironically even the US itself is unlikely to be ready for the October 26 deadline since machines capable of reading biometric passports will not be available at all ports of entry by that date.<sup>729</sup> Thus, with no G8 state ready to issue

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<sup>727</sup> Office of the Spokesman, U.S. Department of State, “Powell Urges Delay of Deadline for New Passport Technology,” 21 April 2004, online at [usinfo.state.gov/gi/Archive/2004/Apr/22-962862.html](http://usinfo.state.gov/gi/Archive/2004/Apr/22-962862.html) , last accessed 11 May 2005

<sup>728</sup> Japan, France, Britain unable to meet new U.S. passport deadline, Japan Today (Tokyo) 2 February 2005. Date of Access: 9 May 2005 [www.japantoday.com/e/?content=news&id=326484](http://www.japantoday.com/e/?content=news&id=326484)

<sup>729</sup> Oversight Hearing, “Testimony Of Elaine Dezenski Acting Assistant Secretary Border And Transportation Security Directorate Department Of Homeland Security Before The House Committee On The Judiciary Subcommittee On Immigration, Border Security And Claims,” Subcommittee on Immigration, Border Security and Claims, U.S. House of Representatives Committee on the Judiciary, 21 April, 2005, (Online at



biometric passports by July 2005, as stipulated at the 2004 Sea Island Summit, all countries receive a compliance score of 0.

## Assessment

Country	Non- Compliance -1	Work in Progress 0	Full Compliance +1
Canada		0	
France		0	
Germany		0	
Italy		0	
Japan		0	
Russia		0	
United Kingdom		0	
United States		0	
European Union		0	
Overall: 0.00			

## Individual Country Compliance Breakdown

### 1. Canada: 0

Canada has not achieved full compliance in the implementation of biometric passports by the 2005 Summit, despite some efforts to comply with its 2004 Sea Island commitment. Most notably, Canada has announced the intention of implementing biometric passports and scheduled plans for when this will occur, amended the *Canadian Passport Order* to legislate the inclusion of biometry in travel documents, and shown continual involvement with the Asia Pacific Economic Cooperation (APEC) in the area of travel document security. Nevertheless, Canada will be no where near ready to implement biometric passports by the time of the 2005 G8 Summit meaning it will not fulfill the SAFTI commitment from 2004.

Canada planned to start the issuance of passports In the first major initiative towards compliance, Dan Kingsbury of the Passport Office of Canada acknowledged publicly in July 2004 plans to use digitized photographs that “could allow some form of biometric identification — measuring facial features or an iris scan —” in electronic passports (e-Passports)<sup>730</sup>. This announcement was released by briefing notes attained by The Canadian Press<sup>731</sup>. Other biometrics information that was also announced to be contained in the e-Passport includes holder’s name and birthdate<sup>732</sup>. Kingsbury also reported that an initial trial period for this e-Passport would take place for Canadian diplomats in the first half of 2005<sup>733</sup>. Only when the trial period is successful will the

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judiciary.house.gov/oversight.aspx?ID=145, last accessed 11 May 2005). See Also Greta Wodele, “U.S. will not be able to read high-tech foreign passports,” *Govexec.com*, 21 April 2005, Online at [www.govexec.com/dailyfed/0405/042105tdpml.htm](http://www.govexec.com/dailyfed/0405/042105tdpml.htm), last accessed 11 May 2005).

<sup>730</sup> “New passports could allow use of biometrics: report,” CBC News (Toronto) 19 July 2004. Date of Access: 7 January 2005 [www.cbc.ca/story/canada/national/2004/07/19/passport\\_digital040719.html](http://www.cbc.ca/story/canada/national/2004/07/19/passport_digital040719.html)

<sup>731</sup> “Canada to begin issuing high-tech passports,” CTV News (Toronto) 18 July 2004. Date of Access: 6 January 2005 [www.ctv.ca/servlet/ArticleNews/story/CTVNews/1090187452237\\_3?s\\_name=&no\\_ads=](http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/1090187452237_3?s_name=&no_ads=)

<sup>732</sup> Ibid.

<sup>733</sup> Ibid.

government plan on introducing the e-Passport to the general public<sup>734</sup>. The briefing notes acknowledged a budget of \$10.3 million over three years allocated by the government for developing “‘internationally respected’ travel identification.”<sup>735</sup> All of these commitments were reiterated in Foreign Affairs Canada’s *Report on Plans and Priorities* (RPP) for 2005-2006. Included in the report were proposed improvements by Passport Canada (formerly *The Passport Office of Canada*) regarding “strengthening compliance”, with the commitment to ensure that Canadian passports will comply with international standards and “to improve Canadian travel documents and the integrity of the entitlement process.”<sup>736</sup>

The second step the Canadian government took towards compliance was the execution of an order to amend the *Canadian Passport Order* in September 2004<sup>737</sup>. Regarding biometrics, two subsections of section 8.1 of the Order were amended<sup>738</sup>. The first called for the right of the Passport Office to “convert any information submitted by an applicant into a digital biometric format” for the e-Passport, and the second amendment was for the right of the Passport Office to “convert an applicant’s photograph into a biometric template for the purpose of verifying the applicant’s identity, including nationality, and entitlement to obtain or remain in possession of a passport.”<sup>739</sup> The two amendments constituted Order P.C. 2004-951<sup>740</sup>.

Internationally, Canada participated in the sixth meeting of the Counter-Terrorism Task Force (CTTF) in Seoul, Korea, in March 2005<sup>741</sup>. The outcome of the Canada-held document security training workshop in Kuala Lumpur from November 29 to December 3, 2004 was presented<sup>742</sup>. The workshop was sponsored by the CTTF and was attended by “a total of 26 participants from eleven economies” and involved the discussion of biometry<sup>743</sup>. Hosted by Canadian document security experts, and with Canadian Migration Integrity officers and Canadian Border Services Agency officers, immigration authorities of the APEC countries received capacity building

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<sup>734</sup> Ibid.

<sup>735</sup> Ibid.

<sup>736</sup> RPP 2005-2006 Foreign Affairs Canada, Treasury Board of Canada Secretariat Website (Ottawa). Date of Access: 10 May 2005 [www.tbs-sct.gc.ca/est-pre/20052006/FAC-AEC/FAC-AECr5602\\_e.asp](http://www.tbs-sct.gc.ca/est-pre/20052006/FAC-AEC/FAC-AECr5602_e.asp)

<sup>737</sup> “Order Amending the Canadian Passport Order,” Canada Gazette (Ottawa) 1 September 2004. Date of Access: 7 January 2005 [canadagazette.gc.ca/partII/2004/20040922/html/si113-e.html](http://canadagazette.gc.ca/partII/2004/20040922/html/si113-e.html)

<sup>738</sup> Ibid.

<sup>739</sup> Ibid.

<sup>740</sup> Ibid.

<sup>741</sup> CTTF Chair’s Summary of The 6<sup>th</sup> Counter-Terrorism Task Force Meeting, Asia Pacific Economic Cooperation 3-4 March 2005. Date of Access: 10 May 2005 [search.apec.org/cs.html?charset=iso-8859-1&url=http%3A//www.apec.org/content/apec/documents\\_reports/senior\\_officials\\_meetings/2005.MedialibDownload.v1.html%3Furl%3D/etc/medialib/apec\\_media\\_library/downloads/som/mtg/2005/pdf.Par.0026.File.v1.1&q=e-passport&col=apec&n=8&la=en](http://search.apec.org/cs.html?charset=iso-8859-1&url=http%3A//www.apec.org/content/apec/documents_reports/senior_officials_meetings/2005.MedialibDownload.v1.html%3Furl%3D/etc/medialib/apec_media_library/downloads/som/mtg/2005/pdf.Par.0026.File.v1.1&q=e-passport&col=apec&n=8&la=en)

<sup>742</sup> CTTF Chair’s Summary of The 6<sup>th</sup> Counter-Terrorism Task Force Meeting, Asia Pacific Economic Cooperation 3-4 March 2005. Date of Access: 10 May 2005 [search.apec.org/cs.html?charset=iso-8859-1&url=http%3A//www.apec.org/content/apec/documents\\_reports/senior\\_officials\\_meetings/2005.MedialibDownload.v1.html%3Furl%3D/etc/medialib/apec\\_media\\_library/downloads/som/mtg/2005/pdf.Par.0026.File.v1.1&q=e-passport&col=apec&n=8&la=en](http://search.apec.org/cs.html?charset=iso-8859-1&url=http%3A//www.apec.org/content/apec/documents_reports/senior_officials_meetings/2005.MedialibDownload.v1.html%3Furl%3D/etc/medialib/apec_media_library/downloads/som/mtg/2005/pdf.Par.0026.File.v1.1&q=e-passport&col=apec&n=8&la=en)

<sup>743</sup> Document Security Training Workshop Summary Report, Counter Terrorism Task Force Meeting in Asia Pacific Economic Cooperation 1 March 2005. Date of Access: 10 May 2005 [search.apec.org/cs.html?charset=iso-8859-1&url=http%3A//www.apec.org/apec/documents\\_reports/counter\\_terrorism\\_task\\_force/2005.MedialibDownload.v1.html%3Furl%3D/etc/medialib/apec\\_media\\_library/downloads/taskforce/cttf/mtg/2005/word.Par.0002.File.v1.1&q=e-passport&col=apec&n=2&la=en](http://search.apec.org/cs.html?charset=iso-8859-1&url=http%3A//www.apec.org/apec/documents_reports/counter_terrorism_task_force/2005.MedialibDownload.v1.html%3Furl%3D/etc/medialib/apec_media_library/downloads/taskforce/cttf/mtg/2005/word.Par.0002.File.v1.1&q=e-passport&col=apec&n=2&la=en)

assistance from Canada<sup>744</sup>. Also, Canada, through APEC, has committed to developing systems for sharing passport alerts to help combat terrorism and improve travel safety for business and other travellers in the region. This system, called the Regional Movement Alert List (RMAL), will “automatically share data on lost and stolen passports” between APEC countries<sup>745</sup>.

Although Canada is far from e-Passport implementation by the 2005 Summit, through this international participation, Canada has somewhat helped to promote the development of biometry and international standards in passports globally.

## 2. France: 0

France has demonstrated partial compliance with its G8 commitment. On April 11<sup>th</sup>, 2005 the Prime Minister, Jean-Pierre Raffarin, approved the *Identité Nationale Électronique Sécurisée* (INES) program during an inter-ministerial meeting.<sup>746</sup> INES involves the implementation of biometric passports in France in accordance with European Union legislation agreed upon on 13 December 2004.<sup>747</sup> The General Affairs Council meeting on that day adopted a regulation mandating the inclusion of biometric information in future passports and travel documents issued by Schengen-party EU Member States — which includes France.<sup>748</sup> The regulation states, “Passports and travel documents shall include a storage medium which shall contain a facial image. Member States shall also include fingerprints in interoperable formats”<sup>749</sup>. National identity cards, temporary passports and travel documents issued by member states are not bound by these regulations.<sup>750</sup> The regulation entered into force twenty days after its publication in the Official Journal of the European Union on December 29<sup>th</sup>, 2004.<sup>751</sup> EU Member states are now

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<sup>744</sup> Document Security Training Workshop Summary Report, Counter Terrorism Task Force Meeting in Asia Pacific Economic Cooperation 1 March 2005. Date of Access: 10 May 2005 [search.apec.org/cs.html?charset=iso-8859-1&url=http%3A//www.apec.org/apec/documents\\_reports/counter\\_terrorism\\_task\\_force/2005.MedialibDownload.v1.html%3Furl%3D/etc/medialib/apec\\_media\\_library/downloads/taskforce/cttf/mtg/2005/word.Par.0002.File.v1.1&qt=e-passport&col=apec&n=2&la=en](http://www.apec.org/cs.html?charset=iso-8859-1&url=http%3A//www.apec.org/apec/documents_reports/counter_terrorism_task_force/2005.MedialibDownload.v1.html%3Furl%3D/etc/medialib/apec_media_library/downloads/taskforce/cttf/mtg/2005/word.Par.0002.File.v1.1&qt=e-passport&col=apec&n=2&la=en)

<sup>745</sup> Joint statement by U.S. Secretary of State Colin Powell, Chilean Minister of Interior Jose Miguel Insulza and Australian Foreign Minister Alexander Downer, “APEC Economies to Develop a Regional Movement Alert List System,” Office of the Spokesman, Department of State, Washington, DC, November 19, 2004. Date of Access: 2 January 2005 [www.state.gov/r/pa/prs/ps/2004/38495.htm](http://www.state.gov/r/pa/prs/ps/2004/38495.htm).

<sup>746</sup> “Feu vert pour la carte d’identité électronique.” *Le Monde Online* (Paris) 12 April 2005. Date of Access: 8 May 2005 [ [www.lemonde.fr/web/article/0,1-0@2-3244,36-638179@51-627772,0.html](http://www.lemonde.fr/web/article/0,1-0@2-3244,36-638179@51-627772,0.html) ]

<sup>747</sup> *Official Journal of the European Union* (Issue L 385). *Council Regulation (EC) 2252/2004 of December 13<sup>th</sup> 2004 on Standards for Security Features and Biometrics in Passports and Travel Documents Issued by Member States* (Brussels) 29 December 2004. Date of Access: 8 May 2005 [[europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l\\_385/l\\_38520041229en00010006.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l_385/l_38520041229en00010006.pdf)]; Page 3.

<sup>748</sup> “Council of the EU adopts biometric passports regulation”; eGovernment News; [europa.eu.int/ida/en/document/3669/194](http://europa.eu.int/ida/en/document/3669/194) ; 17 December 2004.

<sup>749</sup> Council of the European Union; Council Regulation on standards for security features and biometrics in passports and travel documents issued by Member States; [regier.consilium.eu.int/pdf/en/04/15/15152.en04.pdf](http://regier.consilium.eu.int/pdf/en/04/15/15152.en04.pdf); Brussels; 10 December 2004; Page 6.

<sup>750</sup> Ibid. Page 6.

<sup>751</sup> *Official Journal of the European Union* (Issue L 385). *Council Regulation (EC) 2252/2004 of December 13<sup>th</sup> 2004 on Standards for Security Features and Biometrics in Passports and Travel Documents Issued by Member States* (Brussels) 29 December 2004. Date of Access: 8 May 2005 [[europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l\\_385/l\\_38520041229en00010006.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l_385/l_38520041229en00010006.pdf)]; Page 3.

obliged to apply these regulations in a time frame of 18 months for facial images and 36 months for fingerprints.<sup>752</sup>

France was a participant in the 6<sup>th</sup> International Porvoo Group Conference in Rome, held on November 9<sup>th</sup> and 10<sup>th</sup>, 2004. The conference was centered on the topic of “Interoperable European Electronic Identities.”<sup>753</sup> Resolutions 4 and 6 of the conference recognized, “the important developments underway in the high interest topic area ‘Biometrics in Passports and ID-cards,’” and, “support for interoperability standards.”<sup>754</sup> All of the conference’s resolutions passed unanimously.<sup>755</sup> There is no evidence of such a card being launched at the present time; however this statement of intentions is proof that France is intent on fulfilling its G8 commitment. Furthermore, France, more specifically its Ministry of the Economy, Finance and Industry, has shown support for smart card technology through its patronage of the Cartes & IT Security 2004 industrial fair that took place in Paris-Nord Villepintes, France on 2-4 November 2004.<sup>756</sup>

### 3. Germany: 0

Germany has only achieved partial compliance with its Sea Island commitments concerning the development of biometric/smartship passports by July 2005. According to a statement by the German Federal Ministry of the Interior, the Federal Government is “pushing for the use of biometric procedures in border controls at the EU level, [such as] inclusion of biometric features in visa and residence permits, as well as in passports for EU nationals.”<sup>757</sup> Furthermore, in the Keynote Speech by Federal Minister of the Interior Otto Schily for the 4th International Conference “The Global Impact of Terrorism” at the Interdisciplinary Center (IDC) in Herzliya, Israel, on 11 September 2004, the German approach was re-iterated: “for a comprehensive approach to fighting terrorism, we must take coordinated action in a wide variety of areas: for example, in law concerning foreigners and private associations, in the area of border control and visa policy, in document security and biometrics, and, not least, in opposing money laundering and the financing of terrorism.”<sup>758</sup> In the spirit of this commitment, “PG PMB” (Project Group on Identity Documents, Registration and Biometrics ) was created within the Ministry of the

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<sup>752</sup> Ibid., Page 3.

<sup>753</sup> Porvoo 6 Invited Seminar on Electronic Identity Homepage; [www.neor.uniroma2.it/porvoo6/](http://www.neor.uniroma2.it/porvoo6/).

<sup>754</sup> Resolutions of the Porvoo 6eID Group Meeting; [www.neor.uniroma2.it/porvoo6/doc/Resolutions-Porvoo-6-eIDGroup-Meting-FINAL.PDF](http://www.neor.uniroma2.it/porvoo6/doc/Resolutions-Porvoo-6-eIDGroup-Meting-FINAL.PDF) ; Rome; 9–10 November 2004; Page 2.

<sup>755</sup> Ibid. Page 1.

<sup>756</sup> Cartes 2004 & IT Security 2004 Website; Institutional Partners; [www.cartes.com/en/frameset\\_dyn.htm?URL=E\\_partenaires/E1\\_initutionnels.htm](http://www.cartes.com/en/frameset_dyn.htm?URL=E_partenaires/E1_initutionnels.htm).

<sup>757</sup> “Combating Terrorism,” statement on the Federal Ministry of the Interior Website. Date of Access: 3 January 2005

[www.bmi.bund.de/cln\\_011/nn\\_148716/Internet/Content/Themen/Innere\\_\\_Sicherheit\\_\\_allgemein/DatenundFakten/Combating\\_\\_terrorism\\_\\_en.html](http://www.bmi.bund.de/cln_011/nn_148716/Internet/Content/Themen/Innere__Sicherheit__allgemein/DatenundFakten/Combating__terrorism__en.html).

<sup>758</sup> Keynote Speech by Federal Minister of the Interior Otto Schily for the 4th International Conference "The Global Impact of Terrorism" at the Interdisciplinary Center (IDC) in Herzliya, Israel, on 11 September 2004, Monday 13 September 2004. Date of Access: 3 January 2005

[www.bmi.bund.de/cln\\_006/nn\\_148716/Internet/Content/Nachrichten/Reden/2004/09/4th\\_\\_International\\_\\_Conference\\_\\_the\\_\\_global\\_\\_impact\\_\\_of\\_\\_terrorism.html](http://www.bmi.bund.de/cln_006/nn_148716/Internet/Content/Nachrichten/Reden/2004/09/4th__International__Conference__the__global__impact__of__terrorism.html).

Interior to, among other things, “implement the Federal Government’s overall strategy on the use of biometrics to increase security in Germany.”<sup>759</sup>

Indeed, according to Germany’s Ministry of the Interior, Otto Schily, the plan to begin issuing biometric passports by the US deadline is still in place.<sup>760</sup> However, officials from other departments within the German government are more skeptical about the implementation than Mr. Schily. On 19 April, for instance, “Federal Data Protection Commissioner Peter Schaar called for a moratorium on the introduction of biometric passports in light of the still immature state of the technology and of a number of unresolved data protection issues.”<sup>761</sup> In addition, two MPs from the ruling Social Democratic Party, Ulla Burchardt and Jörg Tauss, publicly supported the proposed moratorium, stating “passports with biometric features are becoming a personal obsession of the Ministry of the Interior’s, and in the process he is disrespecting the German Parliament, data protectionists, and scientific experts.”<sup>762</sup>

Despite these challenges, the German Government has been actively engaged with the biometric passport initiative. During a panel discussion at the 9th IT Security Congress of the Federal Office for Information Security (BSI) in Bonn on 12 May 2005, the BSI President, Udo Helmbrecht, “declared that the BSI working closely together with German industry had managed, by inducing the international authority responsible for passports, ICAO, to adopt the cryptographic principle of *Basic Access Control*, to enshrine some basic principles of data security and protection.”<sup>763</sup> Germany is clearly moving forward to address the technical challenges associated with implementing this new technology.

Finally, as a party to the Schengen Agreement, Germany is bound by the decision of the General Affairs Council meeting in Brussels on December 13th, 2004 where the Council adopted a regulation mandating the inclusion of biometric information in future passports and travel documents issued by Schengen-party EU Member States.<sup>764</sup> The regulation states, “Passports and travel documents shall include a storage medium which shall contain a facial image. Member States shall also include fingerprints in interoperable formats”<sup>765</sup>. National identity cards,

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<sup>759</sup> “Functions of the PG PMB,” statement on the Federal Ministry of the Interior Website. Date of Access: 3 January 2005

[www.bmi.bund.de/cln\\_011/nn\\_148716/Internet/Content/Ministerium/Organigramm/Referate/PG\\_\\_PMB\\_\\_Aufgaben\\_engl.html](http://www.bmi.bund.de/cln_011/nn_148716/Internet/Content/Ministerium/Organigramm/Referate/PG__PMB__Aufgaben_engl.html).

<sup>760</sup> “EU interior ministers agree on introducing passports that include biometric data,” EFMS Migration Report, October 2004, online at [www.uni-bamberg.de/~ba6ef3/dokt04\\_e.htm](http://www.uni-bamberg.de/~ba6ef3/dokt04_e.htm), last accessed 9 May 2005).

<sup>761</sup> “US lawmakers question need for microchips in European passports,” *eGovernment News (IDABC)*, Interoperable Delivery of European eGovernment Services to public Administrations, Businesses and Citizens, 26 April 2005, online at [europa.eu.int/idabc/en/document/4220/355](http://europa.eu.int/idabc/en/document/4220/355), last accessed 11 May 2005.

<sup>762</sup> Richard Sietmann and Craig Morris, “Dispute about biometric passports heating up,” Heise Online, 21 April 2005, online at [www.heise.de/english/newsticker/news/58841](http://www.heise.de/english/newsticker/news/58841), last accessed 11 May 2005.

<sup>763</sup> Christian Schulzki-Haddouth and Robert W. Smith, “Germany succeeds in setting international standards for biometric passports,” *Heise Online*, 13 May 2005, online at [www.heise.de/english/newsticker/news/59525](http://www.heise.de/english/newsticker/news/59525), last accessed 13 May 2005.

<sup>764</sup> “Council of the EU adopts biometric passports regulation”; *eGovernment News*; [europa.eu.int/ida/en/document/3669/194](http://europa.eu.int/ida/en/document/3669/194); 17 December 2004.

<sup>765</sup> Council of the European Union; Council Regulation on standards for security features and biometrics in passports and travel documents issued by Member States; [regier.consilium.eu.int/pdf/en/04/15/15152.en04.pdf](http://regier.consilium.eu.int/pdf/en/04/15/15152.en04.pdf); Brussels; 10 December 2004; Page 6.

temporary passports and travel documents issued by member states are not bound by these regulations.<sup>766</sup> The regulation entered into force twenty days after its publication in the Official Journal of the European Union on December 29<sup>th</sup>, 2004.<sup>767</sup> EU Member states are now obliged to apply these regulations in a time frame of 18 months for facial images and 36 months for fingerprints.<sup>768</sup>

#### 4. Italy: 0

As previously outlined in the Interim Report, Italy's contribution to the SAFTI initiative is integrated within the European Union. While this might be considered evidence of compliance, there remains doubts about Italy's actual commitment to the SAFTI initiative.

Recently, European Justice Commissioner Franco Frattini, himself Italian, asked the United States Congress to extend its deadlines on requiring biometric identifiers on passports from October 2005 to August 2006.<sup>769</sup> Italy was absent from the list of countries that were considered "prepared" for implementation of new forms of identification.<sup>770</sup> Nevertheless, there have also been national efforts to improve the interoperability of Italian biometric systems. In October 2004 the National Center for Information Technology In The Public Sector (CNIPA) published a set of biometric guidelines for the Italian government. Part of the aim was to ensure that further progress in the field would be in line with international standards.<sup>771</sup> Both the report and the conference which followed were designed to provide some guidance as to how Italy could learn from other countries, especially EU members.<sup>772</sup>

Finally, as a party to the Schengen Agreement, Italy is bound by the decision of the General Affairs Council meeting in Brussels on December 13<sup>th</sup>, 2004 where the Council adopted a regulation mandating the inclusion of biometric information in future passports and travel documents issued by Schengen-party EU Member States.<sup>773</sup> The regulation states, "Passports and travel documents shall include a storage medium which shall contain a facial image. Member States shall also include fingerprints in interoperable formats"<sup>774</sup>. National identity cards,

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<sup>766</sup> Ibid. Page 6.

<sup>767</sup> *Official Journal of the European Union* (Issue L 385). *Council Regulation (EC) 2252/2004 of December 13<sup>th</sup> 2004 on Standards for Security Features and Biometrics in Passports and Travel Documents Issued by Member States* (Brussels) 29 December 2004. Date of Access: 8 May 2005 [europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l\_385/l\_38520041229en00010006.pdf]; Page 3.

<sup>768</sup> Ibid., Page 3.

<sup>769</sup> The European Union has called on the United States to delay the deadline for the introduction of biometric passports for visitors without visas. Retrieved May, 9<sup>th</sup>, 2005. From: news.zdnet.com/2100-1009\_22-5650149.html?part=rss&tag=feed&subj=zdnet

<sup>770</sup> Ibid.

<sup>771</sup> Centro Nazionale Per L'Informatica Nella Pubblica Amministrazione, "Linee Guida Per Le Tecnologie Biometriche" [www.cnipa.gov.it/site/\\_files/Linee%20guida-%20tecnologie%20biometriche.pdf](http://www.cnipa.gov.it/site/_files/Linee%20guida-%20tecnologie%20biometriche.pdf), Pg 9.

<sup>772</sup> Centro Nazionale Per L'Informatica Nella Pubblica Amministrazione "2004 La Biometria Entra Nell' e-Government [ November 23, 2004] [www.cnipa.gov.it/Site/it/IT/Eventi/i\\_convegni\\_-Cnipa/Convegno/Biometria.html](http://www.cnipa.gov.it/Site/it/IT/Eventi/i_convegni_-Cnipa/Convegno/Biometria.html)

<sup>773</sup> "Council of the EU adopts biometric passports regulation"; eGovernment News; [europa.eu.int/ida/en/document/3669/194](http://europa.eu.int/ida/en/document/3669/194) ; 17 December 2004.

<sup>774</sup> Council of the European Union; Council Regulation on standards for security features and biometrics in passports and travel documents issued by Member States; [regier.consilium.eu.int/pdf/en/04/15/15152.en04.pdf](http://regier.consilium.eu.int/pdf/en/04/15/15152.en04.pdf); Brussels; 10 December 2004; Page 6.

temporary passports and travel documents issued by member states are not bound by these regulations.<sup>775</sup> The regulation entered into force twenty days after its publication in the Official Journal of the European Union on December 29<sup>th</sup>, 2004.<sup>776</sup> EU Member states are now obliged to apply these regulations in a time frame of 18 months for facial images and 36 months for fingerprints.<sup>777</sup>

Though Italy might be acting through the EU it does not seem to have followed through in living up to its Sea Island commitment, but has rather demonstrated a work in progress, earning it a mark of 0.

## 5. Japan: 0

Japan has not shown full compliance in implementing biometric passports by the 2005 Summit. Nevertheless, Japan's considerable efforts throughout this year has shown a moderate level of compliance, primarily through the consistent acknowledgement of its SAFTI commitment, the involvement with the Asia IC Card Forum (AICF) and the conducting of interoperability test sessions.

The Asia IC Card Forum (AICF) was founded in part by Japan and was officially inaugurated in June of 2004.<sup>778</sup> At the AICF full session meeting on July 29, 2004 and July 30, 2004, the status of Japan's electronic passport (e-passport) was presented<sup>779</sup>, and a measure to follow a common pace for the standardization of "an Asian area" e-passport to meet the International Standardization Organization (ISO), and the International Civil Aviation Organization (ICAO), was also planned<sup>780</sup>.

Japan showed a major step in compliance at the first Standards Committee Working Meeting of the AICF in Singapore on October 26-28, 2004, at which projects of biometric passports were discussed<sup>781</sup>. Japan announced that e-passports would be introduced starting March of 2006<sup>782</sup>. Various ministries of the government of Japan are being involved in the Pilot Project Committee

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<sup>775</sup> Ibid. Page 6.

<sup>776</sup> *Official Journal of the European Union* (Issue L 385). *Council Regulation (EC) 2252/2004 of December 13<sup>th</sup> 2004 on Standards for Security Features and Biometrics in Passports and Travel Documents Issued by Member States* (Brussels) 29 December 2004. Date of Access: 8 May 2005 [europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l\_385/l\_38520041229en00010006.pdf]; Page 3.

<sup>777</sup> Ibid., Page 3.

<sup>778</sup> The Inaugural General Meeting, Asia IC Card Forum Official Website (Seoul) 11 June 2004. Date of Access: 7 January 2005 [www.asiaiccardforum.org/~ENG/news/newslst.htm](http://www.asiaiccardforum.org/~ENG/news/newslst.htm)

<sup>779</sup> About holding of the 1st steering committee, News on Asia IC Card Forum Official Website (Tokyo) 30 July 2004. Date of Access: 7 January 2005 [www.asiaiccardforum.org/~ENG/news/news2004073001.htm](http://www.asiaiccardforum.org/~ENG/news/news2004073001.htm)

<sup>780</sup> About the Asia Integrated Circuit Card Forum Secretariat Establishment, News on Asia IC Card Forum Official Website (Tokyo) 30 July 2004. Date of Access: 7 January 2005 [www.asiaiccardforum.org/~ENG/news/news2004073003.htm](http://www.asiaiccardforum.org/~ENG/news/news2004073003.htm)

<sup>781</sup> AICF Inaugural Standards Working Meeting & Conference, Infocomm Development Authority (IDA) of Singapore Official Website (Singapore) 1 November 2004. Date of Access: 7 January 2005 [www.ida.gov.sg/idaweb/techdev/infopage.jsp?infopagecategory=&infopageid=I3084&versionid=5](http://www.ida.gov.sg/idaweb/techdev/infopage.jsp?infopagecategory=&infopageid=I3084&versionid=5)

<sup>782</sup> Global Interoperability for e-passport, Infocomm Development Authority (IDA) of Singapore Official Website (Singapore) 1 November 2004. Date of Access: 7 January 2005 [www.ida.gov.sg/idaweb/techdev/infopage.jsp?infopagecategory=articles:techdev&versionid=8&infopageid=I3070](http://www.ida.gov.sg/idaweb/techdev/infopage.jsp?infopagecategory=articles:techdev&versionid=8&infopageid=I3070)

for e-passport, including the Ministry of Foreign Affairs; the Ministry of Justice; Ministry of Land, Infrastructure and Transport; Ministry of Economy, Trade and Industry; and the National Police Office<sup>783</sup>. At the conference, Japan presented plans for producing a prototype of the ICAO-PKD, and also announced a planned e-passport pilot test to take place at the Narita Airport, and an e-passports interoperability test session to be hosted by the Japanese government on March 8–10, 2005<sup>784</sup>. Furthermore, in Japan's foreign policy statement on international IT issued in September 2004, Tokyo confirmed its commitment to developing the e-Passport project.<sup>785</sup> As well, in its 2005 IT Policy Package, the government has committed to preparing specifications for a globally interoperable system to implement the use of e-Passports<sup>786</sup>. At the end of the year 2004, the Japanese government showed another significant step to compliance by announcing increased budget allocation for the e-passport project for fiscal year 2005<sup>787</sup>. The final budget that was set aside is 2.51 billion yen; it will go towards implementing passports with biometric features by April 1, 2005.<sup>788</sup>

In September of 2004, Japan received official approval from the United States' Department of State for having satisfied the Border Security Act requirement, which asked for having in place a program to produce biometric passports<sup>789</sup>. In October of 2004, Japan submitted a report of reform recommendations to the United States, in which Japan had asked for an extension of the October 26, 2004 deadline for issuing biometric passports in order to participate in the United States visa waiver program<sup>790</sup>. In response, the United States Congress passed a bill to extend the deadline by one year to October 26, 2005<sup>791</sup>. However, in early 2005, it was reported that the Foreign Ministry of Japan plans to develop and issue e-Passports by Spring 2006 which the US State Department concedes may be a more realistic deadline.<sup>792</sup>

Japan participated in an AICF meeting earlier this year, hosted by Beijing from April 20<sup>th</sup> to April 22, 2005, at which results of Japan's e-Passport interoperability test held at the Tsukuba

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<sup>783</sup> Ibid.

<sup>784</sup> Ibid.

<sup>785</sup> Basic Concept on IT International Policy Centered on Asia, Prime Minister of Japan and His Cabinet Website (Tokyo) 10 September 2004. Date of Access: 9 May 2005 [www.kantei.go.jp/foreign/policy/it/040910concept\\_e.pdf](http://www.kantei.go.jp/foreign/policy/it/040910concept_e.pdf)

<sup>786</sup> IT Policy Package – 2005: Towards the Realization of the World's Most Advanced IT Nation, Prime Minister of Japan and His Cabinet Website (Tokyo) 24 February 2005. Date of Access: 9 May 2005 [www.kantei.go.jp/foreign/policy/it/itpackage2005.pdf](http://www.kantei.go.jp/foreign/policy/it/itpackage2005.pdf)

<sup>787</sup> "Budget set aside for new anticounterfeit passports in FY 2005," Kyodo News (Kyodo) 22 December 2004. Date of Access: 28 December 2004 [asia.news.yahoo.com/041222/kyodo/d874lkj80.html](http://asia.news.yahoo.com/041222/kyodo/d874lkj80.html)

<sup>788</sup> "Safer passports, U.N. staff boost eyed in FY 2005 budget," Kyodo News (Kyodo) 24 December 2004. Date of Access: 28 December 2004 [asia.news.yahoo.com/041224/kyodo/d875n1u00.html](http://asia.news.yahoo.com/041224/kyodo/d875n1u00.html)

<sup>789</sup> Recommendations by the Government of Japan to the Government of the United States regarding Regulatory Reform and Competition Policy, Japan Ministry of Foreign Affairs Official Website (Japan) 14 October 2004. Date of Access: 7 January 2005 [www.mofa.go.jp/region/n-america/us/report0410-1.pdf](http://www.mofa.go.jp/region/n-america/us/report0410-1.pdf)

<sup>790</sup> Summary of Recommendations, Japan Ministry of Foreign Affairs Official Website (Japan) 15 October 2004. Date of Access: 7 January 2005 [www.mofa.go.jp/region/n-america/us/report0410-3.pdf](http://www.mofa.go.jp/region/n-america/us/report0410-3.pdf)

<sup>791</sup> Recommendations by the Government of Japan to the Government of the United States regarding Regulatory Reform and Competition Policy, Japan Ministry of Foreign Affairs Official Website (Japan) 14 October 2004. Date of Access: 7 January 2005 [www.mofa.go.jp/region/n-america/us/report0410-1.pdf](http://www.mofa.go.jp/region/n-america/us/report0410-1.pdf)

<sup>792</sup> Japan E Passport, Central Chronicle (India) 6 February 2005. Date of Access: 9 May 2005 [www.centralchronicle.com/20050206/commerce.htm](http://www.centralchronicle.com/20050206/commerce.htm)



International Congress Center from March 8–10, 2005 were presented<sup>793</sup>. Under the auspices of the ICAO, ISO and the Japanese government, the test reflected previous ones held in the United States and Australia, and involved 23 participating nations including all of the G8 countries, for a total of 17 countries; 15 governments; and also 46 vendors of e-Passports and readers<sup>794</sup>. The interoperability of different prototypes of e-Passports (e-MRPs) and readers (PCDs) that have been purchased by passport issuing agencies, immigration controlling agencies, and vendors, were tested<sup>795</sup>, specifically, adherence to the ICAO Specification and ISO/IEC 14443–1-4 was tested<sup>796</sup>. The culmination of the test session put in place future goals of establishing a “global sample e-MRP depository center” to carry out continuous testing and will involve the NMDA; helping introduce e-MRPs to other Asian countries; producing technological support projects with METI and NMDA; providing support to the interoperability test session proposed to take place in London in September 2005; and of working towards compliance with the ICAO on interoperability and standardization<sup>797</sup>.

## **6. Russia: 0**

Russia has been actively complying with its commitment to develop international standards for interoperable government-issued smart-chip passports and identification documents, but will not achieve implementation by the 2005 Summit. Russia’s effort has primarily come through the development of its own biometric data passport (BDP), in conjunction with the European Union and the International Civil Aviation Organisation’s (ICAO) standards for biometric passports.

In the wake of a series of terrorist attacks in September 2004, Russian President Vladimir Putin established a special interdepartmental working group with the mandate to establish the domestic regulatory and legal framework for the implementation of a biometric data passport (BDP) no later than 1 January 2006.<sup>798</sup> Chaired by presidential aide Viktor Ivanov with deputy chairs Rashid Nurgaliyev (Interior Minister) and Leonid Reiman (Minister of Information Technology and Communication), the special working group was also mandated with the creation of “financial-economic terms for the development and introduction of technologies that would meet world standards” and “is entrusted with the development of external political measures, including in the format of meetings of G8 interior and justice ministers, as well as the framework

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<sup>793</sup> AICF Beijing Committee meeting is held on April 20-22, 2005 in Beijing, News on Asia IC Card Forum Website (Tokyo) 20 April 2005. Date of Access: 9 May 2005 [www.asiaiccardforum.org/~ENG/news/news2005042001.htm](http://www.asiaiccardforum.org/~ENG/news/news2005042001.htm)

<sup>794</sup> Test Results of the e-Passport Interoperability Test Session at Tsukuba in March 8–10, 2005, News on Asia IC Card Forum Website (Tokyo) 20 April 2005. Date of Access: 9 May 2005 [www.asiaiccardforum.org/~ENG/news/Document\\_Beijing/E-Passport\\_Test\\_NMDA\(050420\).pdf](http://www.asiaiccardforum.org/~ENG/news/Document_Beijing/E-Passport_Test_NMDA(050420).pdf)

<sup>795</sup> Test Results of the e-Passport Interoperability Test Session at Tsukuba in March 8–10, 2005, News on Asia IC Card Forum Website (Tokyo) 20 April 2005. Date of Access: 9 May 2005 [www.asiaiccardforum.org/~ENG/news/Document\\_Beijing/E-Passport\\_Test\\_NMDA\(050420\).pdf](http://www.asiaiccardforum.org/~ENG/news/Document_Beijing/E-Passport_Test_NMDA(050420).pdf)

<sup>796</sup> Japan’s IC Card System, Infocomm Development Authority (IDA) of Singapore Official Website (Singapore) 1 November 2004. Date of Access: 7 January 2005 [www.ida.gov.sg/idaweb/techdev/infopage.jsp?infopagecategory=articles:techdev&versionid=4&infopageid=I3094](http://www.ida.gov.sg/idaweb/techdev/infopage.jsp?infopagecategory=articles:techdev&versionid=4&infopageid=I3094)

<sup>797</sup> Test Results of the e-Passport Interoperability Test Session at Tsukuba in March 8–10, 2005, News on Asia IC Card Forum Website (Tokyo) 20 April 2005. Date of Access: 9 May 2005 [www.asiaiccardforum.org/~ENG/news/Document\\_Beijing/E-Passport\\_Test\\_NMDA\(050420\).pdf](http://www.asiaiccardforum.org/~ENG/news/Document_Beijing/E-Passport_Test_NMDA(050420).pdf)

<sup>798</sup> “Russia to issue biometric passports.” European Communities eGovernment News. 23 September 2004. Date of Access: 30 December 2004 [europa.eu.int:80/ida/en/document/3300](http://europa.eu.int:80/ida/en/document/3300).

of regional cooperation to ensure the unification and mutual recognition of the passport-and-visa control technologies.”<sup>799</sup>

On 17 March 2005 the Russian government published “The Conception for the Establishment of a State System for Preparing, Creating and Controlling Passport and Visa Documents of a New Generation” outlining Russian plans for the implementation of a BDP system. The conception laid out a vision where “everyone crossing the border of the Russian Federation should have documents with biometric information by 2007.”<sup>800</sup> Under the conception, 14 billion rubles (US\$500 million) would be spent unifying Russia’s 8,000 passport and visa offices, border crossing points and Foreign Ministry consular offices and would include the establishment of a personalization center, where all biometric data will be stored and BDPs would be produced.<sup>801</sup> Under the terms of the conception, the Ministry of Information and Communications will be in charge of creating the necessary telecommunications infrastructure, and when taken together with the accompanying technological upgrades at the Federal Border Service, Federal Migration Service, Ministries of Transportation and Agriculture, the conception represents one of the largest Russian government Information Technology (IT) projects ever undertaken, at a total cost estimated to be close to US\$2 billion.<sup>802</sup> Deputy Head of the Federal Service for Informational Technology Alexander Pankratov stated at the time of the conception’s release that, “Funding will begin in June of this year.

Soon after the conception’s publication, Prime Minister Putin ordered that a specimen of the new Russia BDP be ready by 1 January 2006 and that a deadline for transferring all Russian citizens to the new documents by 1 January 2007.<sup>803</sup> While ambitious in its envisioned speed of implementation compared to many other G8 nations, some experts have questioned the feasibility of such a dramatic transfer, given the dramatic rise in the cost of a Russian passport from the current US\$8.60 to between US\$70 and US\$90.<sup>804</sup> Responding to the question of the speed of BDP introduction, special working group chair Viktor Ivanov cited the benefits BDPs would have in fighting terrorism and illegal migration and stated, “We should not allow our citizens to be discriminated against when passing through passport and visa control abroad.”<sup>805</sup>

Additionally, in partnership with the APEC countries, Russia has committed to developing systems for sharing passport alerts to help combat terrorism and improve travel safety for business and other travellers in the region. This system, called the Regional Movement Alert List

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<sup>799</sup> “Putin Orders Introduction of Biometric Data Passports in Russia” FindBiometrics.com/ITAR-TASS 20 September 2004. Date of Access: 30 December 2004.

[www.findbiometrics.com/Pages/feature%20articles/putin.html](http://www.findbiometrics.com/Pages/feature%20articles/putin.html)

<sup>800</sup> “Russian Passports to Bear 3D Photos.” Kommersant. 22 April 2005. Date of Access: 23 April 2005.

[www.kommersant.com/page.asp?id=572474](http://www.kommersant.com/page.asp?id=572474)

<sup>801</sup> Ibid.

<sup>802</sup> Ibid.; “New Russian Passports to Contain Biometric Data on Owners.” MosNews 22 March 2005. Date of Access: 6 May 2005. [www.mosnews.com/news/2005/03/22/ruspasport.shtml](http://www.mosnews.com/news/2005/03/22/ruspasport.shtml)

<sup>803</sup> “New Russian Passports to Contain Biometric Data on Owners.” MosNews 22 March 2005. Date of Access: 6 May 2005. [www.mosnews.com/news/2005/03/22/ruspasport.shtml](http://www.mosnews.com/news/2005/03/22/ruspasport.shtml)

<sup>804</sup> Ibid.; “Concept of Russian Biometric Passports Ready.” findBiometrics.com/RIA Novosti 18 March 2005. Date of Access: 7 May 2005. [www.findbiometrics.com/viewarticle.php?id=47](http://www.findbiometrics.com/viewarticle.php?id=47)

<sup>805</sup> “New generation of Russian passports due.” Biometric Watch. Issue 20, April 2005. Date of Access: 7 May 2005. [www.biometricwatch.com/BW\\_20\\_issue/BW\\_20.htm](http://www.biometricwatch.com/BW_20_issue/BW_20.htm)

(RMAL), will “automatically share data on lost and stolen passports” between APEC countries<sup>806</sup>.

## 7. United Kingdom: 0

The United Kingdom has made a significant commitment to the development of international standards for the interoperability of government-issued smart chip passports and other identity documents throughout the year, but will not achieve implementation by the 2005 Summit. This commitment has come primarily through its efforts to implement biometric passports and identity cards domestically and the United Kingdom’s work with the European Council on the development of standards for security features and biometrics in passports and travel documents issued by Member States.

First announced in 23 November 2004 Queen’s Speech to Parliament,<sup>807</sup> the government’s Identity Card Bill would allow for the creation of a national identity register combining traditional identification information (name, address, date of birth, nationality and immigration status) with biometric identifiers (face recognition, digital fingerprinting and iris patterns) in both smart-chip passports and national identity cards.<sup>808</sup> The Home Office minister Baroness Scotland stated during the Bill’s second reading that national identity cards would begin to be implemented on a voluntary basis in 2008.<sup>809</sup>

The United Kingdom Passport Service’s (UKPS) Corporate and Business Plans 2005-2010, published 24 March 2005, reiterated the British government’s commitment to the implementation of biometric data passports (BDPs) and smart-card national identity cards.<sup>810</sup> Among the priorities contained in the UKPS Corporate and Business Plans is the introduction of the ‘ePassport’ by the end of 2005 through the UKPS Integrated Change Programme.<sup>811</sup> This BDP will include “a chip containing a scanned image of the holder’s unique facial features,”<sup>812</sup> meeting the agreed International Civil Aviation Organisation (ICAO) standard for a biometric passport.<sup>813</sup> The UKPS Plans go on to state that the government “expects to add fingerprint

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<sup>806</sup> Joint Statement by U.S. Secretary of State Colin Powell, Chilean Minister of Interior Jose Miguel Insulza and Australian Foreign Minister Alexander Downer, “APEC Economies to Develop a Regional Movement Alert List System,” Office of the Spokesman, Department of State, Washington, DC, November 19, 2004. Date of Access: 2 January 2005 [www.state.gov/r/pa/prs/ps/2004/38495.htm](http://www.state.gov/r/pa/prs/ps/2004/38495.htm).

<sup>807</sup> “Full text of the 2004 Queen’s Speech” BBC News. 23 November 2004. Date of Access: 7 May 2005. [news.bbc.co.uk/go/pr/fr/-/2/hi/uk\\_news/politics/4034947.stm](http://news.bbc.co.uk/go/pr/fr/-/2/hi/uk_news/politics/4034947.stm)

<sup>808</sup> Identity Cards Bill, as introduced in the House of Commons on 29 November 2004 [Bill 8]. The United Kingdom Parliament. 29 November 2004. Date of Access: 28 December 2004.

[www.publications.parliament.uk/pa/cm200405/cmbills/008/2005008.pdf](http://www.publications.parliament.uk/pa/cm200405/cmbills/008/2005008.pdf)  
Identity Cards Bill Explanatory Notes [Bill 8–EN]. The United Kingdom Parliament. 29 November 2004. Date of Access: 28 December 2004. [www.publications.parliament.uk/pa/cm200405/cmbills/008/en/05008x--.htm](http://www.publications.parliament.uk/pa/cm200405/cmbills/008/en/05008x--.htm)

<sup>809</sup> “Minister stands firm on ID cards.” BBC News. 21 March 2005. Date of Access: 7 May 2005. [news.bbc.co.uk/go/pr/fr/-/2/hi/uk\\_news/politics/4370273.stm](http://news.bbc.co.uk/go/pr/fr/-/2/hi/uk_news/politics/4370273.stm)

<sup>810</sup> “United Kingdom Passport Service Corporate and Business Plans 2005-2010.” United Kingdom Passport Service. 24 March 2005. Date of Access: 6 May 2005. [www.passport.gov.uk/downloads/UKPS\\_CBP\\_2005-10.pdf](http://www.passport.gov.uk/downloads/UKPS_CBP_2005-10.pdf)

<sup>811</sup> Ibid.

<sup>812</sup> “UK Passport Service: Improving Passport Security And Tackling ID Fraud.” United Kingdom Passport Service. 24 March 2005. Date of Access: 6 May 2005. [www.passport.gov.uk/press\\_240305.asp](http://www.passport.gov.uk/press_240305.asp)

<sup>813</sup> “Home Office statement on UK ‘biometric’ passports.” Statewatch.org. 24 March 2005. Date of Access: 1 April 2005. [www.statewatch.org/news/2005/mar/15uk-non-biometric-passports.htm](http://www.statewatch.org/news/2005/mar/15uk-non-biometric-passports.htm)

scans” to the ‘ePassport’ as a second biometric in late 2007.<sup>814</sup> The addition of fingerprint scan biometrics to the ‘ePassport’ is also seen as preparation for the implementation of the smart-chip national identity card plan, according to Home Office Minister Des Browne, who envisions the UKPS as “a key part of the new Home Office agency that would be established to run the [national identity card program].”<sup>815</sup>

In addition, the British government has undertaken biometric identification trials on both the local and national level. During the summer of 2004 the UKPS conducted an enrolment trial where iris scans, fingerprints and facial scans were collected. The final report of the UKPS trial has not yet been released.<sup>816</sup> The British government also invested 1.5 million pounds in a ‘smart-card’ pilot program in Cornwall. Approximately 50,000 people enrolled in the program that allowed access to various public services through “the Cornish Key scheme”, but problems with the technology involved caused the trial to be withdrawn earlier than planned.<sup>817</sup> The government has also initiated ‘Project IRIS’ at two Heathrow airport terminals at the end of April 2005 with the aim of expanding the program to other British airports in the future. ‘Project IRIS’ replaces face-to-face passport interviews with instant iris scans for any non-European Union passport holders who travel through Heathrow airport regularly and wish to avoid passport verification long lines. These scans would be stored on file in a government database.<sup>818</sup>

Finally, the United Kingdom has continued to work with both the ICAO and the European Union (EU) to develop international standards for BDPs other government-issued biometric identification.

The United Kingdom actively participated in the development of the Council of the European Union’s biometric passport regulations. At the 2613<sup>rd</sup> Council of the European Union Council Meeting on Justice and Home Affairs on 25-26 October 2004 in Luxembourg, the United Kingdom participated in the agreement to include digital fingerprints as a second mandatory biometric identifier in future Member States’ passports. The meeting also agreed that a digital facial image of the holder will have to be included in all EU passports issued 18 months after the date of adoption of technical specifications to implement the Council Regulations on “standards for security features and biometrics in passports and travel documents issued by Member States,” with digital fingerprints mandatory after 36 months.<sup>819</sup>

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<sup>814</sup> “United Kingdom Passport Service Corporate and Business Plans 2005-2010.” United Kingdom Passport Service. 24 March 2005. Date of Access: 6 May 2005. [www.passport.gov.uk/downloads/UKPS\\_CBP\\_2005-10.pdf](http://www.passport.gov.uk/downloads/UKPS_CBP_2005-10.pdf) (p.17, 19)

<sup>815</sup> “UK Passport Service: Improving Passport Security And Tackling ID Fraud.” United Kingdom Passport Service. 24 March 2005. Date of Access: 6 May 2005. [www.passport.gov.uk/press\\_240305.asp](http://www.passport.gov.uk/press_240305.asp)

<sup>816</sup> “UK Passport to only include a digital photo but costs set to double.” PrivacyInternational.org 29 March 2005. Date of Access: 7 May 2005. [www.privacyinternational.org/article.shtml?cmd\[347\]=x-347-168059](http://www.privacyinternational.org/article.shtml?cmd[347]=x-347-168059)

<sup>817</sup> “Trial ID card scheme is withdrawn.” BBC News. 19 April 2005. Date of Access: 7 May 2005. [news.bbc.co.uk/go/pr/fr/-/2/hi/uk\\_news/england/cornwall/4459493.stm](http://news.bbc.co.uk/go/pr/fr/-/2/hi/uk_news/england/cornwall/4459493.stm)

<sup>818</sup> “Project IRIS’ to scan travelers at Heathrow.” Indo-Asian News Service. 20 April 2005. Date of Access: 22 April 2005. [www.newz.in/large35.asp?catid=37&number=4445](http://www.newz.in/large35.asp?catid=37&number=4445)

<sup>819</sup> “Future EU passports to include fingerprint scans.” eGovernment News. 27 October 2004. Date of Access: 30 December 2004. [europa.eu.int/ida/en/document/3421/330](http://europa.eu.int/ida/en/document/3421/330)  
Press Release, 2613<sup>rd</sup> Council Meeting, Justice and Home Affairs. Council of the European Union. 26 October 2004. Date of Access: 30 December 2004. [ue.eu.int/ueDocs/cms\\_Data/docs/pressData/en/jha/82414.pdf](http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/jha/82414.pdf)

## 8. United States: +1

According to the U.S. Department of State and U.S. Agency for International Development's "FY 2006 Performance Summary," the United States continues to actively implement its smart chip biometric passport strategy.

In fiscal year 2004, procurement from private firms interested in developing and producing biometric passports began with initial tenders awarded on 8 October 2004. A second round of awards was made on 12 January 2005. Currently, fiscal year 2005, the Department of State continues to test its biometric passport products. According to the report named above, by mid-2005 the Department will test issuing these new passports to the public in select regions of the United States. By the end of 2006, the Department of State plans to exclusively issue biometric passports in all its domestic offices. However, Government officials concede that implementation of this new passport technology is proving more difficult than expected, at home and abroad.

The United States Congress extended its deadline requiring implementation of smart chip passports for all Visa Waiver Programme (VWP) member countries from October 2004 to October 2005. That one year extension, only half of the two year recommendation by then Secretary of State Colin Powell, has not been long enough to fully implement the new passports in the US or elsewhere.<sup>820</sup> Indeed, in February 2005, the US State Department once again conceded that major countries like Japan, France and the UK would not have biometric passports on-line until Spring 2006.<sup>821</sup> Therefore the US House Judiciary Subcommittee on Immigration and Border Security again considered the question of extending the implementation deadline on 21 April 2005. The Subcommittee heard testimony from Elaine Dezenski, Acting Assistant Secretary for Policy and Planning, Border and Transportation Security Directorate, U.S. Department of Homeland Security, who acknowledged that contrary to stated goals, the US itself likely would not be ready for the October 26 deadline since machines capable of reading biometric passports will not be available at all ports of entry by that date.<sup>822</sup>

In addition, the US has backed away from the need for VWP countries to have fully biometric passports, instead allowing passports with Digital photographs to meet America's requirements: "In written comments submitted to the hearing, both the committee and subcommittee chairmen said that VWP countries could comply with the US Border Security Act as long as their

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<sup>820</sup> Office of the Spokesman, U.S. Department of State, "Powell Urges Delay of Deadline for New Passport Technology," 21 April 2004, online at [usinfo.state.gov/gi/Archive/2004/Apr/22-962862.html](http://usinfo.state.gov/gi/Archive/2004/Apr/22-962862.html), last accessed 11 May 2005

<sup>821</sup> Japan, France, Britain unable to meet new U.S. passport deadline, Japan Today (Tokyo) 2 February 2005. Date of Access: 9 May 2005 [www.japantoday.com/e/?content=news&id=326484](http://www.japantoday.com/e/?content=news&id=326484)

<sup>822</sup> Oversight Hearing, "Testimony Of Elaine Dezenski Acting Assistant Secretary Border And Transportation Security Directorate Department Of Homeland Security Before The House Committee On The Judiciary Subcommittee On Immigration, Border Security And Claims," Subcommittee on Immigration, Border Security and Claims, U.S. House of Representatives Committee on the Judiciary, 21 April, 2005, (Online at [judiciary.house.gov/oversight.aspx?ID=145](http://judiciary.house.gov/oversight.aspx?ID=145), last accessed 11 May 2005). See Also Greta Wodele, "U.S. will not be able to read high-tech foreign passports," *Govexec.com*, 21 April 2005, Online at [www.govexec.com/dailyfed/0405/042105tdpm1.htm](http://www.govexec.com/dailyfed/0405/042105tdpm1.htm), last accessed 11 May 2005).

passports would contain a printed, secure digital photograph of the holder.”<sup>823</sup> In other words, citizens of the 27 VWP would still be able to enter the United States as long as they would carry a machine-readable passport featuring a digital facial photograph, a step back from the technology governments are trying to implement.

## 9. European Union: 0

The European Union has partially complied with its G8 commitment concerning smartchip documentation. At the General Affairs Council meeting in Brussels on December 13th, 2004, the Council adopted a regulation mandating the inclusion of biometric information in future passports and travel documents issued by EU Member States.<sup>824</sup> The regulation states, “Passports and travel documents shall include a storage medium which shall contain a facial image. Member States shall also include fingerprints in interoperable formats”<sup>825</sup>. National identity cards, temporary passports and travel documents issued by member states are not bound by these regulations.<sup>826</sup> The regulation entered into force twenty days after its publication in the Official Journal of the European Union on December 29<sup>th</sup>, 2004.<sup>827</sup> EU Member states are now obliged to apply these regulations in a time frame of 18 months for facial images and 36 months for fingerprints.<sup>828</sup> The directive is an extension of the Schengen ‘acquis’, therefore the United Kingdom, Ireland and Denmark are not bound by it.<sup>829</sup> These member states have a six-month period to decide whether or not implement the regulation.<sup>830</sup> The European Parliament had on December 2nd, 2004, prior to the Council’s decision, voted in favour of biometric passport regulations.<sup>831</sup> However, it sustained that only facial images should be compulsive biometric identifiers.<sup>832</sup> As of April 28<sup>th</sup>, 2005 Hewlett Packard announced that the EU signed a 48.5 million dollar contract to create the second generation Schengen Information System.<sup>833</sup>

In March 2005 Franco Frattini, the European Justice, Freedom and Security Commissioner, officially asked US Congress to extend the deadline for introducing biometric passports until 28 August 2006: “We would urge the Congress to consider a second extension of the deadline, as

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<sup>823</sup>“US lawmakers question need for microchips in European passports” eGovernment News, 26 April 2005, Date of Access 17 May 2005 [europa.eu.int/ida/en/document/4220/355](http://europa.eu.int/ida/en/document/4220/355)

<sup>824</sup> “Council of the EU adopts biometric passports regulation”; eGovernment News; [europa.eu.int/ida/en/document/3669/194](http://europa.eu.int/ida/en/document/3669/194) ; 17 December 2004.

<sup>825</sup> Council of the European Union; Council Regulation on standards for security features and biometrics in passports and travel documents issued by Member States; [regier.consilium.eu.int/pdf/en/04/15/15152.en04.pdf](http://regier.consilium.eu.int/pdf/en/04/15/15152.en04.pdf); Brussels; 10 December 2004; Page 6.

<sup>826</sup> Ibid. Page 6.

<sup>827</sup> *Official Journal of the European Union* (Issue L 385). *Council Regulation (EC) 2252/2004 of December 13<sup>th</sup> 2004 on Standards for Security Features and Biometrics in Passports and Travel Documents Issued by Member States* (Brussels) 29 December 2004. Date of Access: 8 May 2005 [[europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l\\_385/l\\_38520041229en00010006.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l_385/l_38520041229en00010006.pdf)]; Page 3.

<sup>828</sup> Ibid., Page 3.

<sup>829</sup> “Council of the EU adopts biometric passports regulation”; eGovernment News; [europa.eu.int/ida/en/document/3669/194](http://europa.eu.int/ida/en/document/3669/194); 17 December 2004.

<sup>830</sup> Ibid.

<sup>831</sup> Ibid.

<sup>832</sup> Ibid.

<sup>833</sup> HP Wins \$48.5 Million Contract with European Commission: Deal to increase EU cross-border security and combat terrorism and crime (April 28<sup>th</sup>, 2005) Retrieved May 11<sup>th</sup>, 2005. From: [www.hp.com/hpinfo/newsroom/press/2005/050428a.html](http://www.hp.com/hpinfo/newsroom/press/2005/050428a.html)

Member States would need until 28 August 2006 for the implementation of the facial image in their passports. The Commission and the EU Presidency can assure you that all possible efforts are made by Member States to start handing out biometrically enhanced passports to their citizens as soon as possible.”<sup>834</sup> The request for an additional deadline extension was made after it emerged that only six EU countries — Belgium, Germany, Austria, Finland, Sweden and Luxembourg — were in a position to meet the deadline set by US Congress for VWP countries to start issuing biometric passports to their citizens.”<sup>835</sup>

The European Union itself also recently produced a report, *Biometric at the Frontiers: Assessing The Impact On Society*. The report reiterates the EU’s commitment to interoperability, “and the availability of widely accepted standards and specifications.”<sup>836</sup>

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May 21, 2005

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<sup>834</sup> Online copy of letter available at [op.bna.com/pl.nsf/id/dapn-6aysud/\\$File/Let%20Frattini-Frieden%20-%20Sensenbrenner.pdf](http://op.bna.com/pl.nsf/id/dapn-6aysud/$File/Let%20Frattini-Frieden%20-%20Sensenbrenner.pdf), last accessed 10 May 2005.

<sup>835</sup> “US lawmakers question need for microchips in European passports,” *eGovernment News (IDABC)*, Interoperable Delivery of European eGovernment Services to public Administrations, Businesses and Citizens, 26 April 2005, online at [europa.eu.int/idabc/en/document/4220/355](http://europa.eu.int/idabc/en/document/4220/355), last accessed 11 May 2005.

<sup>836</sup> Institute for Prospective Technological Studies. Technical Report Series. *Biometric At The Frontier: Assessing The Impact On Society*. (EUR 21585 EN), Retrieved May 10<sup>th</sup> 2005. [www.foruminternet.org/telechargement/forum/etude-biometrie-commission-euro-200504.pdf](http://www.foruminternet.org/telechargement/forum/etude-biometrie-commission-euro-200504.pdf)

## Debt Sustainability for the Poorest

### Commitment

“We are committed to fully implementing the HIPC initiative and to supporting debt sustainability in the poorest countries through debt relief and grant financing. To that end, we have asked our finance ministers to:

- Work with other donors and the other international financial institutions to extend the sunset date of the HIPC initiative until December 31, 2006 and to provide the necessary financing for the completion of the initiative, including topping up where appropriate.
- Consider further measures that can help the poorest countries further address the sustainability of their debt.”<sup>837</sup>

*Debt Sustainability for the Poorest*

### Background

Proposed by the World Bank and IMF and agreed by governments around the world in 1996, the HIPC Initiative was the first comprehensive approach to reduce the external debt of the world's poorest, most heavily indebted countries. More so, it represented an important step forward in placing debt relief within an overall framework of poverty reduction.<sup>838</sup> Nevertheless, after major NGOs and developing states doggedly highlighted that debt relief was still only available to a few countries and even then at slow rates, a major review of the scheme was mandated by the G8 in preparation for the 1999 Cologne Summit. At that summit, the Enhanced HIPC Initiative was announced which resulted in significant enhancements to the original framework and the establishment of the Poverty Reduction and Growth facility, the latter of which outlined pre-agreed structural reforms, a program to which candidates must adhere in order to qualify.<sup>839</sup> Since that time, good governance has been tied to debt relief.<sup>840</sup> The topping-up of debt relief, which is available to countries at completion point, is crucial to ensure that a country remains resistant to exogenous shocks.<sup>841</sup> The HIPC Initiative is a program designed under the framework of the UN Millennium Development Goals (MDG) and its central objective is the propagation of sustainable development. James Wolfensohn, former President of the World Bank, describes the

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<sup>837</sup> *Debt Sustainability for the Poorest*, Office of the Press Secretary (Washington) 10 June 2004. Date of access: 10 January 2005. [[www.g8usa.gov/061004b.htm](http://www.g8usa.gov/061004b.htm)]

<sup>838</sup> *The HIPC Debt Initiative*, World Bank (Washington) September 2002. Date of access: 10 January 2005. [[www.worldbank.org/hipc/about/hipcbr/hipcbr.htm](http://www.worldbank.org/hipc/about/hipcbr/hipcbr.htm)]

<sup>839</sup> *Poverty Reduction and Growth Facility Fact Sheet*, International Monetary Fund (Washington). Date of access: 10 January 2005. [[www.imf.org/external/np/exr/facts/prgf.htm](http://www.imf.org/external/np/exr/facts/prgf.htm)]

<sup>840</sup> *The HIPC Debt Initiative*, World Bank (Washington) September 2002. Date of access: 10 January 2005. [[www.worldbank.org/hipc/about/hipcbr/hipcbr.htm](http://www.worldbank.org/hipc/about/hipcbr/hipcbr.htm)]

<sup>841</sup> *Heavily Indebted Poor Countries Initiative*, World Bank (Washington) March 2003. Date of access: 10 January 2005. [[www.worldbank.org/hipc/hipcreview/Fact\\_Sheet\\_mar03.pdf](http://www.worldbank.org/hipc/hipcreview/Fact_Sheet_mar03.pdf)]



initiative as a “comprehensive way to give countries the possibility of exiting from unsustainable debt. It is very good news for the poor of the world.”<sup>842</sup>

## Assessment

Country	Non-Compliance –1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia			+1
United Kingdom			+1
United States			+1
European Union			+1
Overall: +1.00			

## Individual Country Compliance Breakdown

The following information is relevant to all countries listed below and is considered evidence of each country’s compliance with the debt relief commitment specified above:

The staff of the IMF has proposed that the sunset clause of the Enhanced HIPC Initiative be extended to end-2006, in line with the G8 Sea Island commitment on debt sustainability.<sup>843</sup> This recommendation was endorsed by the Boards of the IMF and World Bank, where the G8 control a near majority share-holder interest, at their September 2004 meeting where the sunset date was indeed extended to December 2006.<sup>844</sup> The one proviso was that the HIPC deadline extension would be restricted to “IDA-only and Poverty Reduction Growth Facility (PRGF) eligible countries that have not yet benefited from HIPC debt relief and are assessed to have external public debt in excess of the Enhanced HIPC Initiative thresholds after full application of traditional debt relief mechanisms based on end-2004 debt data.” The IMF and World Bank also agreed to consider further extending the deadline beyond 2006 as warranted, “giv[en] the challenges facing some countries.”<sup>845</sup> Nevertheless, the agreement reached by the IMF and World Bank has still been criticized as “not sufficient” by Paul Toungui, the Minister of Finance for Gabon.<sup>846</sup>

<sup>842</sup> James D. Wolfensohn, *The HIPC Debt Initiative*, World Bank (Washington) September 2002. Date of Access: 10 January 2005. [www.worldbank.org/hipc/about/hipcbr/hipcbr.htm].

<sup>843</sup> *Highly Indebted Poor Countries (HIPC) Initiative: Status of Implementation*, International Monetary Fund (Washington) 20 August 2004. Date of access: 15 January 2005. [www.imf.org/external/np/hipc/2004/082004.pdf]. p. 20.

<sup>844</sup> *The HIPC Initiative - Frequently Asked Questions*, Department for International Development (London) October 2004. Date of Access: 15 January 2005 [www.dfid.gov.uk/mdg/debt-hipc-faqs.asp#top].

<sup>845</sup> *IMF Executive Board Discusses the Status of Implementation of the Enhanced HIPC Initiative*, International Monetary Fund (Washington) 30 September 2004. Date of Access: 14 January 2005 [www.imf.org/external/np/sec/pn/2004/pn04111.htm].

<sup>846</sup> *Transcript of African Finance Ministers’ Press Conference*, International Monetary Fund (Washington) 3 October 2004. Date of access: 14 January 2005. [www.imf.org/external/np/tr/2004/tr041003a.htm]

On 7 January 2005, the Finance Ministers of the G7 announced that they would suspend all debt service receipts from nations affected by the Asian Tsunami until the IMF and World Bank have properly analyzed affected nations' financial assistance needs.<sup>847</sup> After reviewing the assessment of the IMF and World Bank of the countries affected by the Asian Tsunami, the Paris Club creditors agreed to not expect any debt payments from affected nations before 31 December 2005.<sup>848</sup> Moratorium interest will be capitalized and paid over five years, with one year of grace.<sup>849</sup>

During their meetings in February (Moscow)<sup>850</sup> and April (London)<sup>851</sup> of this year, the Finance Ministers and Central Bankers of the G7 nations reaffirmed their commitment to a case-by-case examination of the HIPC's debt burdens. The Ministers thanked the IMF's directors for their suggestions on financing an expanded debt relief program and stated their willingness to provide "up to 100% debt relief", so long as it did not unduly strain the resources of the International Development Agency and the African Development Bank.<sup>852</sup>

On 11 June 2005, the G7 Finance Ministers announced a comprehensive new debt relief initiative in anticipation of the upcoming 2005 Gleneagles Summit. This new scheme would award 18 nations who have reached the HIPC completion point, complete multilateral debt relief, including debt owed to the World Bank, IMF, International Development Association and the African Development Bank. The deal is worth US\$40-billion and is the largest single cancellation of debt in history. Another nine countries are eligible for similar debt relief when they reach the completion point, bringing the total value of the G7 relief package in that case to US\$51-billion.<sup>853</sup>

## 1. Canada: +1

Canada has actively complied with its Sea Island debt relief commitments. The G8 African Action Plan (AAP), of which debt relief is a major pillar, has been a priority for Canada and the backbone of its development policy towards Africa since it hosted the 2002 Kananaskis G8 Summit.<sup>854</sup> Since that time Canada has supported 100% cancellation of sovereign debt, including

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<sup>847</sup> *Statement by G7 Finance Ministers on Assisting Countries Devastated by the Indian Ocean Tsunami*, Department of Finance Canada (Ottawa) 7 January 2005. Date of access: 14 May 2005.

[[www.fin.gc.ca/activty/G7/g7070105\\_e.html](http://www.fin.gc.ca/activty/G7/g7070105_e.html)]

<sup>848</sup> *Paris Club communiqué on Tsunami affected countries*, Paris Club (Paris) 10 March 2005. Date of access: 13 May 2005. [[www.clubdeparis.org/en/news/page\\_detail\\_news.php?FICHIER=com11104547960](http://www.clubdeparis.org/en/news/page_detail_news.php?FICHIER=com11104547960)]

<sup>849</sup> Ibid.

<sup>850</sup> *G7 Ministers Conclusions on Development*, HM Treasury (London) 5 February 2005. Date of access: 14 May 2005. [[www.hm-treasury.gov.uk/otherhmtsites/g7/news/g7\\_statement\\_conclusions050205.cfm](http://www.hm-treasury.gov.uk/otherhmtsites/g7/news/g7_statement_conclusions050205.cfm)]

<sup>851</sup> *Statement by G7 Finance Ministers and Central Bank Governors*, U.S. Treasury (Washington) 16 April 2005. Date of access: 14 May 2005. [[www.treas.gov/press/releases/js2383.htm](http://www.treas.gov/press/releases/js2383.htm)]

<sup>852</sup> Ibid.

<sup>853</sup> Doug Saunders, "Lifting Africa's Debt Sentence," *The Globe and Mail* (Toronto) 13 June 2005. Date of Access: 13 June 2005 [[www.theglobeandmail.com/servlet/story/RTGAM.20050613.wxafrika13/BNStory/International/](http://www.theglobeandmail.com/servlet/story/RTGAM.20050613.wxafrika13/BNStory/International/)].

<sup>854</sup> *Canadian Statement – UNGA Debate on NEPAD*, Canadian International Development Agency (Ottawa) 18 October 2004. Date of access: 15 January 2005. [[www.acdi-cida.gc.ca/cida\\_ind.nsf/vLUallDocByIDEn/7BE40E0E86E1EDB885256F33004E0EC3?OpenDocument](http://www.acdi-cida.gc.ca/cida_ind.nsf/vLUallDocByIDEn/7BE40E0E86E1EDB885256F33004E0EC3?OpenDocument)]

commercial sovereign debt, for the ‘poorest eligible countries.’”<sup>855</sup> In September 2004, Finance Minister Ralph Goodale announced that Canada would cancel approximately C\$7 million owed to it by Ethiopia, Senegal and Ghana under the Enhanced HIPC Initiative.<sup>856</sup> On 17 January 2005, Goodale announced that Canada would cancel the C\$21-million debt owed to Ottawa by Madagascar as a further step towards implementing the HIPC Initiative.<sup>857</sup>

Minister of Finance Canada Ralph Goodale served as a private member of British Prime Minister Tony Blair’s Commission for Africa which spent a year probing the cause of under-development of Africa and the ways in which G8 and African countries could reverse it. The findings of the Commission for Africa were released on 11 March 2005. In the report, the Commission recommended 100% cancellation of all bilateral and multilateral debt stock and service for all HIPCs, including those Sub-Saharan nations not included in the Enhanced HIPC Initiative.<sup>858</sup>

On 16 April 2005, Minister Goodale addressed the International Monetary and Financial Commission. He reiterated Canada’s commitment, originally made in February 2005, “to cover the debt-service obligations of eligible reforming low-income countries to the International Development Agency (IDA) and the African Development Fund”.<sup>859</sup> Such contributions will be available until 2015 or when the individual HIPCs reach completion point, and thus will give these nations “fiscal space” to complete their development goals.<sup>860</sup> Mr. Goodale urged other nations to follow suit and to provide the IMF with the resources necessary to provide debt relief to eligible countries.<sup>861</sup> For these reasons, Canada has been awarded a score of +1.

## 2. France: +1

France has complied with its Debt Relief commitments. France has long relied on debt relief as a primary component of its Official Development Assistance (ODA). In fact, in 2002, HIPC debt relief accounted for almost a quarter of France’s ODA.<sup>862</sup> In particular, the OECD has lauded France’s use of C2D (contrats de désendettement et de développement), a new instrument that “refinanc[es] ODA debt repayments from HIPCs through grants”.<sup>863</sup> Through these instruments, France has partially eliminated the debt of several HIPCs.

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<sup>855</sup> Social Justice Committee – The Halifax Initiative. ‘Canada’s Position on Third World Debt.’ September 2003. [www.halifaxinitiative.org/index.php/Issues\\_Debt\\_IMF/475](http://www.halifaxinitiative.org/index.php/Issues_Debt_IMF/475)

<sup>856</sup> Reuters. ‘Canada Cancels Senegal, Ghana and Ethiopia Debts.’ 22 September 2004.

[www.globeinvestor.com/servlet/ArticleNews/story/ROC/20040922/2004-09-22T135414Z\\_01\\_N22182296\\_RTRIDST\\_0\\_BUSINESS-ECONOMY-CANADA-DEBT-COL](http://www.globeinvestor.com/servlet/ArticleNews/story/ROC/20040922/2004-09-22T135414Z_01_N22182296_RTRIDST_0_BUSINESS-ECONOMY-CANADA-DEBT-COL).

<sup>857</sup> “Canada Cancels All Debt Owed by Madagascar,” Ministry of Finance (Ottawa) 17 January 2005. Date of Access: 17 January 2005 [[www.fin.gc.ca/news05/05-005e.html](http://www.fin.gc.ca/news05/05-005e.html)].

<sup>858</sup> *Our Common Interest: Report of the Commission for Africa*, Commission for Africa (London) 11 March 2005. Date of access: 18 May 2005. [[www.g8.utoronto.ca/meetings-official/cfa2005\\_en.pdf](http://www.g8.utoronto.ca/meetings-official/cfa2005_en.pdf)]. p.319.

<sup>859</sup> *Statement by the Honorable Ralph Goodale, Minister of Finance of Canada*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 18 May 2005. [[www.imf.org/External/spring/2005/imfc/stmt/eng/can.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/can.pdf)]. p.7.

<sup>860</sup> Ibid.

<sup>861</sup> Ibid.

<sup>862</sup> *France. DAC Peer Review: Main Findings and Recommendations*, OECD (Paris) 2004. Date of access: 14 May 2005. [[www.oecd.org/document/11/0,2340,en\\_2649\\_33721\\_32070731\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/11/0,2340,en_2649_33721_32070731_1_1_1_1,00.html)]

<sup>863</sup> Ibid.

In his statement to the International Monetary and Financial Committee, Minister of Economy, Finance and Industry Breton stressed the need to increase funding for the HIPC Initiative in order to accommodate nations that had yet to reach the completion point, including Sudan, Somalia and Liberia.<sup>864</sup> He also urged the expansion of facilities to deal with the debt sustainability problems of non-HIPC nations (including Nigeria and India), such as the Evian Approach of the Paris Club.<sup>865</sup> Finally, M. Breton believes that the proposals of the IMF and World Bank concerning multilateral debt relief are the most sustainable of all schemes suggested by interested parties.<sup>866</sup> He described the plan as: “as many loans as possible, as many grants as necessary, to ensure genuine sustainability.”<sup>867</sup> France is also ready to consider additional relief for HIPC debt to the IDA and African Development Fund.<sup>868</sup>

On 3 October 2004, France provided a total of €2 million to the Fiduciary Fund of the Republic of Burundi.<sup>869</sup> More impressively, however, France effectively wiped out all of Senegal’s debt to the French state as well as to private French financiers.<sup>870</sup> An accord between the French and Senegalese governments was announced on 29 November 2004 wherein the total debt owed by Senegal to all French sources (private debts were subsumed by a State holding company) — amounting to €217 million — were to be eliminated.<sup>871</sup> Despite France’s positive contributions toward the Enhanced HIPC Initiative, it has not openly published a plan for the elimination of debt held by non-G8 nations or multilateral institutions. For the reasons delineated above, France has been awarded a score of +1.

### 3. Germany: +1

Germany has fully complied with its Debt Relief commitments. Of the 15 countries that have reached completion point in the HIPC initiative<sup>872</sup>, Germany has forgiven the debt of one since the Sea Island Summit: Ethiopia (€67 million, which is about 90% of the country’s external debt).<sup>873</sup> Along with the majority of the Paris Club creditors, Germany has offered to ‘provide

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<sup>864</sup> *Statement by M. Breton, French Minister of Economy, Finance and Industry*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 14 May 2005. [www.imf.org/External/spring/2005/imfc/stmt/eng/fra.pdf]. p. 8.

<sup>865</sup> Ibid.

<sup>866</sup> Ibid., p. 9.

<sup>867</sup> Ibid.

<sup>868</sup> Ibid., p. 8.

<sup>869</sup> *France Provides a Grant of Two Million Euros to the Fiduciary Fund For the Payment of Burundi’s Multilateral Debt*, World Bank (Washington) 3 October 2004. Date of access: 10 January 2005. [web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:20265382~menuPK:336998~pagePK:64020865~piPK:149114~theSitePK:336992,00.html]

<sup>870</sup> *Le Chiffre: 217 millions d’euro*, Libération (Paris) 29 November 2004. Date of access: 10 January 2005. [www.liberation.fr/page.php?Article=257829&AG]

<sup>871</sup> Ibid.

<sup>872</sup> *List of Heavily Indebted Poor Countries (38 countries)*, World Bank: Debt Department (Washington) September 2004. Date of access: 15 January 2005. [web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:20260049~menuPK:528655~pagePK:64166689~piPK:64166646~theSitePK:469043,00.html]

<sup>873</sup> *Foreign Policy: Ethiopia*, Auswärtiges Amt (Berlin) 13 December 2004. Date of access: 18 May 2005. [www.auswaertiges-amt.de/www/en/ausgabe\_archiv?archiv\_id=6600]

complete write-off” of Guyana’s debts if there is consensus between the members of the Club.<sup>874</sup> Although Germany has not remitted the debt of the rest of the countries, it has been providing grants and technical assistance to most of them.

In a speech to the International Monetary and Financial Committee in April, 2005, the Finance Minister of the Federal Republic Hans Eichel noted that, although great progress had been made in the Enhanced HIPC Initiative, the IMF and its member states must remain vigilant lest debt levels rise to unsustainable levels in those HIPCs past completion point.<sup>875</sup> Mr. Eichel also said that Germany supports further multilateral debt relief in those situations in which: the sustainability of post-completion point HIPCs’ debt burdens comes under threat; good governance is demonstrated; and the financial stability of the multilateral institutions is not endangered.<sup>876</sup> He stressed the importance of structural reform and economic growth in Low Income Countries (LICs) as a fundamental solution to unsustainable debt burdens and vowed continued German support for those countries that met such criteria.<sup>877</sup> Finally, the Minister announced that Germany would be prepared to support a Paris Club cancellation of 100% of the commercial debts of eligible nations, provided that such debt had been contracted prior to the 1999 Cologne Summit.<sup>878</sup> For these reasons, Germany has been awarded a score of +1.

#### 4. Italy: +1

Italy has fully complied with its Debt Relief commitments. Italy has chosen a middle ground between Japanese insistence on minimal changes to the HIPC Initiative, and the British proposal to radically increase and accelerate African and HIPC debt relief.

Finance Minister Siniscalco, when addressing the International Monetary and Financial Committee in April, 2005, stressed the importance of using debt relief together with other forms of ODA in order to achieve the Millennium Development Goals (MDGs).<sup>879</sup> In particular, he stated that debt relief “should be considered in the context of a comprehensive creditor framework for multilateral debt relief” as well as more efficient “bilateral resources; ... successful completion of the Doha Round ... promot[ion of] the private sector and ... efforts to strengthen governance and improve absorptive capacity”.<sup>880</sup> He also asked that funding considerations take into account the recent extension of the sunset clause and the needs of the PGRF.<sup>881</sup>

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<sup>874</sup> *Highly Indebted Poor Countries (HIPC) Initiative: Status of Implementation*, International Monetary Fund (Washington) 20 August 2004. Date of access: 15 January 2005. [[www.imf.org/external/np/hipc/2004/082004.pdf](http://www.imf.org/external/np/hipc/2004/082004.pdf)]. p. 92.

<sup>875</sup> *Statement by Mr. Hans Eichel, Minister of Finance of the Federal Republic of Germany*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 18 May 2005. [[www.imf.org/External/spring/2005/imfc/stmt/eng/deu.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/deu.pdf)]. p. 5.

<sup>876</sup> Ibid.

<sup>877</sup> Ibid. p. 6.

<sup>878</sup> Ibid.

<sup>879</sup> *Statement by Honorable Domenico Siniscalco, Minister of Economy and Finance and Governor of the IMF for Italy*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 12 May 2005. [[www.imf.org/External/spring/2005/imfc/stmt/eng/ita.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/ita.pdf)]. p. 10.

<sup>880</sup> Ibid.

<sup>881</sup> Ibid.

At a joint British-Italian Summit in July, 2004, Prime Ministers Blair and Berlusconi both stressed their support for the full implementation of the HIPC Initiative, but recognized that aid must rely on other facets of economic development as well.<sup>882</sup> Nevertheless, Rome has given every indication that it will not block any major G8 initiative to provide 100% multilateral debt relief to LDCs and is generally content to agree with the consensus. For these reasons, Italy has been awarded a score of +1.

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

Japan has complied with its debt relief commitments. Despite the fact that Japan was the second largest donor nation by volume of ODA flows in 2003, its development assistance programs do have some troublesome implications for the Enhanced HIPC Initiative.<sup>883</sup> In particular, partly because of the Asian Financial Crisis, Japan has become the largest bilateral foreign donor of all OECD countries, and its loans to Least Developed Countries (LDCs) are growing.<sup>884</sup> Japan has the largest ODA and non-ODA total claim against the members of the HIPC Initiative (US\$10.5 billion), larger than any other G7 creditor nation.<sup>885</sup> Japan, however, sees this as an advantage in its commitment to debt relief; under the Initiative, “Japan will be one of the biggest contributors in terms of bilateral debt relief”.<sup>886</sup>

In recent months, Japan has become adamant about the need to pursue alternatives to 100% debt forgiveness to all HIPC Initiative members.<sup>887</sup> In a speech to the International Monetary and Financial Committee, H.H.E. Sadakazu Tanagaki stressed his belief that the IMF should continue to follow a case by case approach to debt forgiveness and promote sustainable debt loads through “private sector development and nurturing a credit culture”.<sup>888</sup> Mr. Tanagaki believes that complete debt reduction would both foster moral hazard and reduce the debt load of the HIPC Initiative members far below “sustainable” levels.<sup>889</sup>

## **6. Russian Federation: +1**

Russia has fully complied with its debt sustainability commitment. In a statement to the International Monetary and Financial Committee on 16 April 2005, Finance Minister Aleksei Kudrin, commented on the progress made on implementation of the Enhanced HIPC Initiative,

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<sup>882</sup> *UK-Italy Summit, London, 13 July 2004: Joint Statement*, British Embassy (Rome) 13 July 2004. Date of access: 15 December 2005.

[[www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1089125953217](http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1089125953217)]

<sup>883</sup> *Japan. DAC Peer Review: Main Findings and Recommendations*, Organisation for Economic Cooperation and Development (Paris) 2004. Date of access: 15 December 2004.

[[www.oecd.org/document/10/0,2340,en\\_2649\\_34603\\_22579914\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/10/0,2340,en_2649_34603_22579914_1_1_1_1,00.html)]

<sup>884</sup> Ibid.

<sup>885</sup> *Japan's Basic Position on the Debt Problem Faced by the Heavily indebted Poor Countries (HIPC)s*, Ministry of Foreign Affairs (Tokyo) 6 April 2005. Date of access: 13 May 2005.

<sup>886</sup> Ibid.

<sup>887</sup> *Statement by HH. E. Sadakazu Tanagaki, Minister of Finance of Japan and Governor of the IMF for Japan*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 11 May 2005. [[www.imf.org/External/spring/2005/imfc/stmt/eng/jpn.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/jpn.pdf)], p.7.

<sup>888</sup> Ibid.

<sup>889</sup> Ibid.

noting that, since the IMFC's previous meeting, an additional 4 countries have met the requirements for eligibility.<sup>890</sup> However, Minister Kudrin warned that many countries have "gone off track", preventing them from "enjoying full benefits offered by the Initiative in terms of debt relief".<sup>891</sup> Mr. Kudrin affirmed Russia's "readiness to contribute resources to the account for the subsidization of emergency assistance for natural disasters".<sup>892</sup>

Mr. Kudrin also stressed that debt relief must not be the sole means of addressing the financial troubles affecting developing countries, but must be combined with encouragement of "financial discipline" in indebted countries and "display[s of] restraint in extending new credit" on the part of creditor nations.<sup>893</sup> Russia believes that further debt relief initiatives should be restricted until the Enhanced HIPC Initiative has been completed, and that further debt forgiveness should be available only to those countries "that have already reached a HIPC Initiative completion point and are continuing to implement sound economic policies".<sup>894</sup> In light of this statement, Russia appears hesitant to commit to an institutionalized system of debt relief or assistance, and has not made an official comment regarding the possible creation of the International Finance Facility proposed by the United Kingdom in April 2004.<sup>895</sup>

Russia has, however, remained committed to a case-by-case review of debt relief,<sup>896</sup> and continues to pursue bilateral debt relief agreements under the framework of the Paris Club HIPC Initiative. The most recent agreement was made 27 July 2004 between Russia and Nicaragua to drop some US\$340 million in debt incurred in arms purchases from the Soviet Union.<sup>897</sup>

Russia has committed US\$14.6 million under the PRGF-HIPC Trust, in the form of grants and subsidies distributed on an as-needed basis.<sup>898</sup> The directive, signed 4 May 2005 by Russian

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<sup>890</sup> *Statement by Hon. Mr. Alexei Kudrin, IMF Governor for the Russian Federation and Minister of Finance of the Russian Federation, International Monetary and Financial Committee* (Washington) 16 April 2005. Date of access: 21 May 2005. [www.imf.org/external/spring/2005/imfc/stmt/eng/rus.pdf]. p. 4.

<sup>891</sup> *Ibid.*

<sup>892</sup> *Ibid.*

<sup>893</sup> *Statement by Hon. Aleksei Kudrin, Governor for the Fund and the Bank of the Russian Federation, at the Joint Annual Discussion, International Monetary Fund* (Washington) 3 October 2004. Date of access: 21 May 2005. [www.imf.org/external/am/2004/speeches/pr57e.pdf]. p. 5.

<sup>894</sup> *Statement by Hon. Mr. Alexei Kudrin, IMF Governor for the Russian Federation and Minister of Finance of the Russian Federation, International Monetary and Financial Committee* (Washington) 2 October 2004. [www.imf.org/External/AM/2004/imfc/statem/eng/ruse.pdf]. p.3.

<sup>895</sup> *International Finance Facility Proposal*, HM Treasury (London) April 2004. Date of access: 21 May 2005. [www.hm-treasury.gov.uk/documents/international\_issues/int\_gnd\_intfinance.cfm]

<sup>896</sup> *Highly Indebted Poor Countries (HIPC) Initiative: Status of Implementation*, International Monetary Fund (Washington) 20 August 2004. Date of access: 15 January 2005. [www.imf.org/external/np/hipc/2004/082004.pdf]. p. 94.

<sup>897</sup> *Russian [sic] signs Nicaragua debt write-off deal*, Interfaks (Moscow) 27 July 2004. Date of access: 15 January 2005. [www.interfax.ru/e/B/0/26.html?menu=2&id\_issue=10688118]

<sup>898</sup> *Review of PRGF-HIPC Financing, the Adequacy of the Reserve Account of the PRGF Trust, and Subsidization of Emergency Assistance*, International Monetary and Financial Committee (Washington) 23 March 2005. Date of access: 21 May 2005. [www.imf.org/external/np/pp/eng/2005/032305.pdf]. p. 7

Prime Minister Mikhail Fradkov, commits US\$10 million to the trust fund in 2005, and an additional US\$5 million in 2006.<sup>899</sup>

## 7. United Kingdom: +1

The United Kingdom has fully complied with its Debt Relief commitments. In its role as the 2005 President of the G8, Great Britain is playing an active and successful role in its commitment to debt relief and has made the issue one of the cornerstones of its Summit agenda.

The United Kingdom has come forth urging the other “G7 nations to follow its example and write off debts owed by the world’s poorest countries.”<sup>900</sup> The United Kingdom has announced that it will further aid those HIPC’s with debts to the World Bank and the African Development Bank “by unilaterally paying [its] share of the cost of servicing this debt, i.e. 10%”.<sup>901</sup> It is calling for other nations to follow its lead in covering such debt service payments. It believes that the United Kingdom’s own commitment to cancel 100% of all bilateral debts owed by HIPC’s should be matched by the multilateral organizations and is actively seeking the support of other national governments to encourage the IMF and World Bank to adopt such measures.<sup>902</sup> Bilateral relief as well as efforts to deepen multilateral relief, according to Chancellor Brown, will be expanded beyond the confines of the HIPC Initiative to include all poor countries meeting debt load and economic reform requirements.<sup>903</sup> Of these other poor nations, International Development Minister Hilary Benn believes that up to ten may be included in the Enhanced HIPC Initiative thanks to the extension of the sunset clause by a further two years.<sup>904</sup> With regards to long-term debt sustainability, Great Britain supports this by “more grant financing and debt relief so that debt service obligations are not hampering countries’ progress towards meeting the MDGs.”<sup>905</sup>

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<sup>899</sup> *Statement by Hon. Aleksei Kudrin, Governor for the Fund and the Bank of the Russian Federation, at the Joint Annual Discussion*, International Monetary Fund (Washington) 3 October 2004. Date of access: 21 May 2005. [www.imf.org/external/am/2004/speeches/pr57e.pdf]. p. 5.

<sup>900</sup> Alex Kleiderman, *Hurdles in Way of ‘Audacious’ Debt Plan*, BBC News (London) 27 September 2004. Date of access: 15 January 2005. [news.bbc.co.uk/1/hi/business/3694066.stm]

<sup>901</sup> Hilary Benn, *Building Capable States in Africa – Priorities for the G8*, Institute for Public Policy Research (London) 6 December 2004. Date of access: 15 January 2005. [www.dfid.gov.uk/news/files/speeches/hilarycapstatesafrica6dec04.pdf]. p. 6.

<sup>902</sup> *UK to Provide Deeper Debt Relief to Poor Countries*, Department for International Development (London) 26 September 2004. Date of access: 15 January 2005. [www.dfid.gov.uk/news/files/pressreleases/deeperdebt-full.asp]

<sup>903</sup> *Debt Initiative – Background Note*, Department for International Development (London) 26 September 2004. Date of access: 15 January 2005. [www.dfid.gov.uk/news/files/pressreleases/NewDebtInitiativenote26Sept04.pdf]

<sup>904</sup> Hilary Benn, *Building Capable States in Africa – Priorities for the G8*, Institute for Public Policy Research (London) 6 December 2004. Date of access: 15 January 2005. [www.dfid.gov.uk/news/files/speeches/hilarycapstatesafrica6dec04.pdf]. p. 6.

<sup>905</sup> *Millennium Development Goals: Aid, Trade, Growth and Global Partnership*, Department for International Development (London). Date of access: 21 May 2005.



At a bilateral meeting held between Italy and the UK in July 2004, the two nations “reaffirmed their commitment to providing debt relief and to channeling that relief towards poverty reduction through full implementation of the HIPC initiative.”<sup>906</sup>

In his address to the International Monetary and Financial Committee on 16 April 2005, Chancellor of the Exchequer Gordon Brown reiterated Great Britain’s commitment to “ensure the completion of the HIPC initiative so that all eligible countries can benefit from HIPC debt relief; to achieve more effective topping up at completion point; to encourage other creditors to participate; and to ensure that the initiative is securely and fully financed”.<sup>907</sup> He further urged the members of the G7 nations to agree on a financing plan for 100% debt relief and emphasized the fact that a fraction of the IMF’s gold reserves could be sold without causing disruption to the global gold market in order to finance such an objective.<sup>908</sup> Chancellor Brown conceded, however, that gold sales were only a partial answer, and that further support from rich countries, for both debt relief and critically necessary development projects, is paramount.<sup>909</sup>

The findings for the Commission for Africa, of which Prime Minister Tony Blair is chair, were released on 11 March 2005. In the report, the Commission recommended 100% cancellation of all bilateral and multilateral debt stock and service for all HIPCs, including those Sub-Saharan nations not included in the Enhanced HIPC Initiative.<sup>910</sup> The report also highlights the shortcomings of the Initiative, which it claims made debt relief “an accounting clean-up” rather than a meaningful elimination of the debt burden of poor countries.<sup>911</sup> The report calls on donor nations to expand the terms and criteria for debt relief, so that reforming nations across Africa may benefit, and provide the necessary resources for cancellation of multilateral debt rather than simply bilateral debt.<sup>912</sup> For these reasons, the United Kingdom receives a score of +1.

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

The United States has complied with its Debt Relief commitments. In September, the United States urged partial cancellation of poor country debt to the IMF and World Bank, and tabled a proposal that further assistance by the IMF and World Bank to least-developed countries come in the form of grants rather than loans.<sup>913</sup> The plan, however, has been criticized for placing the

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<sup>906</sup> *UK-Italy Summit, London, 13 July 2004: Joint Statement*, British Embassy (Rome) 13 July 2004. Date of access: 15 December 2005.

[[www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1089125953217](http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1089125953217)]

<sup>907</sup> *Statement by Rt. Hon. Gordon Brown, Chancellor of the Exchequer United Kingdom*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 19 May 2005.

[[www.imf.org/External/spring/2005/imfc/stmt/eng/gbr.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/gbr.pdf)]. p.4.

<sup>908</sup> *Ibid.*

<sup>909</sup> *Ibid.*

<sup>910</sup> *Our Common Interest: Report of the Commission for Africa*, Commission for Africa (London) 11 March 2005. Date of access: 18 May 2005. [[www.g8.utoronto.ca/meetings-official/cfa2005\\_en.pdf](http://www.g8.utoronto.ca/meetings-official/cfa2005_en.pdf)]. p.319.

<sup>911</sup> *Ibid.*

<sup>912</sup> *Ibid.*, p. 320.

<sup>913</sup> *Statement by the Honorable John W. Snow Secretary of the Treasury of the United States of America*, International Monetary and Financial Committee (Washington) 2 October 2004. Date of access: 15 December 2004. [[www.treas.gov/press/releases/js1986.htm?SEARCH.X=28&SEARCH.Y=4](http://www.treas.gov/press/releases/js1986.htm?SEARCH.X=28&SEARCH.Y=4)]

burden for debt forgiveness solely onto the resources of the international financing vehicles.<sup>914</sup> Treasury Secretary John Snow has, nevertheless, reiterated the Bush Administration's commitment to 100% debt cancellation for nations that participate in the HIPC Initiative.<sup>915</sup> Mr. Snow has suggested, however, that debt relief should also be encouraged in other ways, such as changing the macroeconomic fundamentals of the poorest nations and thereby allowing them to earn a greater national income.

In his address to the International Monetary and Financial Committee in April, 2005, Secretary Snow downplayed the importance of HIPC debt relief. He reiterated the United States' belief that "[h]elping low-income countries depends on ending the lend-and-forgive cycle and moving into an era of sustainable debt".<sup>916</sup> He welcomed the new debt sustainability framework and the increase in grants and debt relief by the International Development Agency and the African Development Fund.<sup>917</sup> However, Secretary Snow categorically rejected arguments in favour of IMF debt relief or the sale of IMF gold for such purposes.<sup>918</sup> The Secretary's statements are in direct opposition to the proposed schemes for debt forgiveness and debt relief funding proposed by the United Kingdom.

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

The European Union has fully complied with its Debt Relief commitments. The EU itself is not a substantial creditor of any kind. Most of debt relief programs and activities are implemented through bilateral actions between HIPC countries and the separate EU member states, who are the legal owners of the debt, within the G8 framework.<sup>919</sup>

At the Africa-Europe Dialogue Third Meeting of the Troikas, experts commented that debt relief in itself will not be sufficient for 'long term debt sustainability' and called for a more "active participation of the debtor countries in the appropriate fora regarding further discussions on external debt".<sup>920</sup> The EU is participating actively in the development of LDCs but it cannot act as a sovereign state which lends or remits debts as such acts are ultimately undertaken by the member states themselves.

In his address to the International Monetary and Financial Committee in April, 2005, EU Commissioner Joaquín Almunia welcomed the IMF's extension of the HIPC Initiative sunset clause but expressed concern that some post-conflict HIPC countries may still be ineligible for debt relief

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<sup>914</sup> Paul Bluestein, *US Wants to Cancel Poor Nations' Debt*, Washington Post (Washington) 14 September 2004. p. A06.

<sup>915</sup> *Economic Power Agree to Help Poor Nations*, Associated Press, 04 October 2004.

<sup>916</sup> *Statement by the Honorable John W. Snow, U.S. Secretary of the Treasury*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 19 May 2005. [[www.imf.org/External/spring/2005/imfc/stmt/eng/usa.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/usa.pdf)]. p.3.

<sup>917</sup> Ibid.

<sup>918</sup> Ibid.

<sup>919</sup> *Address by Mr. Theodorakis, Acting Director-General, to the South African Heads of Mission on EU-Africa relations*, European Commission (Brussels) 5 July 2004. Date of access: 15 January 2005. [[europa.eu.int/comm/development/body/eu\\_africa/docs/address\\_040705.pdf#zoom=100](http://europa.eu.int/comm/development/body/eu_africa/docs/address_040705.pdf#zoom=100)]

<sup>920</sup> *Communiqué, Africa Europe Dialogue Third Meeting of the Troikas*, African Union (Addis Ababa) 4 December 2004. Date of access: 15 January 2005. [[europa.eu.int/comm/development/body/eu\\_africa/docs/comm\\_addis\\_4\\_12\\_2004.pdf#zoom=100](http://europa.eu.int/comm/development/body/eu_africa/docs/comm_addis_4_12_2004.pdf#zoom=100)]

under the Initiative.<sup>921</sup> In a separate speech on behalf of the EU Council of Economic and Finance Ministers, Prime Minister Jean-Claude Juncker said that the EU supported 100% cancellation of multilateral debt on a case-by-case basis.<sup>922</sup> He also urged for other low-income nations to be offered debt relief.<sup>923</sup> Prime Minister Juncker called for increased contributions from donor nations to the World Bank and the African Development Fund in order to finance further debt relief.<sup>924</sup> He welcomed the examination of the various means by which debt cancellation by the International Monetary Fund might be achieved, including alternative sources of financing and the sale of gold.<sup>925</sup>

For the reasons stated above, in particular the extension of the sunset clause to end-2006 and the EU's support for comprehensive and total debt relief, the European Union has been awarded a score of +1.

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May 22, 2005

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<sup>921</sup> *Statement by Commissioner Joaquin Almunia*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 19 May 2005. [[www.imf.org/external/spring/2005/imfc/stmt/eng/ec.pdf](http://www.imf.org/external/spring/2005/imfc/stmt/eng/ec.pdf)]. p.4.

<sup>922</sup> *Statement by Prime Minister Jean-Claude Juncker, EU Council of Economic and Financial Ministers*, International Monetary and Financial Committee (Washington) 16 April 2005. Date of access: 19 May 2005. [[www.imf.org/external/spring/2005/imfc/stmt/eng/eu.pdf](http://www.imf.org/external/spring/2005/imfc/stmt/eng/eu.pdf)]. p.6.

<sup>923</sup> Ibid.

<sup>924</sup> Ibid.

<sup>925</sup> Ibid.

## Financing Development: Private Entrepreneurship

### Commitment

“In anticipation of the UN-designated “international year of micro-credit” in 2005, G8 countries will work with the World Bank-based Consultative Group to Assist the Poor (CGAP) to launch a global market-based microfinance initiative.”

*G8 Action Plan: Applying the Power of Entrepreneurship to the Eradication of Poverty*

### Background

The UN General Assembly designated 2005 as the International Year of Microcredit and has invited Governments, the United Nations system, concerned non-governmental organizations and others from civil society, the private sector, and the media to join in raising the profile and building the capacity of the microcredit and microfinance sectors.<sup>926</sup> Through a concerted, collaborative and spirited effort by all stakeholders, microcredit can assume an even larger role in the global strategy for meeting the international pledge of the Millennium Development Goals (MDGs).<sup>927</sup> In September 2005, the UN General Assembly will hold a special session to look at progress towards the United Nations Millennium Development Goals, which include halving by 2015 the proportion of people living on less than \$1 a day.<sup>928</sup> Giving the poor access to such basic financial tools as credit, savings, insurance and money transfers will help meet those goals. At the 2004 Sea Island Summit the G8 has answered the call of the UN and has called upon its members to explore microfinance initiatives.<sup>929</sup> In particular, the G8 countries agreed to work with the World Bank-based Consultative Group to Assist the Poor (CGAP) to launch a global market-based microfinance initiative. Despite considerable efforts of these countries towards creating bilateral micro-credit initiatives and even some multi-lateral or regional-based ones, to date there has been no indication of progress on a global micro-finance initiative whether in concert with the World Bank or any other development agency. As such, all countries receive a score of –1 for this priority issue-area commitment.

Microfinance is an important area in which most, if not all, G8 countries are engaged. But an examination of only microfinance does not provide a proper assessment of G8 aid flows, contributions to debt relief, involvement with innovative financing proposals, private sector flows, remittances, and so on, in other words what is generally understood as required for financing development.

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<sup>926</sup> United Nations, “Daily Press Briefing by the Office the of the Spokesman for the Secretary-General andSpokesman for the General Assembly President”, 16 November, 2004.  
[[www.un.org/News/briefings/docs/2004/db041116.doc.htm](http://www.un.org/News/briefings/docs/2004/db041116.doc.htm)]

<sup>927</sup> United Nations, “Daily Press Briefing by the Office the of the Spokesman for the Secretary-General andSpokesman for the General Assembly President”, 16 November, 2004.  
[[www.un.org/News/briefings/docs/2004/db041116.doc.htm](http://www.un.org/News/briefings/docs/2004/db041116.doc.htm)]

<sup>928</sup> International Year of Microcredit, “Why a Year?”  
[[www.yearofmicrocredit.org/pages/whyayear/whyayear\\_learnaboutyear.asp](http://www.yearofmicrocredit.org/pages/whyayear/whyayear_learnaboutyear.asp)]

<sup>929</sup> G20 “Communique\_ Meeting of Finance Ministers and Central Bank Governors.” 20–21 November, 2004.  
[[www.g8.utoronto.ca/g20/g20-041121comm.html](http://www.g8.utoronto.ca/g20/g20-041121comm.html)]

## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada	-1		
France	-1		
Germany	-1		
Italy	-1		
Japan	-1		
Russia	-1		
United Kingdom	-1		
United States	-1		
European Union	-1		
Overall: -1.00			

## Individual Country Compliance Breakdown

### 1. Canada: -1

There is no evidence that there has been any further steps taken by Ottawa to create a global market-based microfinance initiative in concert with the World Bank-based Consultative Group to Assist the Poor (CGAP). In his 16 April, 2005 statement following the meeting of the IMFC, the Honorable Ralph Goodale, Minister of Finance of Canada, focused on the importance of achieving the aims of the Millennium development goals and the Fund's poverty reduction efforts through debt relief.<sup>930</sup> No mention was made of micro-finance solutions in Mr. Goodale's statement. The Honorable Ralph Goodale, Minister of Finance of Canada attended the International Monetary and Financial Committee meeting in Washington in October, 2004. There, the IMFC Governors reiterated the importance of microfinance in the development framework and a promise was put forward to revisit the matter at a later date.<sup>931</sup> Similarly, at the G20 Finance Ministers' Meeting in Berlin, Germany in November of 2004, Canada "welcomed recent work by the World Bank and the IMF on the need...for financing for development,"<sup>932</sup> however; no distinct actions were recommended regarding a global, market-based microfinance initiative.

Despite this, Canada has been involved in a variety of microfinance development scheme outside of the 2004 Sea Island commitment.

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<sup>930</sup> 'Statement by The Honourable Ralph Goodale, Minister of Finance of Canada,' 16 April, 2005 . International and Monetary Fund Committee

Date of Access: 24 May, 2005

[[www.imf.org/external/spring/2005/imfc/stmt/eng/can.pdf](http://www.imf.org/external/spring/2005/imfc/stmt/eng/can.pdf)]

<sup>931</sup> World Bank, "Statement by H. E. Nicolas Sarkozy, Minister of State, Minister of Economy, Finance and Industry, France", 2 October 2004.

[siteresources.worldbank.org/DEVCOMMIT/Documentation/20264370/DCS2004-0046\(E\) France.pdf](http://siteresources.worldbank.org/DEVCOMMIT/Documentation/20264370/DCS2004-0046(E) France.pdf)

<sup>932</sup> Embassy of France in Australia, "Speech by M. Jacques Chirac, President of the Republic, at the opening ceremony of the Tenth Francophone Summit", 26 November 2004. [www.ambafrance-au.org/article.php3?id\\_article=768](http://www.ambafrance-au.org/article.php3?id_article=768)

<sup>932</sup> IMF, "Statement by Mr. Hans Eichel, Minister of Finance of the Federal Republic of Germany, to the International Monetary and Financial Committee", 2 October 2004. [imf.org/External/AM/2004/imfc/statem/eng/deue.pdf](http://imf.org/External/AM/2004/imfc/statem/eng/deue.pdf)

In bilateral actions, however, Canada has continued to be a strong advocate of microfinance and microcredit initiatives. The Canadian International Development Agency (CIDA) currently funds several bilateral microcredit related initiatives in conjunction with NGOs. These initiatives include: funding the Aga Khan Foundation in the establishment of a microcredit bank in Tajikistan; supporting World Relief Canada providing microcredit to the poor in Vietnam, Cambodia, Bangladesh, Mozambique, and Rwanda; continuing support for Développement international Desjardins in implementing its community finance projects on four continents: Europe, Asia, the Americas, and Africa.<sup>933</sup> In the interim period, Canada has pledged CAD\$6.5 million over six years to OXFAM entrepreneurship initiatives in Mozambique; and CAD\$11 million (\$2.5 million to a World Bank Trust fund) to 'land management and administration' in Cambodia, including access to finance for farmers.<sup>934</sup>

None of these none of these constitute support for a global, market-based microfinance initiative and thus, cannot be considered evidence of compliance with the commitment.

## 2. France: –1

While France has been active in the issue of microfinance and microcredit, there is no evidence, as with the other G8 states, that there has been any further action by Paris to create a global market-based microfinance initiative in concert with the World Bank-based Consultative Group to Assist the Poor (CGAP). However, France's development agency, the Agence Française de Développement (AFD), is involved in promoting and supporting microfinance initiatives, including recent projects in Kenya<sup>935</sup> and South Africa<sup>936</sup>,

France has taken some action to encourage more cooperation in this domain. In June 2004, the AFD will attend an international conference hosted by Germany, to be attended by donors and representatives of microfinance institutions, in recognition of the UN-designated "International Year of Micro-credit", with the aim of increasing access to microfinance.<sup>937</sup> In an address to members of the diplomatic corps on January 6, President Chirac expressed his hope that the conference and the international year would increase the number of beneficiaries tenfold, to 600 million people.<sup>938</sup>

With respect to the funding of micro-finance initiatives, President Jacques Chirac pledged to create a loan facility of € 20 million to increase funding of micro-credit ventures at the Tenth

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<sup>933</sup> "2005: International Year of Microcredit!" Canadian International Development Agency (Ottawa) 24 January 2005. Date of Access: 24 January 2005 [[www.acdicida.gc.ca/cida\\_ind.nsf/AllDocIds/B12BCB7C17B8C69A852568EB00694B0B?OpenDocument#3](http://www.acdicida.gc.ca/cida_ind.nsf/AllDocIds/B12BCB7C17B8C69A852568EB00694B0B?OpenDocument#3)].

<sup>934</sup> "Canada builds capacity of private sector in poor countries" Canadian International Development Agency 7 April 2005. Date of Access: 24 May, 2005. [[www.acdi-cida.gc.ca/cida\\_ind.nsf/fWebNewsList?Open&lang=en&year=2005](http://www.acdi-cida.gc.ca/cida_ind.nsf/fWebNewsList?Open&lang=en&year=2005)]

<sup>935</sup> Agence Française de Développement, "La Microfinance lève des fonds en Afrique", 11 April 2005, <[www.afd.fr/jahia/webdav/site/myjahiasite/users/administrateur/public/communiques/faulu-kenya.pdf](http://www.afd.fr/jahia/webdav/site/myjahiasite/users/administrateur/public/communiques/faulu-kenya.pdf)>.

<sup>936</sup> Agence Française de Développement, "Activités & Projets: Edu Loan", Accessed 9 May 2005, <[www.afd.fr/jahia/Jahia/pid/14/srcpage/lstpays/projet/222](http://www.afd.fr/jahia/Jahia/pid/14/srcpage/lstpays/projet/222)>.

<sup>937</sup> Association pour le droit à l'initiative économique, "2005, l'Année du Microcrédit", Accessed 9 May 2005, <[www.adie.org/anneemc/rubrique.php3?id\\_rubrique=1](http://www.adie.org/anneemc/rubrique.php3?id_rubrique=1)>.

<sup>938</sup> Embassy of France in the US, "Speech by President Jacques Chirac on the occasion of the New Year Greeting to the Diplomatic Corps" Paris, 6 January 2005, <[www.info-france-usa.org/news/standpoint/stand103.asp](http://www.info-france-usa.org/news/standpoint/stand103.asp)>.

Francophone Summit in Burkina Faso on 26 November 2004 and stated that France would host an international conference in June 2005 to increase general mobilization around the issue.<sup>939</sup> Despite these efforts, France has yet to act with the World Bank-based Consultative Group to Assist the Poor (CGAP) to launch a global market-based microfinance initiative.

### **3. Germany: –1**

While Germany has been active in the issue of microfinance and microcredit, there is no evidence, as with the other G8 states, that there has been any further action by Germany to create a global market-based microfinance initiative in concert with the World Bank-based Consultative Group to Assist the Poor (CGAP).

On October 2, 2004, in a statement to the International Monetary and Fiscal Committee (MFC) in Washington, Hans Eichel, Minister of Finance of the Federal Republic of Germany, welcomed “measures to strengthen financial systems” in developing and emerging economies.<sup>940</sup> While no steps were taken towards the creation or implementation of a global market based microfinancing initiative, Mr. Eichel did reiterate that such enterprises are essential in the creation and management of financial market structures in developing countries, stating that “the best way to achieve debt sustainability is to stimulate economic growth, to attract investment, and to implement sound policies.”<sup>941</sup> Mr. Eichel, along with the other Governors of the IMFC, promised to return to the issue of microfinancing in the future.<sup>942</sup>

The G20 Finance Ministers’ Meeting in Berlin in November of 2004 saw the G20 Finance Ministers emphasize the role of microfinancing in development and Mr. Eichel, as chair of this meeting, approved of the World Bank’s and IMF’s stressed importance of such projects.<sup>943</sup>

However, In June of 2005, Frankfurt will host a conference to catalyze new strategic partnerships between microfinance institutions and the private sector in order to grow microfinance and to contribute to the UN Millennium Development Goals. This conference is being held in concert with the World Bank’s Consultative Group to Assist the Poor.

### **4. Italy: –1**

While Italy has engaged in the issues of microfinance and microcredit in international arenas and through its own bilateral programs, there is no evidence, as in the other G8 states, that there has

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<sup>939</sup> IMF, “Communiqué of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund.” Press Release No. 04/210. 2 October, 2004  
[www.imf.org/external/np/sec/pr/2004/pr04210.htm](http://www.imf.org/external/np/sec/pr/2004/pr04210.htm)

<sup>939</sup> G-20, “Communiqué of the Meeting of Finance Ministers and Central Bank Governors.” 20–21 November, 2004  
[www.g8.utoronto.ca/g20/g20-041121comm.html](http://www.g8.utoronto.ca/g20/g20-041121comm.html)

<sup>940</sup> United Nations, Italy, “Statement by the Minister of Foreign Affairs of Italy Hon. Franco Frattini at the Summit of World Leaders for the Action Against Hunger and Poverty”, 20 September 2005,  
[www.italyun.org/statements/2004/Frattini%20poverty.htm](http://www.italyun.org/statements/2004/Frattini%20poverty.htm)

<sup>941</sup> Ibid.

<sup>942</sup> Ibid.

<sup>943</sup> Ibid.

been any further advances by Rome to create a global market- based microfinance initiative in concert with the World Bank- based Consultative Group to Assist the Poor (CGAP).

At the International Monetary and Financial Committee Meeting in Washington in April of 2005, Aldo Mantovani, Deputy Permanent Representative of Italy to the UN emphasized the role of microfinance in development. Declaring that “greater attention should be paid to the importance and implications of trade and foreign direct investment and, more in general, to the role of the private sector as the engine for economic growth.”<sup>944</sup>

Directly addressing the topic of microcredit financing Mantovani stated: “Italy strongly supports the role of the private sector in Developing countries as the main tool of economic development and the main source of employment... In this perspective, micro, small and medium enterprises have been privileged as target groups. They require special attention since, while having a reduced capacity to capture attention from central and local authorities...In the same perspective of creating new opportunities and stimulating growth in Developing countries, in connection with the launch of the International Year for Microcredit, Italy has supported relevant initiatives to facilitate the channeling of remittances for development purposes and to promote microcredit and microfinance. The benefit provided by remittances to local growth and the development of microcredit and microfinance schemes can have fast multiplying effects if they are supported by rationalization of services and reduction of transfer costs both in countries of origin and in countries of destination.”<sup>945</sup>

While Italy endorses the use of microfinancing and microcredit as a development tool through bilateral ventures, there have been no steps taken towards the creation of a global-market based microfinance initiative in conjunction with the World Bank or CGAP.

## 5. Japan: –1

Japan has not taken any steps to create a global market-based microfinance initiative in concert with the World Bank-based Consultative Group to Assist the Poor (CGAP). Unlike its G8 partners, Japan has largely ignored the role of microcredit in development initiatives.

In the area of microfinance initiatives, Japan has reiterated the importance that such ventures play in the creation of sound financial market structures of developing countries.<sup>946</sup> On October 2, 2004 at the meeting of the Board of Governors of the IMFC in Washington, H.E. Sadakazu Tanigaki, Minister of Finance of Japan suggested that the “IMF’s assistance to low-income

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<sup>944</sup> UN Italy, “Statement by H.E. Aldo Mantovani Deputy Permanent Representative of Italy to the United Nations (New York April 24, 2005)”. < [www.italyun.org/docs/statemen/2005-26-04%20statement%20Mantovani\\_clustI.htm](http://www.italyun.org/docs/statemen/2005-26-04%20statement%20Mantovani_clustI.htm) > Date Accessed: May 8<sup>th</sup>, 2005.

<sup>945</sup> UN Italy, “Statement by H.E. Aldo Mantovani Deputy Permanent Representative of Italy to the United Nations (New York April 24, 2005)”. < [www.italyun.org/docs/statemen/2005-26-04%20statement%20Mantovani\\_clustI.htm](http://www.italyun.org/docs/statemen/2005-26-04%20statement%20Mantovani_clustI.htm) > Date Accessed: May 8<sup>th</sup>, 2005.

<sup>946</sup> United Nations, “Statement by H.E.Mr. Yuri V. Fedotov, Deputy Minister of Foreign Affairs of the Russian Federation, at the high-level segment of the 2004 ECOSOC Substantive Session on the theme: ‘Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001- 2010’”, 5 January 2005. [www.un.int/russia/statemnt/ecosoc/session/2004/20040629.htm](http://www.un.int/russia/statemnt/ecosoc/session/2004/20040629.htm)



countries should focus mainly on...institution building in the fiscal and monetary areas.”<sup>947</sup> While no measures were presented regarding a global market-based microfinancing initiative, Mr. Tanigaki did stress the importance of collaboration with the World Bank and other multilateral institutions. In his statement to the IMFC, Mr. Tanigaki stated that “in order to maximize the efficiency and effectiveness of the IMF’s financial assistance, in particular to low-income countries, it is essential to further strengthen collaboration with other international organizations, including the World Bank.”<sup>948</sup>

Similarly, at the G20 Finance Ministers’ Meeting in Berlin, Germany in November of 2004, Japan supported the IMF’s and World Bank’s latest efforts on “the need and mechanisms for financing for development.”<sup>949</sup> While no concrete measures were presented regarding a global initiative, Japan is in support of such endeavors and emphasizes the importance of collaboration with the World Bank. Along with the other Governors of the IMFC, Japan does promise to return to the matter at a later date.<sup>950</sup>

Japan has reiterated the importance of financial assistance to low income countries through concessional lending programs. In a statement to the IMFC in April of 2005, HH.E. Sadakazu Tanigaki Minister of Finance of Japan and Governor of the IMF for Japan stated that “from a global perspective, the international community needs to extend financial assistance to low-income countries with an appropriate mix of grant and loan financing.”<sup>951</sup> No mention is made of microcredit or microfinancing initiatives.

## **6. Russia: –1**

Russia has not taken any identifiable steps to create a global market-based microfinance initiative in concert with the World Bank-based Consultative Group to Assist the Poor (CGAP). Unlike its G8 partners, Russia has reiterated its support for the role of microcredit in development initiatives, however in recent dialogue, Russia has focused on the role of macroeconomic development policies.

In a statement by Mr. Yuri Fedotov, Deputy Minister of Foreign Affairs of the Russian Federation on June 29<sup>th</sup>, 2004, the Russian Federation emphasized the importance of multilateral cooperation through the United Nations and other international organizations, in creating policies to support the successful progress of the Millennium Development Goals.<sup>952</sup> Within the context of multilateral cooperation Mr. Fedotov suggested that Millennium Development Goals should be implemented within national goals and that the individual states, amongst many suggestions,

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<sup>947</sup> Ibid.

<sup>948</sup> Ibid.

<sup>949</sup> Ibid.

<sup>950</sup> IMF, “Statement by the Hon. Aleksei Judrin, Governor of the Fund and the Bank for the Russian Federation, at the Joint Annual Discussion”, 3 October 2004. [www.imf.org/external/am/2004/speeches/pr57e.pdf](http://www.imf.org/external/am/2004/speeches/pr57e.pdf)

<sup>950</sup> Ibid.

<sup>951</sup> Statement by HH.E. Sadakazu Tanigaki, International Monetary and Financial Committee. 16 April 2005. pg. 6 [www.imf.org/external/spring/2005/imfc/stmt/eng/jpn.pdf](http://www.imf.org/external/spring/2005/imfc/stmt/eng/jpn.pdf)

<sup>952</sup> IMF, “Communiqué of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund”, 2 October 2004. [www.imf.org/external/np/sec/pr/2004/pr04210.htm](http://www.imf.org/external/np/sec/pr/2004/pr04210.htm)

<sup>952</sup> Ibid.

should focus on “promoting micro credit schemes.”<sup>953</sup> Mr. Fedotov stated obstacles toward quality of aid by highlighting that the new aid projects “do not provide any guarantee that the poorest countries will be able to resolve the problem of debt burden,”<sup>954</sup> and he further mentions: “A mere writing-off of the debt in the absence of a sound financial, economic and budgetary policy, without structural reforms, strengthening of the state institutions and improvement of the investment climate in the poorest countries, will not bring about the desired results.”<sup>955</sup>

In a statement made on October 3<sup>rd</sup>, 2004 at the International Monetary Fund World Bank Group Joint Annual Discussion, Aleksei Kudrin, Minister of Finance of the Russian Federation accentuated the importance of macroeconomic stability for the progress of assisting poor countries but he also accentuated “the crucial role of economic growth underpinned by private sector and infrastructure development in attaining MDGs.”<sup>956</sup> Support for microfinancial means to development has been highlighted by Mr. Kudrin when he stated: “These initial studies should be expanded to cover not only the areas pertaining to governance and business regulations but also other important components of investment climate, such as access to credit, financial sector development, competitiveness, and productivity factors...”<sup>957</sup>

In an April 16<sup>th</sup>, 2005 statement made to the International Monetary and Financial Committee, Aleksei Kudrin reiterated the importance of macroeconomics in development by stating: “We believe that the fund has a key role to play in supporting low-income countries’ efforts to achieve macroeconomic stability and sustainable growth...”<sup>958</sup> He also states: “We consider it useful to focus attention on the role of “broad” institutions. Indeed the level of development of such institutions as the judicial system or the law enforcement system is of great importance for successful implementation of macroeconomic policy and achievement of high rates of economic growth.”<sup>959</sup>

## 7. United Kingdom: –1

Through the Department for International Development (DFID), the UK is engaging in ongoing support of micro-finance and development in the spirit of the Millennium Development goals.

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<sup>953</sup> *ibid.*

<sup>954</sup> IMF, “Statement by the Hon. John W. Snow, Secretary of the Treasury of the United States of America, International Monetary and Financial Committee meeting.” 2 October, 2004. pg.2  
[www.imf.org/external/am/2004/imfc/index.asp](http://www.imf.org/external/am/2004/imfc/index.asp)

<sup>955</sup> G-20, “Communiqué of the Meeting of Finance Ministers and Central Bank Governors.” 20–21 November, 2004  
[www.g8.utoronto.ca/g20/g20-041121comm.html](http://www.g8.utoronto.ca/g20/g20-041121comm.html)

<sup>956</sup> United States Department of the Treasury, Honorable John W. Snow, “Conclusion of the Meeting of G-20 Finance Ministers and Central Bank Governors”, 21 November, 2004. [www.treas.gov/press/releases/js2113.htm](http://www.treas.gov/press/releases/js2113.htm)

<sup>956</sup> World Bank, “Statement by Mr. Poul Nielson, Commissioner for Development and Humanitarian Aid, European Commission”, 2 October 2004. [siteresources.worldbank.org/DEVCOMMINT/Documentation/20264369/DCS2004-0045-EC.pdf](http://siteresources.worldbank.org/DEVCOMMINT/Documentation/20264369/DCS2004-0045-EC.pdf)

<sup>957</sup> *Ibid.*

<sup>958</sup> Statement by Mr. Aleksei Kudrin, IMF Governor for the Russian Federation and Minister of Finance of the Russian Federation, International Monetary and Financial Committee, 16 April 2005. pg. 5  
 < [www.imf.org/External/spring/2005/imfc/stmt/eng/rus.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/rus.pdf) >

<sup>959</sup> Statement by Mr. Aleksei Kudrin, IMF Governor for the Russian Federation and Minister of Finance of the Russian Federation, International Monetary and Financial Committee, 16 April 2005. pg. 5  
 < [www.imf.org/External/spring/2005/imfc/stmt/eng/rus.pdf](http://www.imf.org/External/spring/2005/imfc/stmt/eng/rus.pdf) >

However, London has not launched any new initiatives to create a global market-based microfinance initiative in concert with the World Bank-based Consultative Group to Assist the Poor (CGAP) and have therefore not met the requirements for compliance.

In a press conference by Gordon Brown, U.K. Chancellor of the Exchequer and Chairman of the International Monetary Fund's International Monetary and Financial Committee on 2005 April 16, the United Kingdom reiterated the importance of market-based initiatives as a means of achieving the Millennium Development goals. Stating that "developing countries must have ownership of country-owned, community-owned poverty reduction plans, sequencing their own development, investment and trade opportunities, and pursue transparent, corruption-free policies for stability,"<sup>960</sup> the UK called on the IMF to build on this and to "work with other partners through the integrated framework to explore further ways of building capacity to trade as well as easing adjustment in low income countries."<sup>961</sup>

Furthermore, the DFID will participate in the German-led joint European initiative to catalyse new, strategic partnerships between microfinance institutions and to contribute to the UN Millennium Development Goals. The joint European initiative is set to meet in Frankfurt in June of 2005.<sup>962</sup>

## **8. United States: –1**

There is no evidence, as with the other G8 states, that there has been any further steps taken by Washington to create a global market-based microfinance initiative in concert with the World Bank-based Consultative Group to Assist the Poor (CGAP).

The United States does however support numerous bilateral microfinance initiatives; the most recent of these have been in the Middle East. In a 2005 February 3 press release, John B. Taylor, Under Secretary for International Affairs of the United States Treasury stated that the "U.S. plans to contribute \$125 million to microenterprise in the BMENA (Broader Middle East and North Africa) region over the next 5 years, to further the G8 goal of reaching 2 million entrepreneurs."<sup>963</sup> However, no distinct steps were taken in concert with CGAP towards the creation of a global market-based microfinance initiative.

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<sup>960</sup> Statement by Rt. Hon. Gordon Brown, International Monetary and Financial Committee. 16 April 2005. pg. 5 [[www.imf.org/external/spring/2005/imfc/stmt/eng/gbr.pdf](http://www.imf.org/external/spring/2005/imfc/stmt/eng/gbr.pdf)]

<sup>961</sup> Statement by Rt. Hon. Gordon Brown, International Monetary and Financial Committee. 16 April 2005. pg. 5 [[www.imf.org/external/spring/2005/imfc/stmt/eng/gbr.pdf](http://www.imf.org/external/spring/2005/imfc/stmt/eng/gbr.pdf)]

<sup>962</sup> 2005 Financial Sector Development Conference: New Partnerships for Innovation in Microfinance. [www.kfw-entwicklungsbank.de/EN/Fachinformationen/FinancialS15/Events29/FinancialS3/Overview12/Konferenz\\_Concept\\_Paper\\_en.pdf](http://www.kfw-entwicklungsbank.de/EN/Fachinformationen/FinancialS15/Events29/FinancialS3/Overview12/Konferenz_Concept_Paper_en.pdf)

<sup>963</sup> Statement by John B. Taylor. Working Together to Raise Economic Growth in the Broader Middle East and North Africa. World Economic Forum's Informal Gathering of World Economic Leaders. Davos, Switzerland. January 29, 2005. [www.treas.gov/press/releases/js2228.htm](http://www.treas.gov/press/releases/js2228.htm).

## 9. European Union: –1

While the European Union recognizes the importance of market-based financing initiatives, it recommends that the focus of the World Bank remain the increase of foreign aid and foreign aid budgets.

The European Union has not complied with its commitment to launch a global market-based microfinance initiative in co-operation with the World Bank-based Consultative Group to Assist the Poor (CGAP). At the 16 April 2005 meeting of the International Monetary Fund and World Bank Development Committee in Washington, Prime Minister Jean-Claude Juncker of the EU Council of Economic and Finance Ministers stated that “EC development policy remains committed to poverty eradication in developing countries within the framework of the Millennium Development Goals (MDGs), notably by promoting sustainable development and integration into the global economy. Innovative financing mechanisms to finance the MDGs deserve careful attention, but should not distract from the primary task of increasing aid budgets directly.”<sup>964</sup> As such, the EU recommends that the members of the World Bank continue to focus on the increasing of foreign aid budgets and has ignored the G8s call for a global-market based microfinance initiative.

The European Union has partially complied with its commitment. On October 2, 2004 at the meeting of International Monetary Fund and World Bank Development Committee in Washington, Development and Humanitarian Aid Commissioner Poul Nielson recognised the Millennium Development Goals (MDGs) as a common mandate and challenge, requiring additional sources of financial aid and innovative ways of delivering it.<sup>965</sup> Commissioner Nielson also noted the importance of developing both infrastructure and the private sector in the developing world, with the aim of reducing poverty and achieving the MDGs.<sup>966</sup>

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<sup>964</sup> Statement by Prime Minister Jean Claude Juncker, International Monetary and Financial Committee. 16 April 2005. pg. 5, [www.imf.org/external/spring/2005/imfc/stmt/eng/eu.pdf](http://www.imf.org/external/spring/2005/imfc/stmt/eng/eu.pdf)

## **Infectious Diseases: HIV/AIDS**

### **Commitment**

“We believe the time is right for the major scientific and other stakeholders -both public and private sector, in developed and developing countries — to come together in a more organized fashion....We endorse this concept and call for the establishment of a Global HIV Vaccine Enterprise.”

*G8 Action to Endorse and Establish a Global HIV Vaccine Enterprise*

### **Background**

In 2004, nearly 40 million people globally were estimated to be living with HIV. The AIDS epidemic claimed more than 3 million lives and close to 5 million people acquired the human immunodeficiency virus (HIV) in 2004.<sup>967</sup> Of the world's 23 million people living with HIV/AIDS more than 93% live in developing countries.<sup>968</sup> At the 2004 Sea Island Summit, the G8 reaffirmed their long standing commitment towards combating the global HIV/AIDS pandemic. While the G8's involvement in this area is not new, 2004 saw with it the appeal for the creation of a global HIV vaccine enterprise. The enterprise, as laid out in the G8 Action to Endorse and Establish a Global HIV Vaccine Enterprise, should establish a strategic plan that should serve as a blueprint for helping to align better existing resources and to channel new resources more efficiently.<sup>969</sup> Specifically, the plan should: “Encourage the development of a number of coordinated global HIV Vaccine Development Centers; stimulate the development of increased dedicated HIV vaccine manufacturing capacity; establish standardized preclinical and clinical laboratory assessment; expand an integrated international clinical trials system; optimize interactions among regulatory authorities; and encourage greater engagement by scientists from developing countries.”<sup>970</sup> This commitment is the latest effort in the G8 trichotomy of HIV treatment, care and prevention.

On 18 January 2005, the Global HIV Vaccine Initiative released its “Scientific Strategic Plan” detailing the Initiative's ten-year plan of research and development to combat HIV/AIDS.<sup>971</sup> The plan was released in accordance with (but not necessarily in response to) G8 requests from the Sea Island Summit. Nevertheless, there remains some concern about the depth and breadth of current G8 efforts as a whole. On April 29<sup>th</sup> 2005 IAVI issued a press release, according to the organization, “G8 countries would have to strengthen their political leadership and provide expanded assistance to developing nations for AIDS vaccine R&D.”<sup>972</sup> At the upcoming 2005 Gleneagles Summit, it is widely expected that the G8 will agree to an International Finance Facility for HIV vaccine research. This means that G8 states will make available now, through bonds, money that would be allocated for HIV research over the span of many years, with the hopes that the influx of available research funds in the present will speed the discovery of the vaccine.

## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan	-1		
Russia	-1		
United Kingdom			+1
United States			+1
European Union			+1
Overall: 0.56			

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada has registered a high level of compliance with its Sea Island commitment regarding support for the Global HIV Vaccine Initiative — leading G8 nations in the speed of its response.

Through the Canadian International Development Agency (CIDA), Canada has encouraged coordinated global HIV vaccine development and is a major financial contributor to the International Aids Vaccine Initiative (IAVI)<sup>973</sup> — a founding member of the Global HIV Vaccine Initiative.<sup>974</sup> Ottawa contributed C\$45-million to the IAVI, as well as C\$5-million to the Africa AIDS Vaccine Program.<sup>975</sup> For example, AAVP's efforts have ensured that research laboratories in “Cameroon, Côte d'Ivoire, Ethiopia, Kenya, Senegal, South Africa, and Uganda have been upgraded to international standards”.<sup>976</sup> As well, nearly 80 African scientists have been trained in laboratory techniques.<sup>977</sup>

At the International AIDS Conference in Bangkok held in July 2004, Canada continued to consult with other IAVI partners in both the public and private sectors over possible vaccine proposals.<sup>978</sup> In addition, in 2004 Canada became the first, and for a considerable amount of time, the only, industrialized country to begin to develop an HIV Vaccines Plan, which includes both domestic and international contributions to the discovery and delivery of HIV vaccines. The Canadian HIV Vaccines Plan is mandated to fulfil numerous goals including: ensuring Canada's commitment to the development of HIV vaccines; ensuring public engagement; ensuring integrated strategic plans for HIV vaccine research and development; ensuring equitable vaccine access and delivery; and, ensuring accountability, monitoring and evaluation.<sup>979</sup>

Canada, though, remains extremely active in the arena of international HIV/AIDS policy. In the time since the G8 Summit in July Canada has chaired the governing body of UNAIDS from 2004-2005, has assumed a seat on the Board of the Global Fund to Fight AIDS, Tuberculosis, Malaria, and has agreed to host the XVI International AIDS Conference in Toronto in 2006. In addition, Canada is a leading country in the developed world in the provision of generic retroviral HIV/AIDS drugs for the developing world.<sup>980</sup>

## **2. France +1**

France has fully complied with the HIV/AIDS commitment outlined at the Sea Island Summit. On November 25, 2004, French Prime Minister Jean-Pierre Raffarin held a meeting bringing together important actors in the fight against AIDS. During this meeting he proclaimed that AIDS would be the “Grande Cause Nationale” for the year 2005.<sup>981</sup> Secondly, during a speech in New York, on September 20 2004 alongside President of Brazil, French President Jacques Chirac put forth a proposal for a new form of financial aid for developing countries generated from an international tax. He noted that a similar regime for the funding of vaccine initiatives and research is also envisaged.<sup>982</sup>

On October 19, 2004, French Minister of Health, Philippe Douste-Blazy held a meeting in Paris reuniting the health ministers of the seven European nations currently engaged in AIDS vaccine research. During this meeting the ministers made a joint declaration in which they emphasized the importance of heightened coordination and financing of AIDS Vaccine research, they also accepted to adopt the French initiative to create one scientific agenda for Europe in respect to vaccine research.<sup>983</sup> Furthermore, on World AIDS Day (December 1) 2004, Philippe Douste-Blazy, declared his active support for innovative research initiatives such as the programs developed by the ‘Agence Nationale de Recherche’. At this time the Minister also stated that the government planned to accelerate the implementation of two particular components of its strategy to fight AIDS: the first being to increase global access to medication and the second to create a European strategy to coordinate research for an HIV/AIDS vaccine.<sup>984</sup>

Furthermore, on March 9<sup>th</sup> 2005, Xavier Darcos, French Minister for Co-operation, Development and Francophonie and Hillary Benn, UK International Development Secretary co-hosted a meeting in London entitled “Making the Money Work”.<sup>985</sup> The meeting focused on achieving greater coordination among partners working to fight against global AIDS. The team addressed a conference of 93 participants including ministers and AIDS ambassadors from developing and western countries, people living with the disease, civil society, multilateral organizations and businesses. Xavier Darcos affirmed that “fighting AIDS requires more money, but it also requires better cooperation. To make the money work, we need to work even closer with UNAIDS and the Global Fund to fight AIDS, Tuberculosis and Malaria”.<sup>986</sup> Moreover, on April 19<sup>th</sup> 2005, “Friends of the Global Fund Europe” was launched in Paris, France in order to mobilize european institutions, private companies and public opinion in support of the Global Fund.<sup>987</sup>

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

Germany has fully complied with its obligations under the Sea Island HIV/AIDS commitment regarding the establishment of the Global HIV Vaccine Enterprise.

Along with France, Italy, the UK and others, Germany attended the 19 October 2004 meeting in Paris hosted by French Health Ministers Phillipe Douste-Blazy at which all states endorsed a French plan concerning the HIV vaccine. Ministers made a joint declaration in which they emphasized the importance of heightened coordination and financing of AIDS Vaccine research, and agreed create one scientific agenda for Europe in respect to vaccine research.<sup>988</sup>

In addition to the adoption of the 2004 French proposal for a joint European vaccine research agenda, in January of 2005, the Global HIV/AIDS Vaccine Enterprise, whose membership includes the European Commission and the European and Developing Countries Clinical Trials Partnership (EDCTP), outlined a strategic plan for developing an effective HIV vaccine.<sup>989</sup> The plan has been developed through a process of consultation involving 140 participants from 17 countries, plus the European Commission. It summarizes the major roadblocks to developing an HIV vaccine, outlines the current scientific priorities, and elaborates an initial strategic approach to address these priorities.<sup>990</sup> Germany, through its membership in both the European Commission and the European Developing Countries Clinical Trials Partnership is party to these plans. Similarly, Germany began running its own clinical trials of an AIDS vaccine at the University of Bonn in February of 2004.<sup>991</sup>

Lastly, Germany also continues to contribute to the Global Fund to Fight AIDS, Tuberculosis and Malaria, having pledged 111,261,872 Euros for 2004 — 2005, some of which will be directed towards vaccine research.<sup>992</sup>

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

Italy registered full compliance with its commitments concerning the development of AIDS vaccines through increased alliances with international AIDS organizations, its participation in new initiatives and significant state funding of AIDS trials. In September Italy hosted the 1<sup>st</sup> Annual European & Developing Countries Clinical Trials Partnership in Rome.<sup>993</sup> Italy, along with seven other countries, issued a joint call for better laboratory coordination for an AIDS vaccine, however sidestepped increased funding.<sup>994</sup> The declaration made by the health ministers described vaccine as, “an absolute necessity...” and called for a, “strengthening in efforts developed by research capacity” to, “pool results,” in order to maximize progress.<sup>995</sup>

Commencing in March of 2005 the Italian Istituto Superiore di Sanita (National Institute of Health) funded the trial of possible AIDS vaccines.<sup>996</sup> EuroVacc, of which Italy is a founding member, announced the launching of AIDS Vaccine trials in Lausanne and London, 17 November 2005.<sup>997</sup>

Along with France, Germany, the UK and others, Italy attended the 19 October 2004 meeting in Paris hosted by French Health Ministers Phillipe Douste-Blazy at which all states endorsed a French plan concerning the HIV vaccine. Ministers made a joint declaration in which they emphasized the importance of heightened coordination and financing of AIDS Vaccine research, and agreed create one scientific agenda for Europe in respect to vaccine research.<sup>998</sup>

In 2004 — 2005 the Italian government pledged 200 million USD in to the Global Fund, whose directive is the prevention of the spread of HIV/AIDS along with the promotion and funding for research and development of potential AIDS vaccines.<sup>999</sup> On June 28, 2004 the Italian Directorate for Development Cooperation signed a statement of cooperation between Italy and UNAIDS, an organization whose mandate includes the funding for research and development of an AIDS vaccine.<sup>1000</sup>



## **5. Japan: -1**

Japan has failed to comply with this commitment providing little funding or political attention for the issue of HIV vaccine research, let alone for the Global HIV Vaccine Enterprise. On July 11, 2004, Deputy Minister for Foreign Affairs Ichiro Fujisaki headed a delegation which participated in the XV International AIDS Conference also held in Bangkok from the 11th to the 16th of July 2004.<sup>1001</sup> Although, the ministers at the XV International AIDS Conference reiterated the importance of a strategic plan to developing a vaccine<sup>1002</sup>, no concrete steps were discussed in order to move forward with this commitment.

Moreover, on April 4<sup>th</sup> 2005, Japanese minister Kazuo Sunaga made a statement at the 38<sup>th</sup> Session of the United Nations Commission on Population and Development, in which he stressed three points essential to Japan's strategy to combat HIV/AIDS: comprehensive preventative measures, care and support for those living with AIDS and the establishment of adequate primary health care systems in developing countries.<sup>1003</sup> Vaccine development was not at all mentioned. Although Japan has reiterated the importance of a strategic plan to developing a vaccine, there is very little evidence that Japan has taken any steps to actually implement the benchmarks highlighted during the Sea Island summit.

## **6. Russia: -1**

The Russian Federation has failed to comply with the HIV Vaccine Enterprise. Although Moscow continues to provide financial assistance to various international organizations, the Russian Federation has failed to explicitly support the research and development of vaccine research centers, trials, and other efforts necessary to the development of a Global HIV Vaccine Enterprise.

For the fiscal year 2004, the Russian Federation contributed 5 million USD to the Global Fund<sup>1004</sup> and 500,000 USD for the third consecutive year to UNAIDS<sup>1005</sup>, which is a major financial donor to the International Aids Vaccine Initiative, a not-for-profit organization seeking to develop an HIV vaccine.<sup>1006</sup> At the APEC Forum in Santiago Chile, Russia confirmed the need to work collaboratively with the appropriate international organizations such as UNAIDS, WHO, and the Global Fund to increase cooperation in preventing HIV/AIDS and promoting "access to safe and affordable medicines and treatment for people living with AIDS" and other infectious diseases.<sup>1007</sup> Even though Russia has reiterated its commitment to the overall struggle with the AIDS endemic through international forums, no steps have been taken towards the establishment of a Global HIV Vaccine Enterprise.

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

The United Kingdom has fully complied with its obligations under the Sea Island HIV/AIDS commitment regarding the establishment of the Global HIV Vaccine Enterprise.

Along with France, Germany, Italy and others, the UK attended the 19 October 2004 meeting in Paris hosted by French Health Ministers Phillipe Douste-Blazy at which all states endorsed a French plan concerning the HIV vaccine. At a meeting Gareth Thomas, Secretary of State for Development, acting on behalf of John Reid, Secretary of State for Health, was signatory to a declaration calling for increased coordination and financing of AIDS vaccine research.<sup>1008</sup> The

declaration also called for a unified scientific agenda for Europe regarding AIDS vaccine research.<sup>1009</sup> Similarly, the declaration also reinforced the need for collaborative efforts among researchers in order to accelerate vaccine research and clinical trials.

In January of 2005, The Global HIV/AIDS Vaccine Enterprise, whose membership includes the European Commission and the European and Developing Countries Clinical Trials Partnership (EDCTP), has outlined a strategic plan for developing an effective HIV vaccine.<sup>1010</sup> The plan has been developed through a process of consultation involving 140 participants from 17 countries, plus the European Commission. It summarizes the major roadblocks to developing an HIV vaccine, outlines the current scientific priorities, and elaborates an initial strategic approach to address these priorities.<sup>1011</sup> The UK, through its membership in both the European Commission and the European Developing Countries Clinical Trials Partnership is party to these plans.

Nevertheless, on a national policy level, while HIV/AIDS has become a principal focus of the UK's foreign and development policies, vaccine research is notably absent. A Department of International Development (DFID) report issued in 23 November 2004 states that "AIDS is a centrepiece of the UK's presidencies of the G8 and the EU in 2005. The UK will use these opportunities to build greater political commitment to tackle AIDS and secure agreement about what needs to be done internationally."<sup>1012</sup> However, despite this renewed focus, neither the development of an HIV vaccine or the Global HIV Vaccine Initiative appear to have gained any official recognition in, or incorporation into, the UK's HIV/AIDS policy. In July 2004, the United Kingdom released "Taking Action: The UK's Strategy for Tackling HIV and AIDS in the Developing World," a comprehensive policy review of the country's involvement in the global fight against HIV/AIDS. Despite its length of 81 pages, the report included only one paragraph on the development of HIV vaccine and committed the government only to "[c]ontinued support for AIDS vaccine development."<sup>1013</sup> Similarly, in another report released in September 2004 by DFID entitled "Working in Partnership with the Joint United Nations Programme for HIV/AIDS (UNAIDS)" detailing the UK's relationship with the top multilateral body tackling the global pandemic, the word 'vaccine' is only used once in a reference to a 2001 UN Security Council Resolution — hardly a sign of UK enthusiasm for the development of an HIV vaccine.<sup>1014</sup>

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

The United States has fully complied with its obligations under the Sea Island HIV/AIDS commitment regarding the establishment of the Global HIV Vaccine Enterprise.

While recent endeavours have not been conducive to the establishment of a Global HIV Vaccine Enterprise, the government continues to support the National Institute of Allergy and Infectious Diseases, which received 4.154 billion USD in 2004 from the United States Congress, of which 1.397 billion was used for AIDS research.<sup>1015</sup> In 2005, 1.472 billion USD of the total NIAID budget of 4.403 billion USD is allocated towards AIDS research, which includes 100 million for the Global Fund and 14.5 million for the Virtual Vaccine Research Centre.<sup>1016</sup>

Through USAID, the US government remains a major financial contributor to the International AIDS Vaccine Initiative, which is a founding member of the Enterprise.<sup>1017</sup> As the world's largest organization working solely on the development of the AIDS vaccine, the IAVI is engaged in a variety of partnerships, working with scientists and NGOs in developing countries,

as well as national government organizations in its vaccine research, development, and public policy programs.<sup>1018</sup> Although there are plans to execute Phase I and II studies “later in 2005”, in an “unprecedented collaboration” between the NIAID (and its Divisions of Aids, Vaccine Research Centre, and HIV Vaccine Trials Network) and the IAVI, little progress has been made thus far in such comprehensive approaches and cooperation.<sup>1019</sup>

Furthermore, President George W. Bush announced the establishment of a new US Vaccine Research and Development Center, pledging \$488 million in FY2004 and requesting \$533 million in FY2005 for the centre and HIV vaccine research itself.<sup>1020</sup> However, since that time, there has been neither a follow-up nor any further mention of this valuable and important commitment, which therefore cannot count as evidence towards compliance the G8 Summit commitment.

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

The European Union has registered full compliance with its commitments made at the G8 summit in Savannah Georgia by not only participating in initiatives to advance the success of an AIDS vaccine but by also funding and contributing to groups whose impetus’ include their development and distribution.

At the E.U.-U.S Summit concerning ‘fighting the challenge of the HIV/AIDS epidemic’ in late June 2004 both parties confirmed commitments to, “accelerate the development of vaccines...”<sup>1021</sup> The European Commission adopted on 27 April 2005 a new program for action to strengthen Europe’s support to confront HIV/AIDS (as well as TB and Malaria) outside the E.U. in an attempt to meet the Millennium Development Goals. Section 3.4, Article 48 of the program states, “the E.C. will support the research and development of new tools and interventions through projects designed to accelerate the development of new vaccines...”<sup>1022</sup> At the “Health in Europe” conference in Paris, the E.U. participated in and worked towards the goals of the meetings which included increased collaboration in the search for an AIDS vaccine as well as the establishment of a European Vaccine Trials Network.<sup>1023</sup> The Commission co-hosted the 2<sup>nd</sup> Annual Europe AIDS Conference in Vilnius, Lithuania, in September at which members of the research and medical community pooled resources.<sup>1024</sup> The resulting, “Vilnius Declaration,” promised the, “investing in research and development of effective preventive technologies such as vaccines...”<sup>1025</sup> The European Union participated in the 1<sup>st</sup> Annual European & Developing Countries Clinical Trials Partnership. The European Union is the most significant contributor to the EDCTP, which allows increased cohesion and collaboration in AIDS vaccine development and trials.<sup>1026</sup> The European Union is the second largest contributor to the Global Fund, whose mandate includes the research and development of new AIDS vaccines, in 2004-2005 total contributions by the Commission to the Fund totalled 321,442,528 USD.<sup>1027</sup>

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May 24, 2005*

## **Infectious Diseases: Polio**

### **Commitment**

“We are pleased that the financing gap for 2004 has now been closed through our efforts and those of others. We are determined to close the 2005 financing gap by the 2005 G8 Summit through the contributions of the G8 and other public and private donors.”

*G8 Commitment to Help Stop Polio Forever*

### **Background**

In 1988, the World Health Organization created the Global Polio Eradication Initiative, an international public health effort to eliminate polio forever.<sup>1028</sup> By the end of 2003, polio had been eradicated in all but six countries — Nigeria, India, Pakistan, Niger, Afghanistan and Egypt.<sup>1029</sup> Together with UNICEF and Rotary International, the G8 member states, the Netherlands and the European Commission are the leading contributors towards the fund.<sup>1030</sup> At the Sea Island Summit, 2004, the G8 released the G8 Commitment to Help Stop Polio Forever in which the G8 member countries committed to closing the 2004-2005 funding gap in the GPEI budget. As of April, 2005, \$50 million US was still required by July in order to fund activities beginning in October.<sup>1031</sup> Although the goal is to end polio transmission by 2005, the gap for 2006 is estimated to be \$200 million US, as polio operations must continue for at least one year after the last virus is detected.<sup>1032</sup> Despite the positive progress achieved thus far, in April 2005, polio was imported into Indonesia and Yemen, two countries previously thought to have eliminated the disease within their borders. Both of these strains of the diseases were traced back to Nigeria where immunization campaigns have been stalled for over a year after northern Muslim provinces blocked WHO efforts. As such, the World Health Assembly reaffirmed their commitment to eradicate polio in May 2005, noting that these outbreaks assert the necessity of achieving the final steps in eliminating the disease forever. In light of this, member states have been called upon to sustain their financial support in closing the 2005 \$50 million US funding gap, as well as the \$200 million US for 2006. Without this crucial financial support, the Global Polio Eradication Initiative will not be able to implement its 2004-2008 plan, which includes certifying the elimination of the disease, developing products for the international termination of the oral polio vaccine and using the infrastructure and information to assist in other health initiatives.<sup>1033</sup>

## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France	-1		
Germany			+1
Italy	-1		
Japan		0	+1
Russia			+1
United Kingdom			+1
United States			+1
European Union			+1
Overall: 0.44			

## Individual Country Compliance Breakdown

### 1. Canada: + 1

Canada has registered full compliance with its Sea Island commitment regarding closing the 2004-2005 funding gap for the GPEI. On 17 January 2005, Minister of Finance Ralph Goodale and Minister of International Cooperation Aileen Carroll announced C\$42 million in funding to support the Global Polio Eradication Initiative (GPEI). The additional pledge was made in direct relation to the Sea Island commitment with Goodale stating that “Canada is stepping in to fund the immediate shortfall faced by the GPEI, providing \$42 million to help finally eradicate this crippling disease.” Since January 2005, Canada has pledged an additional \$680 000 USD, contributing to the diminution of the 2005 funding gap from \$75 million USD to \$50 million USD.<sup>1034</sup> In the fight against polio, Canada’s contribution stands at USD\$68.98 million for 2004-2005.<sup>1035</sup>

### 2. France: -1

France has registered a minimal level of compliance regarding the Sea Island Summit to close the funding gap in the GPEI’s 2005 budget. France has been listed as a core donor to the Global Polio Eradication Initiative, along with 23 other government donors<sup>1036</sup>, however, it has been one of the lowest core contributors to the GPEI since it was founded — ranked as a tier 5 donor (US\$5-49 million in donations since 1988), the lowest G8 donor after Italy and Russia.<sup>1037</sup> As of April, 2005, France had not contributed any funds towards closing the Global Polio Eradication Initiative FY2005 budget shortfall.<sup>1038</sup> Despite France’s lack of commitment since the Sea Island Summit, France has donated \$23.7 million USD in core funding for the GPEI 2004-2005, and is projected to pledge an additional \$12.8 million USD for the 2006 fiscal year — the latter of which is the second-highest of any country projection and makes France only one of four countries expected to provide core funding to the GPEI so far in 2006.<sup>1039</sup> Nevertheless, these funding pledges do not conform to the intent of the Sea Island commitment.

### 3. Germany: + 1

Germany has demonstrated a high level of compliance towards the polio commitment agreed to at the Sea Island Summit. Since January, 2005, Germany has pledged \$12 million USD towards

the 2005 funding gap — a largest contribution of the total US\$26-million in pledges received by the GPEI since January to close the then-\$75 million USD funding gap.<sup>1040</sup> Germany's total contribution from 1988-2006 ranks on the third tier of donors, calculated to be between US\$100-249 million, along with Canada, the European Commission and the Netherlands.<sup>1041</sup> However, prior to its pledge in January 2005, Germany had failed to provide any funding towards closing the GPEI 2005 gap. Considering that Berlin's economy is five times the size of Canada's, Germany's contribution towards the polio eradication commitment cannot be described as exceptional.<sup>1042</sup> However, Germany receives a score of +1, as it has made a significant financial contribution in 2005 towards the GPEI funding gap.

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

Italy has not fulfilled its commitment towards polio eradication asserted at the Sea Island Summit. Although Italy was included in a long list of core donors that have contributed money to the annual budget of the Global Eradication Fund in 2004, it has not provided financial support since the Summit. To date, there is no indication that Italy promised further funds in 2005 despite the WHO's April 7<sup>th</sup> call for money to close the US\$6.3 Million funding gap in response to the outbreak in Sudan<sup>1043</sup> and GPEI's larger January call to close its then-US\$75-million funding gap for 2005. Italy, however, is projected to pledge US\$5.5-million in core funding for the GPEI in 2006 — making it only one in four countries projected to do so in that year and ranking it as the third most generous national donor in 2006.<sup>1044</sup> Nevertheless, these pledges do not count towards closing the 2005 budget shortfall of the GPEI as committed by the G8 at Sea Island and as such, Italy receives a score of -1, indicating non-compliance.

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

Japan has demonstrated an intermediate level of compliance regarding the Sea Island Summit commitment towards the eradication of polio. Since January, 2005, Japan has not pledged any additional money towards eliminating US funding gap for 2005, now estimated at \$50 million US.<sup>1045</sup> However, in August 2004, Japan donated US\$3.7 million to The United Nations Children's Fund (UNICEF) to support the campaign against polio in Egypt.<sup>1046</sup> While UNICEF and the GPEI are not synonymous, UNICEF is a major sponsor of the GPEI and the Initiative asserts UNICEF as a partner in the global initiative of polio eradication.<sup>1047</sup> Japan's total contribution from 1988-2006 is calculated at the second-highest tier, along with the United Kingdom (250-500 million USD), however, it has yet to provide directly to the GPEI funding gap for 2005. As such, Japan receives a score of 0, indicating a work in progress.

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

Russia has registered a high level of compliance with its Sea Island Summit commitments regarding polio. On July 13, 2004 the Russian Federation announced an additional pledge of US\$4 million to the Global Polio Eradication Initiative to help it close its funding gap. The announcement came from M. Fradakov, the Chairman of the Russian Federation indicating the high degree of importance Russia attaches to the polio initiative. This pledge included an additional US\$3 million for polio eradication in 2005.<sup>1048</sup> The Russian Federation, however, has not responded to the GPEI January 2005 appeal to close its then-US\$75-million budget short fall for 2005. Nevertheless, it has provided a significant financial contribution since the Sea Island

Summit and as such, can be commended for complying with the polio commitment.<sup>1049</sup> In the fight against polio, Russia's contribution stands now at US\$8 million for 2003-2005.<sup>1050</sup>

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

The United Kingdom has registered a high level of compliance towards the Sea Island Summit commitment regarding the eradication of polio. Since January, 2005, the United Kingdom has pledged 11.8 million USD towards eliminating the \$75 million USD funding gap for the 2005 year, now estimated at \$50 million USD.<sup>1051</sup> On February 25, 2005, the UK's international development minister, Gareth Thomas, announced a \$10 million US contribution to the WHO polio eradication program in Pakistan for 2004-2005.<sup>1052</sup> The United Kingdom is also involved with the Polio Eradication Coalition, a group of individual governments who intend on fighting the disease through a plan organized until 2008.<sup>1053</sup> In addition, £2.2 million has been dedicated towards the communication division of the National Polio Eradication Campaign, in adherence with UNICEF's Communication Strategy of 2004/2005.<sup>1054</sup> The United Kingdom is considered a tier-2 level donor, a scale which indicates that it had donated between 250-500 million USD from 1988-2006.<sup>1055</sup>

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

In the 2004-2005 year, the US government remains the largest donor of both the public and private sectors globally to its GPEI commitment. The confirmed value for this period is \$223.3 million USD.<sup>1056</sup> The US government contributes funding directly the GPEI as well as through the Centre for Disease Control (CDC) and USAID. Since January 2005, USAID has contributed \$200,000 in new pledges for polio eradication.<sup>1057</sup> Funding through USAID has included ancillary assistance such as "surveillance, laboratory and operational" and "communication and social mobilization in priority countries," totalling \$29.4 million from late autumn to April 2005.<sup>1058</sup> The United States receives a score of +1, indicating full compliance with the Sea Island Summit regarding polio.

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

The European Union has registered a high level of compliance with its Sea Island commitment regarding polio eradication. After the progress made through their 2004 pledge of €62 million, the European Union (EU) has continued being a leading contributor to the fund. In 2005, The European Commission agreed to fund various African, Caribbean and Pacific countries (ACP) with €55 million through the WHO in order to fund the 2005-2006 efforts toward eradication of the disease in 14 ACP countries.<sup>1059</sup> This is especially important since polio has recently resurfaced through importation in 16 parts of Africa as well as countries which had previously been declared polio free such as Yemen and Indonesia.<sup>1060</sup> The European Commission has also pledged the equivalent of US\$300,738 for the fight against Polio in Mali.<sup>1061</sup>

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## Peace Support Operations

### Commitment

“Therefore, we commit, consistent with our national laws, to:...Work with interested parties, before the next Summit, to develop a transportation and logistics support arrangement, which will help provide countries with transportation to deploy to peace operations and logistics support to sustain units in the field. This kind of arrangement, which will take into account existing efforts, should address a key capabilities gap that often prevents timely intervention in crises.”

### *G8 Action Plan: Expanding Peace Support Operations in Africa*

### Background

The G8 commitment to the prevention and resolution of violent conflict in Africa is founded in the *Africa Action Plan* created at the 2002 Kananaskis summit, and was built upon at the 2003 Evian Summit with the *Joint Africa-G8 Action Plan to Enhance African Capabilities to undertake Peace Support Operations*. The G8 has committed to work with African counterparts to develop local capacities to undertake peace support operations, in accordance with the United Nations Charter, in an attempt to prevent outbreaks of violence, and to ensure that any violent conflict is quickly diffused. The *G8 Action Plan: Expanding Peace Support Operations in Africa* builds upon past efforts undertaken by the G8 and its African partners. The G8 recognizes the financial and logistical difficulties faced by many African nations when deploying troops and equipment internationally throughout the continent, therefore focus was placed upon building established frameworks for transportation and logistical support to ensure that the troops ready to prevent and diffuse conflict in Africa can promptly arrive where they are needed, and are properly equipped to undertake peace support operations. The G8 maintains a long term goal to train 75,000 African peacekeepers by 2010.

### Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			1
France			1
Germany			1
Italy			1
Japan	-1		
Russia		0	
United Kingdom			1
United States			1
European Union			1
Overall: 0.67			



## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada has demonstrated an high level of compliance to its peacekeeping commitments in Africa, concentrating investments in African Union missions with particular emphasis on the Sudanese conflict. At the United Nations (UN) General Assembly on September 22, Canadian Prime Minister Paul Martin professed the country's interest in enhancing African Union's (AU) capabilities in Sudan, offering a contribution of \$20 million (CAD) to African Union peacekeeping operations.<sup>1062</sup> Earlier in September, Minister of National Defence Bill Graham announced a donation of \$250 000 (CAD) to the AU in basic army supplies, consisting in body armour, helmets, flashlights, protective insect nets, cots, and pocket knives.<sup>1063</sup> A similar contribution of basic army supplies totalling \$1.165 million (CAD) to AU forces was made by the Department of National Defense later in the year.<sup>1064</sup> Furthermore, the Canadian Minister responsible for *La Francophonie*, Jacques Saada, announced last January in his visit to Tunisia a contribution of \$100 000 (CAD) for the purchase of 30 mine detectors in support of Tunisia's demining program.<sup>1065</sup>

Canada has continued to assist the AU mission in Sudan by providing helicopter support as well as expertise in military planning.<sup>1066</sup> This has included close to \$2 million (CAD) to charter 5 helicopters in Darfur as announced on 21 October 2004.<sup>1067</sup> As of November, the helicopters, currently based in Al Fasher, Kabkabiya and Al Geneina, have transported supplies and over 330 UN officials, humanitarian workers and new AU observers from Nigeria, Rwanda, Egypt, Gambia and Ghana. These helicopters have been used in transportation of supplies and personnel across the region. Canada also announced the availability of 15 more helicopters for January and an additional 3 for March 2005,<sup>1068</sup> representing an additional investment of \$13.4 million (CAD) to the AU.

In May and June of 2005, Canada's contribution to the transportation and logistics needs of the AU Mission in Sudan increased. Namely Canada announced on 13 June 2005 that it would send up to 100 surplus armoured vehicles to the AU in Sudan or help maintain donated personnel carriers already in use there. "Canada is considering a number of options regarding armoured vehicles in Sudan. Those options are a response to a request from the African Union," said Canadian foreign affairs spokesperson Andrew Hannan. The 100 Grizzly armoured personnel carriers under consideration would be used by the 7,500 AU troops already stationed in the Darfur region. About 50 Canadian soldiers would give African soldiers lessons in a neighboring country in how to drive and maintain them. These will be part of the 100 military experts Canada promised to send to support African Union peacekeepers in the troubled Darfur region as of May 2005.<sup>1069</sup>

With the release of the International Policy Statement in April,<sup>1070</sup> Canada has demonstrated an increasing willingness to provide support to the resolution of African conflicts. Incorporated in the new budget for 2005, an investment of \$100 million (CAD) during a period of 5 years will be directed to the Global Peace and Security Fund. This fund will support the establishment of the Stabilization and Reconstruction Task Force (START) to provide rapid reaction capacity for crisis response with a focus on human security and assistance to peacekeeping in Africa. Part of the fund for this year, an amount of \$20 million (CAD), will assist the peace support operations

conducted by the AU.<sup>1071</sup> Additionally, 31 Canadian Forces personnel were contributed to the newly established UN Mission in Sudan (UNMIS).<sup>1072</sup>

Canada is also poised to make a greater contribution of logistical support to AU peace support operations through NATO. On 9 June 2005, NATO defense ministers, including Canada, agreed that both NATO and the EU would aid the AU through a massive airlift of AU peacekeepers into the Darfur — a doubling of the AU's numbers there. Nevertheless, according to early reports, Canada has not yet been requested to participate in a substantial way in this operation.<sup>1073</sup>

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

On June 16, 2004, shortly after the conclusion of the Sea Island Summit, Hervé Ladsous, a spokesman for the French Foreign Ministry, reaffirmed France's commitment to supporting peace operations in Africa.<sup>1074</sup> Despite this stated commitment to the issue, France has done little to facilitate improvements concerning transportation and logistical arrangements for peace support operations in Africa. France's primary contribution to its commitment has been its continued support for the existing ReCAMP (Reinforcement of African Peacekeeping Capacities) programme. Created in 1997, ReCAMP provides African military personnel training in French military academies in both France and Africa. At the end of the fourth cycle (ReCAMP) held in Benin in February 2005, the Economic Community of the States of West Africa (CEDEAO) held a Conference to discuss experience and feedback of the training programme (RETEX). At the Conference, Pierre-André Wiltzer, France's High Representative for the security and prevention of conflicts, expressed France's continued support of ReCAMP's primary goal of developing the military capacity of African military forces.<sup>1075</sup> Mr. Wiltzer failed to specify in which manner the support would follow, however, and merely stated that the activities for the fifth cycle of ReCAMP have yet to be defined.<sup>1076</sup>

Notably, ReCAMP has established equipment storage depots on three African bases (Dakar in February 1998, Libreville in January 2000, and Djibouti in June 2001).<sup>1077</sup> Although each of these depots house 9 armoured vehicles, 67 trucks (35 two-axle and 32 three-axle), 3 ambulances, and 3 repair vehicles which may be used by African troops for operations approved by the UN or the AU, these depots were created long before the Sea Island Summit.<sup>1078</sup> As a result, while France continues to provide annual support to ReCAMP this cannot be construed as new initiatives that would be evidence of full compliance.

Nevertheless, France has shown its support for the Sea Island commitment through its very recent commitment made at the NATO Defense Ministerial on 9 June 2005. At this meeting, NATO defense ministers, including France, agreed that both NATO and the EU would aid the AU through a massive airlift of AU peacekeepers into the Darfur — a doubling of the AU's numbers there. Currently, France has committed to being a component of the EU's operations and will ferry peacekeepers from Senegal to the Darfur region.<sup>1079</sup>

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

Germany has demonstrated an adequate level of compliance to its commitment transportation and logistical support for African peace support operations. Germany has focused the majority of its relevant activities on the situation in Sudan. Germany has supported the African Union's

peace support mission in Sudan through the provision of communication equipment,<sup>1080</sup> particularly through its financing of satellite telephones, radios and other communication equipment at a cost of roughly €100,000 to facilitate the supervision of the cease-fire agreement.<sup>1081</sup> The German government has also supplied a further €1 million to the AU for mission headquarters, outposts, and for the transportation of observers and materials.<sup>1082</sup> In December 2004, Germany began providing transport for AU ceasefire observers consisting of roughly 200 Gambian soldiers, 60-70 German soldiers, and 12 tonnes of equipment from the Gambian capital Banjul to Darfur, with a stopover in Chad.<sup>1083</sup> This commitment is an aspect of the decision taken by the German Parliament on December 3 to provide upwards of 200 troops to assist in the transport of AU forces.<sup>1084</sup> The German parliament approved the deployment of 50-75 German military observers in April 2005. Monitored by the United Nations Mission in Sudan (UNMIS), and at a cost of €1,300 000, this commitment is approved for an initial period of six months, however it could last up to 6 \_ years.<sup>1085</sup>

Other initiatives taken include \$4.5 million (USD) to support the Kofi Annan Peace Keeping Training Centre in Ghana and Germany is also among the contributor's of €12 million presented as part of the EU Peace Facility for Africa.<sup>1086</sup> It should be noted that this is an ad hoc arrangement and a more institutionalized transportation and logistics arrangement would be desirable by the time of the 2005 G8 Gleneagles Summit in July.

Germany has also shown its support for the Sea Island commitment through its very recent commitment made at the NATO Defense Ministerial on 9 June 2005. At this meeting, NATO defense ministers, including Germany, agreed that both NATO and the EU would aid the AU through a massive airlift of AU peacekeepers into the Darfur — a doubling of the AU's numbers there. Currently, Germany has committed to being a component of the EU's operations but which African country's peacekeeping troops it will provide transport for has yet to be determined.<sup>1087</sup>

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

Italy has demonstrated compliance with the commitment it made concerning peace support operations very late in the compliance cycle, nevertheless, it has succeeded in providing African peacekeepers with both logistical and transportation assistance.

Italy has continued to contribute to improving logistical support arrangements through funding and operating a workshop at the UN Logistical Support Base in Brindisi November 8-26.<sup>1088</sup> A group of mid to high ranking African officers were educated about various aspects of peace support operations at this event. Specifically, a module was presented by the Scuola di Applicazione and the Brigata Alpina Taurinense of the Italian Armed Forces to these field grade officers in an effort to introduce them to the military planning exercise (MAPEX) This training educated the officers in operational planning procedures and provided valuable training in the utilization of logistical equipment used in UN peace support operations.<sup>1089</sup> Italy has also provided a facility in Vicenza for the Center of Excellence for Stability Police Units, which is shared with the newly established European Gendarme Force headquarters. The Center of Excellence is on track to begin offering classes in 2005 in an effort to realize the goal to train 3000 officers and non-commissioned officers in a period of five or six years. The Center is purposed to “provide interoperability training for military contingents that will interact with

stability police units during peace support operations.”<sup>1090</sup> Italy has also made financial contributions to the Kofi Annan International Peacekeeping Training Centre.<sup>1091</sup>

Italy has also shown its support for the Sea Island commitment through its very recent commitment made at the NATO Defense Ministerial on 9 June 2005. At this meeting, NATO defense ministers, including Italy, agreed that both NATO and the EU would aid the AU through a massive airlift of AU peacekeepers into the Darfur — a doubling of the AU’s numbers there. Currently, Italy has committed to being a component of the EU’s operations but which African country’s peacekeeping troops it will provide transport for has yet to be determined.<sup>1092</sup>

## **5. Japan: -1**

Since June 2004, Japan has taken steps to comply with the commitment set out at the 2004 Sea Island Summit, however, its actions have been insufficient to fulfill the commitment. In 2004 the Japanese Ministry of Foreign Affairs, the Japanese Office of the United Nations High Commissioner for Refugees and Japanese NGOs conducted a joint survey mission in eastern Chad to assess the humanitarian situation of Sudanese refugees. The joint survey reiterated the need for increased transport capacity on both land and air routes for a more efficient procurement of aid, however, no concrete action has been taken by the Japanese government.<sup>1093</sup> According to the “Elaborations on Japanese Prime Minister Koizumi’s Speech at the Asian-African Summit”, Japan is currently undergoing consultations with the UN to donate an estimated \$2 million (USD) of equipment to African troops participating in the United Nations Mission in Sudan. This equipment will include trucks, 4 x 4 vehicles and land mine detectors, among others.<sup>1094</sup> However, whether this deal will actually materialize remains to be seen and this commitment has not been reiterated in any other document. In the meantime, Japan’s commitments to improve transport and logistics capacities in the African region will remain unfulfilled.

## **6. Russia: 0**

Russia has presented an unsatisfactory level of compliance to its commitments due to lack of investments in logistic and transportation support to peacekeeping missions in Africa. Furthermore, Russia was involved in a controversial sale of MiG-29 aircrafts to the Sudanese government<sup>1095</sup> which has been accused of arming local militias involved in ethnic cleansing/genocide in the western province of Darfur. The Russian government denies any association between the delivery of the planes and the conflict in Sudan.<sup>1096</sup> However, Russia has been constantly involved in African conflicts, largely as a result of its permanent seat in the UN Security Council. In this capacity,<sup>1097</sup> Russia has contributed in the negotiation of peace settlements, determination of mandates of peacekeeping operations and post-conflict reconstruction. The country also maintains 230 servicemen and security men as part of UN peacekeeping operations in Burundi, the Democratic Republic of Congo, Western Sahara, Cote d’Ivoire, Liberia, Sierra Leone, Ethiopia and Eritrea. The country has been involved in direct communication with the Sudanese government in order to coordinate peacekeeping operations in the country.<sup>1098</sup> Russia plans to send 50 military observers and 20 civilian police officers to join the UN Mission in Sudan (UNMIS). Moreover, Russian participation includes the training of African peacekeepers and their transportation.<sup>1099</sup>

Russian officials have held several meetings with African leaders, including senior representatives from Angola, Ethiopia, Nigeria, Cote d'Ivoire and Liberia and participated in the inaugural session of the AU Peace and Security Council in Addis Ababa.<sup>1100</sup> In addition, foreign-aid and client-state relationships that date back to the Soviet-era have allowed Russia to maintain connections and exude influence over organizations such as ECOWAS<sup>1101</sup> and countries like Sudan,<sup>1102</sup> Somalia,<sup>1103</sup> Ethiopia<sup>1104</sup> and Burundi.<sup>1105</sup> There has been no overt Russian assistance to these countries to improve their transportation or logistics capabilities related to peace support operations.

While Ghana acquired four Russian Mi-17 helicopters to be utilized by its Armed Forces for peacekeeping operations, the transaction is representative of a formal commercial negotiation. Whether or not this can be construed as being in the spirit to the commitment to offer support is questionable but it is sufficient to raise Russia's compliance score to a work in progress. In addition, Moscow indicated that Ghanaian pilots, flight engineers and technicians would be trained in Russia as a part of the contract. The contract also guarantees on-the-job maintenance training to Ghanaian staff which will ensure technology transfer thus increasing evidence of Russia's compliance.<sup>1106</sup>

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

The actions undertaken by the UK since the Sea Island Summit have demonstrated a clear commitment to improving the ability of African troops to execute peace support operations to diffuse crises throughout the continent. The UK has undertaken both ad hoc and institutional approaches to help provide transportation and logistical support to peace support operations in Africa, however, it continues to focus resources on training. In addition to its continued support of the African Union's (AU) African Standby Force (ASF), the UK is participating in a number of regional bodies to help facilitate peace support operations. These include the seconding of a UK military officer to the Economic Community of West African States (ECOWAS), as well as the continued assistance provided by the British Peace Support Team in Nairobi (established in 2000) that helps with planning, training, and structure in the creation of the East African Standby Brigade (EASBRIG).<sup>1107</sup> The EASBRIG is working in conjunction with the UK supported Intergovernmental Authority on Development (IGAD).<sup>1108</sup> Furthermore, the UK is a supporter of the West African Standby Brigade (WASBRIG) through the funding it provides to the Kofi Annan International Peacekeeping and Training Centre.<sup>1109</sup>

In January 2005 the UK gave £275 000 to the Mozambique Military Training Academy to help facilitate the training of military officers, including preparations for peace support operations.<sup>1110</sup> The UK has also allocated £60 million for its cross- government African Conflict Prevention Pool, established in 2001.<sup>1111</sup> As well, £700 000 from the Conflict Prevention Pool was pledged to the Kofi Annan International Peacekeeping and Training Centre in Ghana in 2004.<sup>1112</sup> Specifically, the UK has provided a variety of direct transportation and logistical support to assist the AU in alleviating the crisis in Sudan. In August 2004 the UK financed the airlift of 140 Nigerian troops, including ration packs, into the Darfur region.<sup>1113</sup> The UK also undertook an airlift operation, concluding in December 2004, which moved 131 Toyota 4x4 Land Cruisers and 12 three tonne trucks into the region to support the AU's peace support mission in Darfur.<sup>1114</sup> 2004 also saw the decision to extend the UK-led International Military Advisory and Training Team (Sierra Leone) (IMATT(SL)) to at least 2010.<sup>1115</sup> The goal of the IMATT(SL) is to help

turn the Sierra Leone Armed Forces (RSLAF) into a capable armed force. Currently, the IMATT(SL) comprises 98 UK personnel, however, this is planned to drop to 25 towards the end of the commitment.<sup>1116</sup>

On 9 June 2005, at the NATO Defense Ministerial, NATO defense ministers, including the UK, agreed that both NATO and the EU would aid the AU through a massive airlift of AU peacekeepers into the Darfur — a doubling of the AU's numbers in the region. Nevertheless, according to early reports, the UK has not yet been requested to participate in a substantial way in this operation.<sup>1117</sup>

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

The United States has demonstrated significant compliance to its commitment concerning the provision of transportation and logistical support to peace support activities in Africa. During his speech to the United Nations General Assembly on September 21, 2004, President Bush reiterated his country's dedication towards "[creating] permanent capabilities to respond to future crises"<sup>1118</sup> in the African region. An example of this dedication is the legislation passed in October 2004 by the US Senate. The FY 2005 Foreign Appropriations Bill (S. 2812), as dictated in the accompanying Senate Appropriations Committee report (S.Rept. 108-346), allows for the transfer of funds from the US Department of Defense to the State Department for the Global Peace Operations Initiative (GPOI), in the amount of (up to) \$80 million.<sup>1119</sup> On November 20, 2004, the House-Senate Conference Committee approved the FY 2005 Foreign Appropriations Conference Report as part of the FY 2005 Omnibus Appropriations Conference Report, including the \$80 million provision for the GPOI if the Department of Defense so chooses.<sup>1120</sup> It only remains for the Department of Defense, "which supports the provision, to transfer the funds to State."<sup>1121</sup> Furthermore, the President's FY 2006 Budget Request allocates \$114 million for the second year of the Global Peace Operations Initiative.<sup>1122</sup>

The US also took action in the field; in late October, the US cleared a battlefield area for an airstrip at Rumbek in Southern Sudan, "an important transit point for food, medicine and other critical items en route to needy populations in southern Sudan"<sup>1123</sup> to accommodate larger transport aircraft.<sup>1124</sup> Subsequently, the US supplied two Air Force C-130 aircraft to the Expanded African Union mission in Sudan to transport equipment and African troops, primarily from Rwanda and Nigeria, to the Darfur region over the course of two weeks, starting October 28.<sup>1125</sup> The US appears to be planning to fulfill the commitment made to improving transportation and logistics of peace support operations at the Sea Island summit.

The United States has shown its support for the Sea Island commitment through its very recent commitment made at the NATO Defense Ministerial on 9 June 2005. At this meeting, NATO defense ministers, including the US, agreed that both NATO and the EU would aid the AU through a massive airlift of AU peacekeepers into the Darfur — a doubling of the AU's numbers there. Currently, France has committed to being a component of NATO's operations and will ferry peacekeepers from Nigeria and Rwanda to the Darfur region.<sup>1126</sup>

## 9. European Union: +1

The EU has demonstrated compliance in commitment to support peace keeping capacity in Africa since the Sea Island summit. One week after the Sea Island meetings the EU issued a joint declaration with the UN on military co-operation. In the joint statement, it was agreed that a complimentary role was envisioned for the EU in the form of a “clearinghouse,” where Member States could exchange information on their contributions to a given UN operation and...co-ordinate these national contributions. This would be of particular relevance for...UN enabling capabilities.”<sup>1127</sup> Since April 2004, when the European Union (EU) initially pledged €250 million to establish the Peace Facility for Africa, the EU has increased its support for the African Union’s (AU) efforts in Darfur.<sup>1128</sup> At the Africa-Europe dialogue, held at Addis Ababa from December 2-4, 2004, the “AU expressed gratitude for the vital support and cooperation provided by the EU...particularly, for the funding under the Peace Facility as well as the financial, logistical and expert support.”<sup>1129</sup> To reaffirm its commitment to the AU’s Peace and Security department and to further strengthen the capacity of the AU, the EU granted another €12 million from the African Peace Facility.<sup>1130</sup>

As such, the EU’s primary contribution to the commitment is its financial support for the operations of the African Peace Facility, as acknowledged in the *Our Common Interest: Report of the Commission for Africa*, released in March 2005.<sup>1131</sup> Following the *Report* on April 4, 2005, the EU along with the AU, G8 member countries and other partners in African peace initiatives, issued a Communiqué on the results of a consultation on enhancing peace and security in Africa. In the Communiqué, the EU agreed to continue to work with AU partners on implementing the “Roadmap for the Operationalisation of the African Stand-by Force”, initially adopted by the AU in March 2005.<sup>1132</sup> In particular, the EU also stated that one of the areas which required the most development is logistical support. Furthermore, the EU, along with other partners, proposed a ‘mind clearing’ meeting, in which the logistic experts would gather to discuss the further implementation of the transport and logistic requirements of the EU’s African Stand-by Force.<sup>1133</sup>

On 9 June 2005, however, the EU dramatically increased its commitment to providing transportation support for African peacekeepers. At the NATO Defense Ministerial in Brussels on 9 June 2005, it was agreed that the EU and NATO would launch a joint operation for a massive airlift of AU peacekeepers into the Darfur — a doubling of the AU’s numbers in the region. France, Italy and Germany would all ferry troops from various African states including likely Senegal, Ethiopia and South Africa to the Darfur region. The US would conduct similar operations for peacekeepers from Rwanda and Nigeria under a NATO command structure.<sup>1134</sup>

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May 22, 2005*

## **Famine and Food Security in Africa**

### **Commitment**

“Although harvests improved in 2003-04, substantial emergency assistance will still be required for Ethiopia, Eritrea, Somalia, and Sudan, in part because of political instability and displacement of populations due to conflicts... Working with other donors, we will do our part to ensure that emergency needs, including food, are met.”

*Ending the Cycle of Famine in the Horn of Africa, Raising Agricultural Productivity and Promoting Rural Development in Food Insecure Countries.*

### **Background**

At the 2004 Sea Island Summit, G8 leaders committed to Ending the Cycle of Famine in the Horn of Africa. In their pledge, leaders agreed to help 5 million food insecure people attain food security by 2009.<sup>1135</sup> This commitment is particularly important in Africa, where over 200 million people face hunger and food insecurity issues.<sup>1136</sup> As such, G8 nations pledged to sustain a global partnership to fulfil this commitment, which includes supporting organizations such as NEPAD. In this commitment, G8 leaders accepted three components: Breaking the Cycle of Famine in the Horn of Africa; Improving Worldwide Emergency Assessment and Response Systems; and Raising Agricultural Productivity in Food Insecure Countries and Promoting Rural Development Especially in Africa. Working with organizations such as the Food and Agriculture Organization of the United Nations and the UN World Food Programme, this commitment focuses specifically on 4 African countries: Eritrea, Ethiopia, Somalia and Sudan, where these issues are of particular urgency. According the Food and Agriculture Organization of the United Nations, the issue of famine and food security will heighten in its intensity unless significant action is launched on an international scale. For the purposes of this compliance assessment, this report will adopt a conception of food-security writ large, in which it is acknowledged that the providing security and resolutions to conflicts can be as important for food security in war-torn areas as the providing of food relief and that these in themselves can be considered ‘emergency needs’ as detailed in the commitment. Nevertheless, each report below does contain a concerted focus on food relief as well as military, medical and debt relief support as evidence of compliance with the commitment.

Please Note: This commitment involves aid to the Horn of Africa, which itself includes Sudan and the conflict-ridden territory of Darfur. Further detail on the G8’s military and humanitarian aid to Darfur can be found in the “Peace Building in Africa” and “Regional Security: Darfur” sections of this report. The content in those reports can be considered complementary to the evidence detailed below of each country’s commitment to 2004 Sea Island Famine and Food Security in Africa commitment.



## Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy		0	
Japan			+1
Russia	-1		
United Kingdom			+1
United States			+1
European Union			+1
Overall: 0.67			

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada receives a score of +1 as it has demonstrated full compliance with the Famine and Food Security Commitment identified at the Sea Island Summit. The Hon. Aileen Carroll, Minister of International Cooperation, announced that the Canadian International Development Agency (CIDA) will donate over \$80 million to the World Food Program (WFP) and the Canadian Food Grains Bank (CFGB) in an effort to meet the Millennium Development Goal for the eradication of poverty and extreme hunger.<sup>1137</sup> In response to food-aid emergencies, \$2.5 million will go to Eritrea, \$3 million to Somalia, and \$3.6 million to Ethiopia.<sup>1138</sup> This funding is in addition to the over \$20 million allocated by CIDA for the WFP to address chronic food shortages in Ethiopia.<sup>1139</sup> In May, 2005, Prime Minister Paul Martin announced that Canada will increase its contribution in Sudan to alleviate the ongoing suffering.<sup>1140</sup> In order to assist drought and war affected populations, the government of Canada has allocated \$40 million for food and non-food aid in Sudan of which \$24 million will directly go to food and non- food aid in Darfur.<sup>1141</sup> Furthermore, under the CIDA Canadian College Partnership Program, Canadian institutions are working with organizations in developing countries.<sup>1142</sup> One project under the program is aimed at promoting environmentally sustainable agricultural practices in Ethiopia which will encourage long term food security within the region.<sup>1143</sup>

### 2. France: +1

France upheld a high level of compliance in 2004 towards the Food Security and Famine commitments proposed at the Sea Island Summit. In regards to the commitment's plan of sending aid to politically unstable regions, France responded to the conflict in Darfur primarily through military aid. In the summer of 2004, "234 tones of humanitarian aid (equipment, medicines, nutritional supplements)...[was transported]...mainly to UNHCR, WFP, UNICEF, MSF, OXFAM and the International Federation of Red Cross and Red Crescent Societies."<sup>1144</sup> France's contribution to the WFP in 2004 was calculated at \$32.7 million US, twice the amount donated in 2003.<sup>1145</sup> During a meeting between France's Foreign Secretary Renaud Muselier and the UN WFP's senior deputy executive director Jean-Jacques Graisse, France's priorities with respect to increasing development assistance was discussed, as well as President Chirac's recommendations regarding reforms of a humanitarian force within the UN.<sup>1146</sup> Another

indication of France's commitment to the famine and food security commitment identified at the Sea Island Summit was demonstrated by an official visit of the Ethiopian Prime Minister to France. "The visit reflects the high calibre of France's relations with Ethiopia, headquarters of the African Union, an active member of NEPAD, and a country involved in conflict resolution and peace-keeping missions on the African continent."<sup>1147</sup> During the meeting, the regional situation in the Horn of Africa was discussed, specifically with respect to Ethiopia, Eritrea, Somalia and Sudan.<sup>1148</sup> France receives a score of + 1, indicating full compliance to the famine and food security in Africa commitment.

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

Germany has demonstrated full compliance with the famine and food security in Africa commitment identified at the Sea Island Summit. On February 5, 2005, the finance ministers of the G8 nations met in London to approve a decision which would enable up to 100 percent of the debt of the world's 27 poorest countries to be cancelled. The German Minister of Economic Cooperation and Development, Heidemarie Wiecek-Zeul, stressed that this decision by the G8 is an important step and that it "underscores the need to provide further funding for development assistance", which would affect many countries in Africa.<sup>1149</sup> Germany is also committed to dealing with the conflict in Sudan which is crucial to ensuring that humanitarian aid is able to reach refugees in this region. On April 13, the German cabinet approved a decision to send military observers and personnel for the United Nations Mission to Sudan. In 2004, the German government provided 32.5 million Euros in emergency aid to the region of Sudan and has promised to provide a comparable amount in 2005 as well.<sup>1150</sup> The German government has also pledged to use 0.33 percent of its gross national income for development purposes.<sup>1151</sup> A conference titled, "The Future of Smallholder Agriculture in Eastern Africa: The Roles of States, Markets, and Civil Society", was held on May 2. and May 3 in Entebbe, Uganda this year. The purpose of the conference was to analyze the accomplishments of the network's seven year existence, and to meet with food and agricultural policy makers and stakeholders in the region in order to examine the ongoing projects and plan new ones. The conference was in part funded by the "German Committee for Technical Cooperation", in cooperation with the German government.<sup>1152</sup>

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

Italy receives a score of 0, representing a work in progress for its achievements towards the Famine and Food Security commitment made at the Sea Island Summit. In a joint UK-Italy summit held on July 13, 2004, Prime Minister Berlusconi "agreed that Africa is a priority and reaffirmed their commitment to fostering Africa's inclusion in the global economy."<sup>1153</sup> The Hon. Alberto Michelini, Personal Representative of the Prime Minister for Africa, reaffirmed Italy's support for NEPAD to the 59th General Assembly of the United Nations.<sup>1154</sup> At the Thirteenth Session of the United Nations Commission for Sustainable Development, Aldo Mantovani, Deputy Permanent Representative of Italy to the United Nations stressed Italy's commitment to the eradication of poverty and sustainable development objectives.<sup>1155</sup> In a statement at the Summit of World Leaders for the Action Against Hunger and Poverty, the Italian Minister of Foreign Affairs Hon. Franco Frattini reaffirmed that Italy fully supported the Action Against Hunger and Poverty and "its commitment to effectively promote innovative

financial sources to attain this laudable goal.”<sup>1156</sup> However, Italy has yet to make any substantial contributions or actions towards providing emergency needs to the affected areas.

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

Japan has demonstrated full compliance with the Famine and Food Security Commitment identified at the Sea Island Summit, primarily in the form of financial contributions, cooperative efforts and bilateral meetings which have focused upon issues surrounding the commitment. Japan’s total contribution to the UN WFP in 2005 as of May, 2005 ranks third, totaling \$93 851 324 million US.<sup>1157</sup> In a cooperative effort with the European Commission, Ireland, US and Japan, \$13.8 US million worth of wheat was donated to Eritrea in December, 2004.<sup>1158</sup> Over the course of the year since the Sea Island Summit, Japan has held two meetings with representatives from Sudan. In September, 2004, Japanese Prime Minister Junichiro Koizumi and the then Foreign Minister Yoriko Kawaguchi met with the Sudanese Foreign minister, during which time the Japanese representatives encouraged the resolution of the Darfur crisis.<sup>1159</sup> In December, 2004, Senior Vice-Minister for Foreign Affairs Mr. Ichiro Aisawaw visited Sudan, during which time he also encouraged the Sudanese government to improve the situation in the Darfur region.<sup>1160</sup> Another effort by the Japanese government to fight food security can be seen through its \$1.3 million contribution towards a Food and Agriculture Organization of the United Nations project in the fall of 2004.<sup>1161</sup> In April, 2005, the Japan Platform (JPF), an organization established in cooperation with the Japanese government, the Japanese business community and non-governmental organizations, provided 280 million yen to the humanitarian crisis in Darfur.<sup>1162</sup> This contribution was primarily targeted towards emergency water supply and sanitation projects, and is based upon research concerning the need for specific assistance projects.<sup>1163</sup>

## **6. Russia: –1**

Russia has not complied with the Famine and Food Security Commitment identified at the Sea Island Summit, thus it receives a score of –1. Russia has not provided any financial support towards emergency assistance needed in the Horne of Africa. Russia is not included in the list of 50 nations that have contributed funds towards the UN World Food Programme in 2004 or 2005.<sup>1164</sup> However, in February, 2005, President Vladimir Putin agreed to send troops as part of a UN peacekeeping operation in Sudan, as part of a resolution that was adopted by the UN in March, 2005.<sup>1165</sup> Russia’s military contribution can be interpreted as working towards providing assistance for the politically unstable region of Darfur, in adherence to the commitment’s objective. As well, Russia does sit on the 15-member governing board of the InterAcademy Council, an international organization of science specialists who provide information to transnational organizations such as the US.<sup>1166</sup> Nevertheless, Russia has failed to provide the necessary support pledged by the G8 regarding the Famine and Food Security Commitment in Africa and as such, receives a score representing non-compliance.

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

The United Kingdom has demonstrated a high level of compliance with the Famine and Food Security Commitment identified at the Sea Island Summit. This has been achieved through donations for various initiatives that target both the elimination of famine in the Horne of Africa

and efforts to raise agricultural productivity. On March 11, 2005, Prime Minister Tony Blair re-emphasized his commitment to Africa when he launched the Commission for Africa report.<sup>1167</sup> Furthermore, the UK government reaffirmed its support for NEPAD.<sup>1168</sup> The 2005 Humanitarian Strategy for Sudan & Eastern Chad states that £40 million of the total £50 million donated to the UN's 2005 Work Plan for Sudan and Eastern Chad has been allocated towards humanitarian components.<sup>1169</sup> Of this, £1.5 million has been donated to the World Food Program (WFP) and £1 million to the Food and Agriculture Organization (FAO).<sup>1170</sup> Furthermore, the UK Department of International Development (DFID) "has been monitoring the effect of drought in Ethiopia."<sup>1171</sup> DFID's partnership with Ethiopia provides technical assistance on food security and is based on the government of Ethiopia's Sustainable Development and Poverty Reduction Program.<sup>1172</sup> In order to meet post-drought needs, Secretary of State for International Development, Hilary Benn committed an additional £1 million for the United Nations Humanitarian Response Fund for Somalia.<sup>1173</sup>

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

The United States has registered a high level of compliance with the famine and food security in Africa commitment identified at the Sea Island Summit. The US's involvement has been primarily focused upon the humanitarian crisis in Darfur. In September, 2004, former Secretary of State Colin Powell announced the State Department's allotment of \$20.5 million in FY04 funds for the African Union's peacekeeping mission in Sudan.<sup>1174</sup> Recently, the US donated \$50 million to fund a larger African Union force in an effort to end the fighting in the Darfur region of Sudan.<sup>1175</sup> With respect to financial contributions, the US has been a leader in monetary support towards the UN's World Food Programme. In October, the USAID's Office of Food for Peace provided \$44 million US worth of food to the WFP for two emergency food operations in Sudan and Chad.<sup>1176</sup> In 2005 alone, the US had donated \$489 598 432 US to the UN's World Food Programme, making it the largest contributor of 50 nations.<sup>1177</sup> In addition to its financial contribution, the US and other donors agreed to supply helicopters, armored personnel carriers, trucks and fuel towards the effort.<sup>1178</sup> In 2005, USAID pledges to continue to provide food aid and humanitarian assistance in Somalia, an ongoing project of the USAID's Humanitarian Assistance program in Somalia.<sup>1179</sup> In addition, the USAID's food security mission in Ethiopia for 2005 plans to "implement applied agricultural research and extension, natural resources management, environmental rehabilitation, and capacity building activities to enhance food security."<sup>1180</sup> In 2004, the USAID's food security mission in Ethiopia boasts of numerous programs geared towards improving agricultural productivity and implementing programs and infrastructure which assisted in providing food security.<sup>1181</sup>

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

Through a number of initiatives, the EU has fully complied with their commitment made at the Sea Island Summit regarding famine and food security in Africa. By December 13, 2004, the European Commission had donated \$187,102,068 US to the World Food Programme in 2004, making it the second largest contributor after the United States. "It is essential that public aid for new needs resulting from the Asian Tsunami is not taken from existing crises which have fallen out of the spotlight", stressed the European Union Commissioner Louis Michel, as the Commission announced that it had adopted a humanitarian package for Africa worth more than €80 million. He explained that, "The forgotten crises of Africa need our continued support", and

that the Commission has allocated funds for Coastal West Africa, Uganda, Burundi, Tanzania, and various other countries.<sup>1182</sup> On March 18, 2005, the EU Commissioner welcomed the priority being given to Africa by the UK Presidency of the G8. He stressed the importance of the report of the Commission on Africa as well as the efforts being made to increase international support for development.<sup>1183</sup> The European Community also took part in the 31<sup>st</sup> session of the Committee on World Food Security which took place in Rome from May 23-26. This session focused on assessing the world food security situation and reviewed the arrangements for the 2006 World Food Summit plan of action.<sup>1184</sup> In April of 2005, following floods in Madagascar, the EU released another US \$12 million from its Food Security Programme in order to alleviate perpetual food shortages. Roughly US \$1.6 million will be used for developments in rural areas, while the remaining funds will be channelled toward improving food security.<sup>1185</sup>

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## Regional Security: Darfur

### **Commitment:**

“We pledge our countries’ assistance in ending the conflicts in Sudan and in providing humanitarian aid to those in need.”<sup>1186</sup>

*G8 Statement on Sudan*

### **Background:**

The focus on regional security in Sudan at the 2004 Sea Island Summit was driven by the massive human rights violations that were taking place in the Darfur region of the country. At the time of the summit, 1.6 million people had been forced to flee their homes and 70,000<sup>1187</sup> people had been killed in the Western region of Darfur. In June 2004, the United Nations called the situation in Darfur the world’s worst humanitarian crisis<sup>1188</sup>. The pro-government *janjaweed* Arab militias were accused of ethnic cleansing against Darfur’s black African population<sup>1189</sup>. Following strong pressure from non-governmental organizations, the United Nations and the heads of six African countries, the G8 leaders took a strong stand on the issue<sup>1190</sup>. On the last day of the Sea Island Summit, the G8 leaders collectively called on the Sudanese government to disarm militias in Western Darfur. Together the G8 leaders placed the blame on the *janjaweed* and other armed groups for the massive rights violations and called on the Sudanese government to find a peaceful solution to the conflict. The G8 statement on Sudan called for an immediate end to the conflict and unimpeded delivery of humanitarian aid to those in need<sup>1191</sup>.

### **Assessment**

Country	Non-Compliance –1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia		0	
United Kingdom			+1
United States			+1
European Union			+1
Overall: 0.88			

### **Individual Country Compliance Breakdown**

#### **1. Canada: +1**

Canada has registered full compliance with its Sea Island commitments regarding regional security in Darfur. Canada’s efforts towards achieving a peaceful resolution to conflicts in Sudan have been significant. On 12 May, Canada increased its contribution toward peace and stability in Sudan to a total of \$198 million. A team of special advisers consisting of Robert Fowler,

Mobina Jaffer and Romeo Dallaire has been created to coordinate and promote Canada's initiatives.<sup>1192</sup> Having already contributed over \$40 million in humanitarian assistance to Sudan through the Canadian International Development Agency (CIDA) for the protection of those affected by the conflict and support for peace building efforts, Canada has also supported the peace talks led by the Inter-Governmental Authority on Development.<sup>1193</sup> In April, International Cooperation Minister Aileen Carroll announced a further commitment of \$90 million over two years.<sup>1194</sup> Canada has also said it will contribute \$500,000 to the International Criminal Court to investigate human rights abuse in Darfur.<sup>1195</sup>

On the military side, Canada has pledged \$170 million in assistance to the African Union.<sup>1196</sup> This has included providing equipment, helicopter and other leased aircraft support as well as expertise in military planning.<sup>1197</sup> The helicopters, currently based in Al Fasher, Kabkabiya and Al Geneina, have transported supplies and over 330 UN officials, humanitarian workers and new AU observers from Nigeria, Rwanda, Egypt, Gambia and Ghana. The Department of National Defence has announced plans to send up to 31 Canadian Forces Personnel to Sudan as part of the UNAMIS (United Nations Mission in Sudan) deployment.<sup>1198</sup> Forces Chief General Rick Hillier has recently returned from a fact-finding mission to Africa, and it is reported that he is at work on an action plan that will see the Canadian Forces ready to deploy a large contingent overseas for 'significant operations' by late summer.<sup>1199</sup> Throughout the year, the government of Canada has remained engaged on the broader Sudan issue both independently and within multilateral bodies.

In addition, Canada has increased diplomatic support and has pledged to send 100 Canadian peacekeepers to help AU soldiers carry out their mandate.<sup>1200</sup> However, African heads of state who met at the 16 May Tripoli conference have declined Canada's offer of peacekeepers to Darfur and Ottawa has agreed to respect this wish.<sup>1201</sup> Nevertheless, Canada announced on 13 June 2005 that it would send up to 100 surplus armoured vehicles to the AU in Sudan or help maintain donated personnel carriers already in use there. The 100 Grizzly armoured personnel carriers under consideration would be used by the 7,500 AU troops already stationed in the Darfur region. About 50 Canadian soldiers would give African soldiers lessons in a neighboring country in how to drive and maintain them.

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

France has registered full compliance with its Sea Island commitments regarding regional security in Darfur. France's fulfillment of its Sea Island commitment is reflected in its active role on the United Nations Security Council (UNSC). Most recently, France played a pivotal role in initiating the United Nations Security Council Resolution 1593 which was adopted on 31 March 2005.<sup>1202</sup> The text contains seven separate operative paragraphs, including a decision to refer the crimes committed in Darfur since 1 July 2002 to the Prosecutor of the International Criminal Court (ICC).<sup>1203</sup>

"We voted for [the UNSCR 1593] since we believe it is likely to contribute to the search for a peaceful settlement in Darfur, in support of the African Union-sponsored Abuja negotiations",<sup>1204</sup> explains the French Ministry of Foreign Affairs Deputy Spokesperson. Speaking after the adoption of the resolution, the French ambassador to the United Nations Jean-Marc de la Sabliere proclaimed that "the Council had a duty to take actions"<sup>1205</sup> while the

Minister of Foreign Affairs M. Michel Barnier added that “[the Security Council] [has] succeeded in ensuring that the war crimes and crimes against humanity committed in Darfur will not go unpunished”.<sup>1206</sup> This resolution is unprecedented in that it marks the first time that the Council has referred a situation to the ICC.<sup>1207</sup> As Barnier states, “the adoption of [the UNSCR 1593] marks an important stage in the defence of human rights and the fight against impunity”.<sup>1208</sup> Since the resolution was adopted the UN secretary-general has sent a list of 51 suspects to the ICC prosecutor.<sup>1209</sup>

France has further demonstrated its commitment to ending the regional conflict in Darfur by voting in favor of UNSCR 1590 (24 March 2005) and UNSCR 1591 (29 March 2005). Adopted on 24 March 2005, the UNSCR 1590 established the UN Mission in Sudan (UNMIS), which will consist of up to 10,000 military personnel and an appropriate civilian component.<sup>1210</sup> The mandate of the UNMIS will be to support the implementation of the comprehensive Peace Agreement signed by the Government of Sudan and the rebel forces on 9 January 2005.<sup>1211</sup> On the other hand, the UNSCR 1591 aims to “impose a travel ban and assets freeze on those parties impeding the peace process, committing human rights violations, and violating measures set out in previous resolutions.”<sup>1212</sup> Moreover, the UNSCR 1591 seeks to prevent the sale or supply of military equipment to all the parties of the N’Djamena Ceasefire Agreement.<sup>1213</sup> In reference to the most recent resolutions adopted by the Security Council, the French Minister of Foreign Affairs asserts, “[the Council’s] objective remains the establishment of a lasting peace in Sudan, and the adoption of the three resolutions on that country is an essential contribution to its achievement”.<sup>1214</sup>

Additionally, France’s humanitarian aid efforts in the region have illustrated its commitment in Darfur. France has mobilized military transport capabilities in Chad for humanitarian relief operations; French aircrafts have airlifted 700 tons of humanitarian aid.<sup>1215</sup> In addition, 200 French troops in Chad contribute to the stabilization of the Chad/Sudan border through patrols in Chad and along the border between the two countries.<sup>1216</sup> France is also supporting the deployment of the African Union (AU) mission in Darfur. In fact, a French colonel is vice president of the AU’s ceasefire monitoring commission, which also receives French logistical and medical support.<sup>1217</sup> Also, two French army officers are part of the Abeche monitoring team, and two more French army officers are working with the AU planning unit in Addis Ababa. Moreover, France’s financial commitment for Darfur exceeds €60 million.<sup>1218</sup>

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

The German Government has achieved full compliance through both diplomatic and monetary initiatives. On 12 July 2004, Foreign Minister Joschka Fischer met with the Sudanese President, Vice-President and Foreign Minister, urging the government to provide security in the Darfur region and to disarm the militias attacking the civilian population. Fischer also affirmed Germany’s support for an independent investigation of the Darfur situation.<sup>1219</sup> In September 2004., Germany cosponsored UN Security Council Resolution 1564, which threatened “actions to affect Sudan’s petroleum sector and the Government of Sudan or individual members of the Government of Sudan” if the Sudanese government did not cooperate with the expansion of the African Union monitoring presence in Darfur.<sup>1220</sup> In August, the German Government pledged an additional €20-million to aid Sudanese refugees<sup>1221</sup> and in October announced that it was



sending experts from the Federal Agency for Technical Relief (THW) to maintain a workshop and drinking water laboratory in Al-Fashir, Darfur's capital.<sup>1222</sup>

On 11 April 2005, Minister of State Kerstin Müller attended the International Donors Conference for Sudan in Oslo and pledged to provide 30 million euro in humanitarian aid for use in Sudan in 2005. Furthermore, the Minister stated that the German Government intended to participate in the UN mission to Sudan (UNMIS) and to continue to support the AU mission (AMIS 2) there this year. Additionally, she reiterated the German Government's policy not to normalize relations with Sudan "as long as it continues to condone the violence in Darfur and fails to comply with the demands of the United Nations Security Council."<sup>1223</sup>

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

Italy has registered full compliance with its Sea Island commitments regarding regional security in Darfur. Italy has taken some concrete steps towards ending the conflict in Sudan and they have had some success but at the same time have been criticized by civil society groups. In July of 2004, Under-Secretary for Foreign Affairs, Margherita Boniver, declared that genocide was taking place in the Darfur Region of Sudan. Equally she stressed that Italy has earmarked €7.5 million for aid as well as sending a military observer to assist African Union officials. Politically, Italy has put pressure on Khartoum and has raised the issue in the European Union and United Nations.<sup>1224</sup> In August of 2004 the Ministry of Foreign Affairs, in cooperation with the NGO "InterSOS" sent two humanitarian relief flights carrying emergency relief supplies.<sup>1225</sup> In September of 2004, the Minister of Foreign Affairs, Franco Frattini, received the president of the "Sudan People's Liberation Movement/Army", John Garang to discuss the cessation of violence in Darfur.<sup>1226</sup> Recently, from 19 to 21 December, Under-Secretary for Foreign Affairs Margherita Boniver was in Sudan on a humanitarian mission, where she visited some of the projects funded by the Ministry of Foreign Affairs.<sup>1227</sup>

So far the Ministry of Foreign Affairs' humanitarian aid to Darfur amounts to approximately €10 million and is allotted to both bilateral and multilateral initiatives; an additional €650,000 goes to supporting the African Union's peace mission, in which an Italian official is participating in the context of a European contingent of military observers.<sup>1228</sup> Foreign Minister Fini, during a telephone conversation with his counterpart in the Sudan, Mustafa Osman Ismail, stressed the importance of the Sudanese government taking responsibility for and ending the humanitarian disaster occurring in the Darfur region.<sup>1229</sup> Shortly thereafter, on March 15, 2005, Under-Secretary Margherita Boniver addressed the 61<sup>st</sup> session of the UN Commission on Human Rights, reiterating the importance of addressing grave humanitarian disasters occurring in the world, in particular in the Sudan.<sup>1230</sup> Italy, however, has come under criticism from NGO's and aid agencies. Italy has been charged with not providing adequate aid for refugees fleeing the Darfur conflict; it has either expelled them or forced them to live illegally in Italy.<sup>1231</sup> Aid agencies such as Oxfam,<sup>1232</sup> Care International and Save the Children<sup>1233</sup> have also been critical of Italy as being one of the least generous countries in aid appropriation.

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

Japan has demonstrated a respectable level of compliance regarding its commitment to regional security in Darfur. Japan has contributed 280 million yen to three NGOs selected for their unique

abilities to provide humanitarian relief in the region. Save the Children, World Vision and ADRA were recipients of the aid and all of them were charged with helping to provide potable water in different areas of Darfur. Japan suggests that the presence of these three NGOs in Darfur is one of the first stages in their response to the crisis in Darfur. Specifically, these NGOs will perform an investigatory role, reporting back regarding what further commitments are both necessary and recommended. Additionally, Japan approved a grant of US \$500 000 allotted to increase food production for the refugees. Japan channeled this contribution through the Food and Agriculture Organization of the United Nations.<sup>1234</sup> For more immediate relief, Japan contributed USD\$3-million through the World Food Program (WFP), which provided sorghum, a staple of the Sudanese diet, to those affected by the conflict in Darfur.<sup>1235</sup>

The Japanese are also continuing their role as mediators in the Darfur crisis. Both Japan's Prime Minister, Mr. Koizumi and Foreign Minister, Ms. Kawaguchi met with the Sudanese Foreign Minister Dr. Mustafa Osman Ismail while he was in Japan. Japan urged Ismail to promote peace talks between North and South Sudan. Japan is also sending their Ambassador in charge of Conflict and Refugee-Related issues in Africa into the region to assess how Japan might play a larger role.<sup>1236</sup> Publicly, Japan registered its support for the mediation efforts of the African Union.<sup>1237</sup> Japan further helps to mediate this crisis by participating in a series of talks entitled the "Japan-Sudan Human Rights Dialogue". The first of these talks was held in Khartoum, the second in Tokyo where human rights issues were discussed with a mind to finding potential areas for co-operation between the two states.<sup>1238</sup> Furthermore in April of 2005, Mr. Ichiro Aisawa, Senior Vice-Minister for Foreign Affairs, attended the Oslo Donor's Conference on Sudan after which he flew to Sweden to meet with the leading Sudanese figures.<sup>1239</sup> The Japanese Ambassador in Charge of Conflict and Refugee-related Issues in Africa, Mr. Keitaro Sato, also attended the conference further underscoring Japan's dedication to helping build peace in Darfur.<sup>1240</sup> This is perhaps the most notable contribution the Japanese have made to the conflict in Darfur. The Japanese have shown leadership in liaising with Sudanese officials and providing support for the African Union's intervention.

## **6. Russia: 0**

Russia's efforts to comply with the G8's commitment on Sudan since the G8RG's Interim Report remain questionable. Russia has followed up its expression of "serious concern" for what it calls the "tragedy... fraught with a humanitarian disaster"<sup>1241</sup> in Darfur, Sudan with a sterner rhetorical line against the Sudanese regime, declaring in March that it "expects the government of Sudan in full accordance with the obligations it assumed to provide necessary security conditions for the return of the UN mission to the western regions of Darfur."<sup>1242</sup> The Russian Foreign Minister remains in contact with Sudanese Foreign Minister Mustafa Osman Ismail.<sup>1243</sup> As it has all year, Russia has continued to advocate for a solution based on "building up the potential of the African Union Mission and cooperation with it by the future UN Mission in Sudan."<sup>1244</sup> Notably, Russia has announced plans to send 50 Russian military observers and 20 civilian police officers to join UNMIS as well as to consider other forms of support for the Mission.<sup>1245</sup>

There remains, however, disagreement over the means by which a peaceful resolution to the conflict in Darfur can be achieved. In opposition to the majority of the Security Council, Russia argued upon its abstention on the vote to adopt UNSC Resolution 1564 that the threat to impose

sanctions against Sudan is “not at all the best method of inducing Khartoum to fulfill its obligations to the UN.”<sup>1246</sup> This has been followed by an abstention on UNSC Resolution 1591, which sought to “impose a travel ban and freeze on those impeding the peace process, committing human rights violations and violating measures set out in previous resolutions.”<sup>1247</sup> Russia considers “counterproductive the decision to apply to the Government of Sudan strict restrictions that objectively lower its capacity to ensure the security of the civilian population of Darfur, to maintain law and order in the zone of conflict, to disarm nongovernment units, and to arrest those guilty of violations of international humanitarian law.”<sup>1248</sup> Russia, in turn, insists that the sanctions must be “a last resort” and that “the Government of Sudan is trying to comply with the demands of the Security Council, [but is] encountering considerable difficulties, brought on by the protracted confrontation in Darfur and a shortage of mutual trust.”<sup>1249</sup>

Meanwhile, Russia continues to be criticized for proceeding with the sale of MiG-29 and MiG-24 fighter jets to the Sudanese government.<sup>1250</sup> It has not offered any comment beyond its original claim that “the implementation of the earlier contracts with the Sudanese government on military technology supplies is absolutely unrelated to the latest developments in Sudan and around it.”<sup>1251</sup>

Thus, Russia’s commitment over the past year to resolving the crisis in Darfur, particularly insofar as any solution would require the fulfillment of certain obligations on the part of the Sudanese government, has been weak.

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

The United Kingdom has registering full compliance with its Sea Island commitments regarding regional security in Darfur. Besides being the largest bilateral donor regarding the Darfur conflict, contributing £62.5m to the humanitarian response between September 2003 and March 2005, Britain recently announced plans to double their bilateral aid.<sup>1252</sup> This ambitious initiative, outlined for 2005, means Britain will donate £1 billion. This figure is earmarked to rise further in coming years. On a diplomatic level, Foreign Secretary Jack Straw, International Development Secretary Hilary Benn and Chris Mullin, the Parliamentary Undersecretary of State, have all met with influential Sudanese leaders including President General Al Bashir, and the Foreign Minister Dr. Mustafa Osman Ismail on the issue of peace in Darfur.<sup>1253</sup> They also visited Internal Displaced Persons camps giving them first hand insight into the conflict.<sup>1254</sup> Britain further extends its political involvement in Darfur through the British embassy in Khartoum, through which the British helped mediate the Naivasha peace talks.<sup>1255</sup> Britain also supported Security Council resolution 1556 to have the UN investigate the Darfur Crisis.<sup>1256</sup> In addition, Britain gave 250 000 pounds to send eight human rights monitors to the region.<sup>1257</sup> The UK has “also played a key role in securing € 92 million of support for the AU mission from the EU Peace Facility for Africa.”<sup>1258</sup>

On the military end of the spectrum, in August 2004 the UK financed the airlift of 140 Nigerian troops, including ration packs, into the Darfur region.<sup>1259</sup> The UK also undertook an airlift operation, concluding in December 2004, which moved 131 Toyota 4x4 Land Cruisers and 12 three tonne trucks into the region to support the AU’s peace support mission in Darfur.<sup>1260</sup>

## 8. United States: +1

The United States (U.S.) has registered full compliance regarding its commitment to ending the regional conflict in Darfur and in providing humanitarian aid. The U.S. has “concluded that genocide has taken place in Darfur”,<sup>1261</sup> and has been taking measures to end the violence in the region. On 24 March 2005, the United Nations Security Council (UNSC) adopted the United Nations Security Council Resolution (UNSCR) 1590 which was sponsored by the U.S. The UNSCR 1590 established the UN Mission in Sudan (UNMIS) which will consist of up to 10,000 military personnel...<sup>1262</sup> The mandate of the UNMIS will be to support the implementation of the comprehensive Peace Agreement signed by the Government of Sudan and the rebel forces on 9 January 2005.<sup>1263</sup> U.S. Ambassador Anne Patterson said that the United States “is and will be an important contributor to the peacekeeping [efforts]”.<sup>1264</sup> Former U.S. Secretary of State Colin Powell was present in Nairobi, Kenya to witness the signing of the “historic comprehensive peace accord”.<sup>1265</sup>

The U.S. also voted in favor of the UNSCR 1591 (29 March 2005) which aims to “impose a travel ban and assets freeze on those parties impeding the peace process, committing human rights violations, and violating measures set out in previous resolutions.”<sup>1266</sup> This resolution, also sponsored by the United States, extended an arms embargo that extends to the Government of Sudan.<sup>1267</sup> U.S. Ambassador Stuart Holliday explains, “If the government of Sudan would like to come into Darfur for any military purpose, it has to get the permission of the Security Council...through the council’s committee that has been established by the UNSCR 1591.”<sup>1268</sup> However, Ambassador Holliday clarifies that the arms embargo is not meant to restrict the work of the African Union troops in Darfur.<sup>1269</sup> The United States continues to be “strongly supportive of the African Union Mission”.<sup>1270</sup> Ambassador Holliday adds, “We’re pleased that...the council voted to adopt [UNSCR 1591], which [the US] hopes will put the appropriate pressure on all the parties to the Darfur conflict...”<sup>1271</sup>

When the text for resolution 1593 was brought to the UNSC, the U.S. abstained from the vote because the text included a Council referral of the situation in Darfur to the ICC.<sup>1272</sup> Although “the United States believed that a better mechanism would have been a hybrid tribunal in Africa, it [also believed it was] important that the international community spoke with one voice in order to help promote effective accountability,”<sup>1273</sup> explains Ambassador Patterson. Hence, the U.S. did not veto the resolution because of the “need for the international community to work together in order to end the climate of impunity in the Sudan, and because the resolution provided protection from investigation or prosecution for United States nationals...”<sup>1274</sup>

Beyond the UNSC resolutions, the U.S. has been active in the region in terms of its humanitarian aid efforts. On 3 May 2005, the United States Agency for International Development (USAID) responded quickly to the worsening food shortages in the Sudan “by redirecting approximately \$US 8,450 metric tons of non-cereal food commodities already on the high seas, to Sudan”.<sup>1275</sup> This emergency food assistance will enable the U.N. World Food Programme to provide full non-cereal food rations until August for more than 1.5 million people living in Darfur.<sup>1276</sup> Additionally, the U.S. government has contributed a total of 336 980 metric tons of food for Darfur in fiscal year 2004-2005 through USAID’s office of Food for Peace.<sup>1277</sup> Moreover, between 4 May 2005 and 5 May 2005, two USAID/OFDA flights carried a 1,260 rolls of plastic sheeting to provide shelter for approximately 63,000 displaced people in Darfur; the plastic

sheeting are valued at \$US 468,000 including transportation.<sup>1278</sup> Additionally, the United States Senate Conference Committee for the FY05 Emergency Supplemental approved \$50 million for the African Union Force in Darfur on May 1<sup>st</sup>. The \$50 million comes at the right moment, as the African Union recently announced that it will be doubling the mission in Darfur to over 7,700 troops and monitors and it will need funds in order to expand quickly and effectively<sup>1279</sup>. The total FY 2005 USG Humanitarian Assistance for the Darfur Emergency is \$US 375,275,774 while the total FY 2003-2005 USG Humanitarian Assistance for the Darfur Emergency is \$633,721,454.<sup>1280</sup>

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

The European Union (EU) has registered full compliance with its Sea Island commitments regarding regional security in Darfur, primarily through humanitarian aid and support for the African Union (AU) and UN efforts in Sudan. In November 2004, the EU earmarked 51 million euros in humanitarian aid for victims of conflict in Sudan, with 31 million of that money going to victims in Darfur. The aid was to be channeled through the EU's humanitarian aid department, ECHO.<sup>1281</sup> On 10 June the EU announced that it would mobilize 12 million euros, through the African Peace Facility, to support the AU observer mission monitoring the implementation of a cease-fire agreement in Darfur.<sup>1282</sup> This was followed in October by an additional pledge of 80 million euros to support the AU mission, again from the African Peace Facility.<sup>1283</sup> The EU has exercised political pressure as well on the Sudanese government, threatening it in September with sanctions for the "massive and severe" human rights abuses, which it failed to halt in Darfur.<sup>1284</sup>

On 25 January 2005, the EU and the Government of Sudan signed a Country Strategy Paper in which the EU pledged to provide up to 400 million euro for food security and education between 2005 and 2007 (326 million euro from the European Development Fund and the rest from other sources).<sup>1285</sup> On 11 April 2005, the European Commission attended the International Donors Conference in Oslo, Norway. At the conference, it pledged to provide 160 million euro in humanitarian aid for Sudan in 2005 and to continue to support the AU's mission in Sudan (AMIS 2) with a further 60 million euro.<sup>1286</sup>

On 9 June 2005, however, the EU dramatically increased its commitment to providing transportation support for African peacekeepers. At the NATO Defense Ministerial in Brussels on 9 June 2005, it was agreed that the EU and NATO would launch a joint operation for a massive airlift of AU peacekeepers into the Darfur — a doubling of the AU's numbers in the region. France, Italy and Germany would all ferry troops from various African states including likely Senegal, Ethiopia and South Africa to the Darfur region. The US would conduct similar operations for peacekeepers from Rwanda and Nigeria under a NATO command structure.<sup>1287</sup>

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May 24, 2005

## **Appendix A: Priority Commitments: 2004 Sea Island Summit Compliance Cycle**

### **1. Broader Middle East and North Africa: Democracy Assistance Dialogue**

“Establish with willing partners in the region a Democracy Assistance Dialogue that will, under the auspices of the Forum for the Future, bring together in a collaborative and transparent environment willing governments, civil society groups and other organizations from the G8, EU and others, and countries in the region to:

- Coordinate and share information and lessons learned on democracy programs in the region, taking into account the importance of local ownership and each country’s particular circumstances;
- Work to enhance existing democracy programs or initiate new programs;
- Provide opportunities for participants to develop joint activities, including twinning projects;
- Promote and strengthen democratic institutions and processes, as well as capacity-building;
- Foster exchanges with civil society groups and other organizations working on programs in the region.”

*G8 Plan of Support for Reform*

### **2. Broader Middle East and North Africa: Iraqi Elections**

“We pledge to provide support and assistance for the electoral process leading to national elections for the Transitional National Authority [of Iraq] no later than January 31, 2005.”

*Partnership for Progress and a Common Future  
with the Region of the Broader Middle East and North Africa*

### **3. World Economy**

“We agreed it was important to take advantage of the strong global economic environment to implement further reforms to accelerate growth in our countries.”

*G8 Sea Island Summit Chair’s Summary*

### **4. Trade: Doha Development Agenda**

“The progressive integration by developing countries of trade into their development policies and poverty reduction strategies is crucial for their integration in the global economy, and will increase the benefits they derive from the multilateral trading system. We call on developing countries to further increase their efforts in this regard, and pledge to provide strong support in the form of technical assistance to build their trading.”

*G8 Leaders Statement on Trade*

## **5. Trade: Technical Assistance**

“We call on developing countries to further increase their efforts in this regard, and pledge to provide strong support in the form of technical assistance to build their trading.”

*G8 Leaders Statement on Trade*

## **6. Energy**

“We recognized the need for balanced energy policies, which increase energy supplies and encourage more efficient energy use and conservation, including through new technologies.”

*G8 Sea Island Summit Chair’s Summary*

## **7. Environment: Sustainable Development**

“Held First and Second Earth Observation Summits (EOS) and adopted a Framework document on a Global Earth Observation System of Systems (GEOSS). Planning to adopt a final 10-year strategic implementation plan on GEOSS at Third EOS in 2005 and working to identify the international mechanism to provide coordination and oversight for GEOSS.”

*Science and Technology for Sustainable Development:  
“3r” Action Plan and Progress on Implementation*

## **8. Nonproliferation of Weapons of Mass Destruction**

“...for the intervening year [between the Sea Island and Gleneagles Summits], we agree that it would be prudent not to inaugurate new initiatives involving transfer of enrichment and reprocessing equipment and technologies to additional states. We call on all states to adopt this strategy with prudence.”

*G8 Action Plan for Nonproliferation*

## **9. Terrorism: Counter-Terrorism Action Group — Finance**

“We will develop a diplomatic strategy to urge speedy consideration of ratification of the TOC [Transnational Organized Crime] Convention and coordinate with others, including donors to the UN Office on Drugs and Crime, to provide technical assistance to promote implementation of the Convention.”

*Fighting Corruption and Improving Transparency*

## **10. Transnational Crime, Transparency and Corruption**

“We support our [Home Affairs and Justice] Ministers’ determination to detect, recover and return these illicitly acquired assets, including by:

- establishing G8 accelerated response teams;
- enhancing G8 asset recovery case coordination; and

- holding G8 asset recovery workshops.
- To meet these goals, we will ensure that:
- each of our countries has rules in place by Summer 2005, where possible, to require due diligence for “politically exposed persons” accounts;
- each of our countries has rules in place, preferably by 12/31/04, to require wire transfer originator information;
- we create G8 best practices for modalities of disposition and return; and
- we explore effective measures to recover assets in corruption cases.

### *Fighting Corruption and Improving Transparency*

## **11. Debt Relief: Highly Indebted Poor Countries Initiative**

“We are committed to fully implementing the HIPC initiative and to supporting debt sustainability in the poorest countries through debt relief and grant financing. To that end, we have asked our finance ministers to:

- Work with other donors and the other international financial institutions to extend the sunset date of the HIPC initiative until December 31, 2006 and to provide the necessary financing for the completion of the initiative, including topping up where appropriate.
- Consider further measures that can help the poorest countries further address the sustainability of their debt.”

### *Debt Sustainability for the Poorest*

## **12. Transport Security**

“Accelerate development of international standards for the interoperability of government-issued smart chip passports and other government-issued identity documents. We will for implementation by the 2005 Summit.”

### *G8 Secure and Facilitated International Travel Initiative*

## **13. Finance Development: Entrepreneurship, Official Development Assistance and the International Finance Facility**

“In anticipation of the UN-designated “international year of micro-credit” in 2005, G8 countries will work with the World Bank-based Consultative Group to Assist the Poor (CGAP) to launch a global market-based microfinance initiative.”

### *G8 Action Plan: Applying the Power of Entrepreneurship to the Eradication of Poverty*



#### **14. Infectious Diseases: HIV/AIDS**

“We believe the time is right for the major scientific and other stakeholders –both public and private sector, in developed and developing countries — to come together in a more organized fashion....We endorse this concept and call for the establishment of a Global HIV Vaccine Enterprise.”

*G8 Action to Endorse and Establish a Global HIV Vaccine Enterprise*

#### **15. Infectious Diseases: Polio**

“We are pleased that the financing gap for 2004 has now been closed through our efforts and those of others. We are determined to close the 2005 financing gap by the 2005 G8 Summit through the contributions of the G8 and other public and private donors.”

*G8 Commitment to Help Stop Polio Forever*

#### **16. Peace Support Operations in Africa**

“Therefore, we commit, consistent with our national laws, to: ... Work with interested parties, before the next Summit, to develop a transportation and logistics support arrangement, which will help provide countries with transportation to deploy to peace support operations and logistics support to sustain units in the field. This kind of arrangement, which will take into account existing efforts, should address a key capabilities gap that often prevents timely intervention in crises.”

*G8 Action Plan: Expanding Global Capability for Peace Support Operations*

#### **17. Famine and Food Security in Africa**

“Although harvests improved in 2003-04, substantial emergency assistance will still be required for Ethiopia, Eritrea, Somalia, and Sudan, in part because of political instability and displacement of populations due to conflicts...Working with other donors, we will do our part to ensure that emergency needs, including food, are met.”

*Ending the Cycle of Famine in the Horn of Africa, Raising Agricultural Productivity and Promoting Rural Development in Food Insecure Countries*

#### **18. Regional Security: Sudan**

“We pledge our countries’ assistance in ending the conflicts in Sudan and in providing humanitarian aid to those in need.”

*G8 Statement on Sudan*

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