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The G7 Research Group presents the

2020 G7 USA Virtual Summit Interim Compliance Report

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“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues — a year later, or three years later, what have you accomplished?

Achim Steiner, Administrator, United Nations Development Programme,
in G7 Canada: The 2018 Charlevoix Summit



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15: Global Economy: Economic Growth

“We resolve to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.”

G7 Leaders’ Statement

Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Canada		0	
France			+1
Germany			+1
Italy	-1		
Japan		0	
United Kingdom		0	
United States		0	
European Union			+1
Average		+0.25 (63%)	

Background

The international community has emphasized the importance of economic growth through enhanced coordination and economic policy tools throughout the past decades. However, more recently this issue has been brought to the forefront due to the extreme impact of COVID-19 on the global economy. It is estimated by the World Bank that global growth could shrink by 8% in 2020.²⁷⁴³ As a result, the international community has committed once again to ensuring strong growth in G7 members despite the unforeseen circumstances.

The first time leaders committed to fostering economic growth was during the 1993 G8 Tokyo Summit.²⁷⁴⁴ Leaders first committed to the implementation of “prudent macroeconomic policies to promote noninflationary sustainable growth, and structural reforms to improve the efficiency of labor markets.”²⁷⁴⁵ Similarly, at the 1997 G8 Denver Summit, leaders reiterated the importance of “a common commitment to a medium-term economic strategy” in order to promote economic growth. The medium-term economic strategy included: strengthening structural reform and implementing fiscal consolidation and anti-inflationary policies.²⁷⁴⁶ Subsequent mentioning of the G8 commitment of fostering sustainable economic growth through cooperation and macroeconomic policy tools continued in the 1998 and 1999 G8 Summits.²⁷⁴⁷

Despite the G8’s reiteration in 1998 and 1999, the importance of coordinating economic policy responses to support economic growth was not brought up again until after the 2008 economic crisis. At the 2008 G8 Toyako-Hokkaido Summit, leaders claimed that they were committed to acting both individually and

²⁷⁴³ The Global Economic Outlook During the COVID-19 Pandemic: A Changed World, The World Bank (Washington) 8 June 2020. Access Date: 1 January 2021. <https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>.

²⁷⁴⁴ Economic Declaration: A strengthened Commitment to Jobs and Growth, G7 Information Centre (Toronto) 9 July 1993. Access date: 8 December 2020. <http://www.g7.utoronto.ca/summit/1993tokyo/communique/index.html>.

²⁷⁴⁵ Economic Declaration: A strengthened Commitment to Jobs and Growth, G7 Information Centre (Toronto) 9 July 1993. Access date: 8 December 2020. <http://www.g7.utoronto.ca/summit/1993tokyo/communique/index.html>.

²⁷⁴⁶ Economic Communique: Making a Success of Globalization for the Benefit of All, G7 Information Centre (Toronto) 28 June 1996. Access date: 8 December 2020. <http://www.g7.utoronto.ca/summit/1996lyon/communique.html>.

²⁷⁴⁷ Communique, G7 Information Centre (Toronto) 17 May 1998. Access Date 12 December 2020. <http://www.g7.utoronto.ca/summit/1998birmingham/finalcom.htm>; G7 Statement, G7 Information Centre (Toronto) 18 June 1999. Access Date: 12 December 2020. http://www.g7.utoronto.ca/summit/1999koln/g7statement_june18.htm.

collectively to ensure stability and growth in their economies.²⁷⁴⁸ Further, at the 2011 G8 Deauville Summit, leaders reaffirmed their commitment to sustained economic growth through individual and collective policy action.²⁷⁴⁹

From the period of 2012-2015 leaders committed to fostering sustainable economic growth, however, this did not include pledges to coordinate measures until the 2016 G7 Ise-Shima Summit. At the summit, leaders declared the necessity to address global economic challenges and achieve growth for all while simultaneously responding in a cooperative matter and using “all policy tools – monetary, fiscal, and structural.”²⁷⁵⁰ Furthermore, at the 2017 G7 Taormina Summit leaders emphasized economic growth as their priority.²⁷⁵¹ They also stated that they would use “all policy tools – monetary, fiscal, and structural – both individually and collectively” to achieve economic growth.²⁷⁵² A coordinated policy response to encourage economic growth was reaffirmed at the 2018 G7 Charlevoix Summit.²⁷⁵³ Similar to the 2016 and 2017 G7 summits, leaders declared that they would use “all policy tools” to support strong economic growth.²⁷⁵⁴

The COVID-19 pandemic brought renewed instability to the global economy. Consequently, at the Virtual Summit on 16 March 2020 under the U.S. presidency, G7 leaders acknowledged that they would need to address the economic impact of the pandemic.²⁷⁵⁵ They stated that all G7 members were committed to restoring the economic growth that occurred in their economies prior to the pandemic and that they would cooperate to build a foundation for a “stronger future growth.”²⁷⁵⁶ At the time, the leaders expected to meet again in three months at their regularly scheduled summit on 10-12 June 2020, which was later postponed indefinitely.

Commitment Features

The G7 commitment states that “We resolve to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.” The goal of achieving strong growth in the G7 economies can be accomplished through three coordinated policy tools: 1) using monetary; 2) fiscal; and 3) structural.

“Coordinate measures and do whatever it takes, using all policy tools” is understood as two separate acts, hence the use of the word “and.” Therefore, members must coordinate measures with other G7 member and use all policy tools with the goal of achieving strong economic growth. “Strong growth” is understood as improving the conditions of a G7 economy – whether that be through growth in gross national product or gross domestic product. While “whatever it takes” is understood as a concrete action (i.e., the implementation of a policy) since a country must demonstrate its dedication to achieving strong economic growth. Full

²⁷⁴⁸ G8 Hokkaido Toyako Summit Leaders Declaration, G7 Information Centre (Toronto) 8 July 2008. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2008hokkaido/2008-declaration.html>.

²⁷⁴⁹ G8 Declaration: Renewed Commitment for Freedom and Democracy, G7 Information Centre (Toronto) 27 May 2011. Access Date: 8 December 2020. <http://www.g7.utoronto.ca/summit/2011deauville/2011-declaration-en.html>.

²⁷⁵⁰ G7 Ise-Shima Leaders’ Declaration, G7 Information Centre (Toronto) 27 May 2016. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.html#initiative>.

²⁷⁵¹ G7 Taormina G7 Leaders’ Communique, G7 Information Centre (Toronto) 27 May 2017. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

²⁷⁵² G7 Taormina G7 Leaders’ Communique, G7 Information Centre (Toronto) 27 May 2017. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

²⁷⁵³ The Charlevoix G7 Summit Communique, G7 Information Centre (Toronto) 9 June 2018. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2018charlevoix/communique.html>.

²⁷⁵⁴ The Charlevoix G7 Summit Communique, G7 Information Centre (Toronto) 9 June 2018. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2018charlevoix/communique.html>.

²⁷⁵⁵ G7 Leaders’ Statement, G7 Information Centre (Toronto) 16 March 2020. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2020usa/covid-200316.html>.

²⁷⁵⁶ G7 Leaders’ Statement, G7 Information Centre (Toronto) 16 March 2020. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2020usa/covid-200316.html>.

compliance is only possible if countries take concrete actions to coordinate measures and use all policy tools to achieve strong economic growth.

“All policy tools” is understood as the monetary, fiscal, and structural economic policies.²⁷⁵⁷ This understanding is based off of the 2016 Ise-Shima and 2017 Taormina Summit Leaders’ Declarations in which “all policy tools” are described as “fiscal, monetary, and structural.”²⁷⁵⁸ Therefore, in order for full compliance to be achieved a country must use monetary, fiscal, and structural policy tools with the aim of promoting a strong economic growth in the G7 economies.

“G7 economies” is understood as any member’s economy. Therefore, members must; 1) coordinate measures with another G7 economy with the aim of a strong economic growth; or 2) use monetary, fiscal, and structural policy tools to promote strong growth in their own economy or another member’s economy. For example, if France implemented a macroeconomic policy in coordination with Canada this would count towards compliance. However, if France changed a portion of its own macroeconomic policy to ensure strong growth, this would also count towards compliance.

Achieving Strong Economic Growth through Coordinated Measures

“Coordinated measures” is understood as members acting together through a shared policy response.

Full compliance is achieved by coordinating a policy response with at least one other G7 member with the goal of achieving strong economic growth. Examples include, but are not limited to, coordinating a multilateral fiscal policy response, or strengthening global financial institutions.

Part 1: Achieving Strong Economic Growth using Monetary Policy Tools

“Monetary policy tools” is understood as actions taken by a member’s central bank to control money supply and achieve economic growth.

Full compliance within Part 1 is achieved if a member employs monetary policy tools with the goal of achieving strong economic growth. Examples include, but are not limited to, keeping the inflation rate low, creating incentives for lending in the real economy, or temporarily extending the use of the government’s overdraft account to provide a short-term source of additional liquidity to the government if necessary.

Part 2: Achieving Strong Economic Growth using Fiscal Policy Tools

“Fiscal policy tools” is understood as the use of a government’s revenue collection and expenditure to achieve economic growth.

Full compliance within Part 2 is achieved if a member employs fiscal policy tools with the goal of achieving strong economic growth. Examples include, but are not limited to, stimulus packages that provide employment insurance for those who have lost their jobs, increased public spending on infrastructure (including on green projects such as retrofitting houses to improve energy efficiency), or wage subsidies so that businesses can afford to hire labour.

Part 3: Achieving Strong Economic Growth using Structural Policy Tools

“Structural policy tools” is understood as the implementation of policies that aim to boost an economy’s competitiveness, growth potential and adjustment capacity in order to ensure strong growth.

²⁷⁵⁷ G7 Taormina Leaders’ Communique, G7 Information Centre (Toronto) 27 May 2017. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

²⁷⁵⁸ G7 Ise-Shima Leaders’ Declaration, G7 Information Centre (Toronto) 27 May 2016. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.html#initiative.>; G7 Taormina G7 Leaders’ Communique, G7 Information Centre (Toronto) 27 May 2017. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

Full compliance within Part 3 is achieved if a member employs structural policy tools with the goal of achieving strong economic growth. Examples include, but are not limited to, making labour markets more adaptable and responsive or improving the overall business environment to allow for competition.

In order to differentiate between full and partial compliance, this report uses a breadth and depth analysis as per the Compliance Coding Manual. For full compliance, members must take a strong action towards ensuring strong economic growth in all three target areas by coordinating: 1) using monetary policy tools; 2) using fiscal policy tools; and 3) using structural policy tools. For partial compliance, countries must take a strong action in at least two of the target areas since the commitment emphasizes the importance of “coordinated measures” and the use of “all policy tools.” Therefore, awarding full compliance to a member that does not demonstrate this dual commitment would be unfair to those who do. Members that act only in one commitment area or do not act in any area will receive non-compliance since they are not fulfilling the coordinated nature of the commitment.

For this report, strong is defined as “effective; of a good quality or level and likely to be successful.” It is assumed that in the assessment of a strong action “whatever it takes” is considered. Therefore, when assessing a “less than strong action” the dedication of the members’ action is most important. Consequently, a “less than strong action” is an action without implementation. Examples of partial compliance would include a member’s verbal commitment to addressing a particular fiscal policy to promote economic growth, but with no concrete action (i.e. policy implementation) taken. While an example of full compliance would be a member’s implementation of a particular monetary policy to promote economic growth, or their verbal commitment followed by policy implementation.

This report acknowledges that actions in which a G7 member only demonstrates a verbal declaration will receive a score of 0 for partial compliance, since they are still demonstrating support for the aforementioned targets but are just lacking the dedication to policy implementation dictated by the “whatever it takes” character of the commitment. Lastly, actions taken against this commitment, such as implementing economic policies that go against the goal of economic growth or purposefully not coordinating measures, will also be recognized as a -1 for no compliance.

Scoring Guidelines

Score	Description
-1	G7 member takes no action or a strong action in only one target area to achieve strong economic growth in the G7 economies by: 1) coordinating measures; 2) using monetary policy tools; 3) using fiscal policy tools; or 4) using structural policy tools.
0	G7 member took a strong action to achieve strong economic growth in the G7 economies in at least two of the target areas by: 1) coordinating measures; 2) using monetary policy tools; 3) using fiscal policy tools; or 4) using structural policy tools.
+1	G7 member took strong action to achieve strong economic growth in the G7 economies in all target areas by: 1) coordinating measures; or 2) using monetary policy tools; 3) using fiscal policy tools; and 4) using structural policy tools.

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Canada: 0

Canada has partially complied with its commitment to “resolve to coordinate measures and use all policy tools to achieve strong growth in the G7 economies.”

On 18 March 2020, the Canadian government introduced a large set of fiscal stimulus measures aimed at stabilizing the Canadian economy in response to the COVID-19 pandemic.²⁷⁵⁹ The package provides CAD27 billion to directly support consumers and businesses and includes CAD55 billion to allow firms and individuals to defer tax payments, and to provide liquidity to support businesses. In total, the stimulus package equalled CAD82 billion or 3.5 percent of gross domestic product.²⁷⁶⁰

On 20 March 2020, the Bank of Canada, along with the Bank of England, the European Central Bank, the Bank of Japan, the U.S. Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”²⁷⁶¹ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”²⁷⁶²

On 20 March 2020, the Bank of Canada, along with the Bank of England, Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”²⁷⁶³ These monetary policy actions will serve as an important role as a liquidity backstop which will ease strings in global funding markets. More specifically, the action will help mitigate the effects of ease straining on the supply of credit to households and businesses.²⁷⁶⁴

On 27 March 2020, the Bank of Canada took a monetary policy action by lowering interest rates to 0.25 percent to support economic activity.²⁷⁶⁵ The Bank of Canada stated that this action would help to stabilize and provide credit in the economy.²⁷⁶⁶

Between 13 March 2020 and 20 November 2020, the Canadian government made CAD240 billion in payments and transfers to individuals, businesses, and government entities, as a part of its fiscal policy response to the COVID-19 pandemic.²⁷⁶⁷ The largest single expenditure program was the Canada Emergency Response Benefit, payments offered to unemployed Canadians.²⁷⁶⁸

²⁷⁵⁹ Canada deploys large fiscal stimulus, more to come, Deloitte (London) 18 March 2020. Access Date: 4 March 2020. <https://www2.deloitte.com/ca/en/blog/economic-insights/2020/e-insight-snapshot-canada-deploys-large-fiscal-stimulus.html>.

²⁷⁶⁰ Canada deploys large fiscal stimulus, more to come, Deloitte (London) 18 March 2020. Access Date: 4 March 2020. <https://www2.deloitte.com/ca/en/blog/economic-insights/2020/e-insight-snapshot-canada-deploys-large-fiscal-stimulus.html>.

²⁷⁶¹ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁷⁶² Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁷⁶³ Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity, Bank of Canada (Ottawa) 20 March 2020. Access Date: 4 March 2020. <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁷⁶⁴ Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity, Bank of Canada (Ottawa) 20 March 2020. Access Date: 4 March 2020. <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁷⁶⁵ Bank of Canada lowers overnight rate target to ¼ percent, Bank of Canada (Ottawa) 27 March 2020. Access Date: 4 March 2020. <https://www.bankofcanada.ca/2020/03/press-release-2020-03-27/>.

²⁷⁶⁶ Bank of Canada lowers overnight rate target to ¼ percent, Bank of Canada (Ottawa) 27 March 2020. Access Date: 4 March 2020. <https://www.bankofcanada.ca/2020/03/press-release-2020-03-27/>.

²⁷⁶⁷ Ottawa has spent \$240B fighting COVID-19 in just 8 months, CBC (Toronto) 6 December 2020. Access Date: 4 March 2020. <https://www.cbc.ca/news/canada/tracking-unprecedented-federal-coronavirus-spending-1.5827045>.

²⁷⁶⁸ Ottawa has spent \$240B fighting COVID-19 in just 8 months, CBC (Toronto) 6 December 2020. Access Date: 4 March 2020. <https://www.cbc.ca/news/canada/tracking-unprecedented-federal-coronavirus-spending-1.5827045>.

On 13 May 2020, the Canadian government initiated an additional CAD962 million to fund businesses and communities affected by the pandemic.²⁷⁶⁹ The funding is part of is part of the Canadian government's COVID-19 Economic Response Plan, which aims to initiate more than \$149 billion to support Canadians and businesses due to the unforeseen circumstances.²⁷⁷⁰

On 2 October 2020, the Government of Canada expanded the Regional Relief and Recovery Fund in order to provide further fiscal support for businesses.²⁷⁷¹ The Government of Canada initiated an additional \$600 million to support workers and businesses that are hit hard by the pandemic.²⁷⁷²

On 26 January 2021, the Minister of Minister of Small Business, Export Promotion, and International Trade announced the launch of the “Highly Affected Sectors Credit Availability Program.”²⁷⁷³ The program will work collaboratively with the Business Development Bank of Canada and some Canadian financial institutions to offer “government-guaranteed, low-interest loans of up to \$1 million.”²⁷⁷⁴

Canada took strong action by coordinating measures, using monetary policy tools, and using fiscal policy tools to achieve strong growth in the G7 economies. However, they did not use structural policy tools.

Thus, Canada receives a score of 0.

Analyst: Elisabeth Iannucci

France: +1

France has fully complied with its commitment “to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.”

On 20 April 2020, Gérald Darmanin, Minister of Action and Public Accounts, announced the 2019 tax return campaign that included both fiscal and structural policies to ensure the financial safety of taxpayers during the COVID-19 pandemic.²⁷⁷⁵ These policies included: (1) longer income declaration periods, (2) the closure of

²⁷⁶⁹ COVID-19: \$962 million additional support fund now available to businesses and communities affected by the pandemic, Ministry of Innovation, Science, and Economic Development Canada (Ottawa) 13 May 2020. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/05/covid-19-962-million-additional-support-fund-now-available-to-businesses-and-communities-affected-by-the-pandemic.html>.

²⁷⁷⁰ COVID-19: \$962 million additional support fund now available to businesses and communities affected by the pandemic, Ministry of Innovation, Science, and Economic Development Canada (Ottawa) 13 May 2020. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/05/covid-19-962-million-additional-support-fund-now-available-to-businesses-and-communities-affected-by-the-pandemic.html>.

²⁷⁷¹ Government of Canada expands Regional Relief and Recovery Fund to provide further support for businesses, Ministry of Innovation, Science, and Economic Development (Ottawa) 2 October 2020. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/10/government-of-canada-expands-regional-relief-and-recovery-fund-to-provide-further-support-for-businesses.html>.

²⁷⁷² Government of Canada expands Regional Relief and Recovery Fund to provide further support for businesses, Ministry of Innovation, Science, and Economic Development (Ottawa) 2 October 2020. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/10/government-of-canada-expands-regional-relief-and-recovery-fund-to-provide-further-support-for-businesses.html>.

²⁷⁷³ Minister Ng announces launch of Highly Affected Sectors Credit Availability Program, Ministry of Innovation, Science, and Economic Development (Ottawa) 26 January 2021. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2021/01/minister-ng-announces-launch-of-highly-affected-sectors-credit-availability-program.html>.

²⁷⁷⁴ Minister Ng announces launch of Highly Affected Sectors Credit Availability Program, Ministry of Innovation, Science, and Economic Development (Ottawa) 26 January 2021. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2021/01/minister-ng-announces-launch-of-highly-affected-sectors-credit-availability-program.html>.

²⁷⁷⁵ Press Release: Gérald Darmanin opens 2020 Revenue Reporting Campaign, Ministry of Action and Public Accounts (Paris) 20 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.aspx?WCI=ContenuEnLigne&ID=8643EDA7-266F-4745-BC03-CE0925EBB2D0.

public finance centres in favour of new online government tax services, and (3) flexible withholding tax rates to account for dramatic changes in income.²⁷⁷⁶

On 22 April 2020, Bruno Le Maire, Minister of the Economy and Finance, announced the establishment of a task force set to develop a new fiscal corporate insurance program that would effectively meet the risks of future disasters, epidemics, and unforeseen crises.²⁷⁷⁷ While the task force released a follow-up statement in June, no material action has been taken thus far.²⁷⁷⁸

On 29 April 2020, Olivier Véran, Minister for Solidarity and Health, and Minister Darmanin announced the renewal of their partial unemployment program for home-based employees.²⁷⁷⁹ This fiscal policy action intends to further accommodate employers who are unable to afford the cost of scheduled labour and/or employees who are unable to attend work.²⁷⁸⁰

On 29 May 2020, Minister Darmanin announced the adoption of payment terms regarding staggered down payments on corporation taxes and added value taxes.²⁷⁸¹ This fiscal policy decision follows the one-month postponement of companies' tax deadlines with a particular focus on small businesses.²⁷⁸² He further states opportunities for tax exemptions for businesses experiencing additional difficulties.²⁷⁸³

On 4 June 2020, Minister Le Maire and Peter Altmaier, Germany's Minister for Economics and Energy, discussed the future launch of data network project GAIA-X and what the coordinated action means for the two countries' future prosperity in economic, scientific, and labour spheres. Minister Altmaier stated, "[Digital innovation] is important for competition and future jobs ... We invite all European and

²⁷⁷⁶ Press Release: Gérald Darmanin opens 2020 Revenue Reporting Campaign, Ministry of Action and Public Accounts (Paris) 20 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=8643EDA7-266F-4745-BC03-CE0925EBB2D0.

²⁷⁷⁷ Press Release: Installation of the working group on the development of insurance coverage for exceptional events, including pandemics, Ministry of the Economy and Finance (Paris) 22 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=0596AAE8-FDCC-4BB6-A5FC-E0F8CFA6B411.

²⁷⁷⁸ Press Release: Installation of the working group on the development of insurance coverage for exceptional events, including pandemics, Ministry of the Economy and Finance (Paris) 22 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=0596AAE8-FDCC-4BB6-A5FC-E0F8CFA6B411.

²⁷⁷⁹ Press Release: Olivier Véran and Gérald Darmanin announce that the exceptional measure of partial unemployment dedicated to home-based employees is renewed until the first of June, Government of France (Paris) 29 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/r/ContenuEnLigne/Download?id=45A74181-2657-4327-8C27-A2E16BEBAB21&filename=1022%20-%20CP%20Olivier%20VERAN%20et%20G%C3%A9rald%20DARMANIN%20-%20chomage%20partiel%20salari%C3%A9s%20%C3%A0%20domicile.pdf.

²⁷⁸⁰ Press Release: Olivier Véran and Gérald Darmanin announce that the exceptional measure of partial unemployment dedicated to home-based employees is renewed until the first of June, Government of France (Paris) 29 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/r/ContenuEnLigne/Download?id=45A74181-2657-4327-8C27-A2E16BEBAB21&filename=1022%20-%20CP%20Olivier%20VERAN%20et%20G%C3%A9rald%20DARMANIN%20-%20chomage%20partiel%20salari%C3%A9s%20%C3%A0%20domicile.pdf.

²⁷⁸¹ Press Release: Gérald Darmanin, Minister of Action and Public Accounts, adapts the terms of payment of corporate tax (IS) and contribution deposits on the added value of companies (CVAE) in the context of a gradual resumption of activity, Ministry of Action and Public Accounts (Paris) 29 May 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=592B2004-95B4-433B-BABC-A088BCA87C3F.

²⁷⁸² Press Release: Gérald Darmanin, Minister of Action and Public Accounts, adapts the terms of payment of corporate tax (IS) and contribution deposits on the added value of companies (CVAE) in the context of a gradual resumption of activity, Ministry of Action and Public Accounts (Paris) 29 May 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=592B2004-95B4-433B-BABC-A088BCA87C3F.

²⁷⁸³ Press Release: Gérald Darmanin, Minister of Action and Public Accounts, adapts the terms of payment of corporate tax (IS) and contribution deposits on the added value of companies (CVAE) in the context of a gradual resumption of activity, Ministry of Action and Public Accounts (Paris) 29 May 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=592B2004-95B4-433B-BABC-A088BCA87C3F.

international partners who share our principles [to] cooperate with us.” The GAIA-X system is still in its developing stages.²⁷⁸⁴

On 5 June 2020, Minister Le Maire and Cédric O, Minister of State for Digital Affairs, announced a short-term support package of investments, loans, and grants towards struggling French tech companies.²⁷⁸⁵ These targeted fiscal increases in government expenditure are meant to foster innovation, growth, and competition within the sector.²⁷⁸⁶ The goals of the support package focus heavily on structural changes within the tech industry and the flow of investments into current and potential projects in the industry – those of which are essential to France’s economic recovery.²⁷⁸⁷

On 8 June 2020, Brune Poirson, Secretary of State to the Minister for the Ecological Transition and Solidarity, and Agnès Pannier-Runacher, Secretary of State to the Minister of the Economy and Finance, engaged in a discussion with members of the Fashion and Luxury Sector Strategic Committee, in order to cultivate innovation and investments towards a sustainable and vibrant industrial recovery. This conversation involved developing fiscal and structural policy actions that would incentivize insourcing, rather than relying on their current unsustainable supply chain models.²⁷⁸⁸

On 10 June 2020, the Government of France approved fiscal measures to strengthen the tourism sector including full and partial benefit coverage to the industries and its employees for the full year, state-supported loan guarantees, and tax exemptions or postponements.²⁷⁸⁹ On 10 August 2020, new businesses were added to this coverage plan like souvenir shops or retail stores in shopping malls.²⁷⁹⁰

On 11 June 2020, Minister Le Maire pronounced a new agreement between the French government and credit insurers that established a public reinsurance program for all outstanding credit insurance and maintenance of insured entities – the “CAP Relais” Program.²⁷⁹¹ This monetary policy agreement is desihned

²⁷⁸⁴ Joint Press Release: Under the leadership of Germany and France, Europe is taking its first step towards data infrastructure, Ministry of the Economy and Finance (Paris) 4 June 2020. Access Date: 25 February 2021.

https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=455CDCF3-24F8-42BB-B9C7-8837AED20249.

²⁷⁸⁵ Press Release: Bruno Le Maire and Cédric O announce a short-term public support plan for tech companies, Ministry of the Economy and Finance, Investir L’avenir, and BPIFrance (Paris) 5 June 2020. Access Date: 24 February 2021.

https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=89D97E6B-E1DC-4966-AB21-310E432F7D7E.

²⁷⁸⁶ Press Release: Bruno Le Maire and Cédric O announce a short-term public support plan for tech companies, Ministry of the Economy and Finance, Investir L’avenir, and BPIFrance (Paris) 5 June 2020. Access Date: 24 February 2021.

https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=89D97E6B-E1DC-4966-AB21-310E432F7D7E.

²⁷⁸⁷ Press Release: Bruno Le Maire and Cédric O announce a short-term public support plan for tech companies, Ministry of the Economy and Finance, Investir L’avenir, and BPIFrance (Paris) 5 June 2020. Access Date: 24 February 2021.

https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=89D97E6B-E1DC-4966-AB21-310E432F7D7E.

²⁷⁸⁸ Press Release: Brune Poirson and Agnès Pannier-Runacher gathered the Committee of the “Fashion and Luxury” sector and entrusted Guillaume de Seynes with a mission for the development of a sustainable French textile industry, Government of France (Paris) 8 June 2020. Access Date: 24 February 2021.

https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=592B2004-95B4-433B-BABC-A088BCA87C3F.

²⁷⁸⁹ Press Release: The Government is strengthening the aid provided to the hotels, restaurants, cafes, tourism, sport, culture, Government of France (Paris) 10 June 2020. Access Date: 25 February 2021.

https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=B67DD1FC-AB54-4216-A7AD-6EAE6CD769C9.

²⁷⁹⁰ Press Release: Tourism Plan: new activities eligible for support measures, Minister of the Economy, Finances, and Recovery (Paris) 10 August 2020. Access Date: 24 February 2021.

https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=B6CC3DA5-1F61-4260-B4C4-33F15254C387.

²⁷⁹¹ Press Release: Strengthening support for credit insurance, Ministry of the Economy and Finance (Paris) 11 June 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=EC12F4B9-C335-4258-A8C3-0076D232CD81.

to secure corporate cash flow and inter-company credit for financing economic activity and deliver incentives for future insurance investments.²⁷⁹² This support system was recently announced to be extended into the first semester of 2021.²⁷⁹³

On 30 June 2020, the Banque de France announced its coordinated action with Germany's Deutsche Bundesbank and the European Union's European Central Bank under the expansion of the Bank for International Settlements' (BIS) Innovation Hubs.²⁷⁹⁴ France and Germany agreed to host two of these new hubs in order to foster further collaboration and information exchange regarding innovation and economic development.²⁷⁹⁵

On 20 July 2020, the Banque de France announced the commencement of an experiment that will test the use of "central bank currency for interbank settlements" at eight different financial institutions and improve the French financial markets. This experiment will "explore new ways of exchanging different assets for central bank money, improve the delivery of cross-border payments, and upgrade the arrangements surrounding central bank money liquidity." This action is also an example of a coordinated measure taken by the BIS Innovation Hub run by the central banks of France, Germany, and the European Union.²⁷⁹⁶

On 3 September 2020, President Emmanuel Macron released the key features of France's EUR100 billion COVID-19 recovery plan and various coordinated measures with the European Union.²⁷⁹⁷ The European Union has agreed to finance 40% of France's recovery plan, which will support investments into long-term productivity growth, energy transitions, and overall well-being of the economies throughout Europe and many G7 economies.²⁷⁹⁸

On 8 September 2020, Minister Le Maire and Alain Griset, Minister Delegate to the Minister of the Economy, Finance, and Recovery in charge of small and medium-sized enterprises, came to an agreement with the French Bank Federation's executive committee regarding the state-supported loan repayments for businesses.²⁷⁹⁹ The committee renewed its long-term commitments made in previous loan negotiations, a

²⁷⁹² Press Release: Strengthening support for credit insurance, Ministry of the Economy and Finance (Paris) 11 June 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=EC12F4B9-C335-4258-A8C3-0076D232CD81.

²⁷⁹³ Press Release: Bruno Le Maire, Franck Riester and Alain Griset extend and strengthen the public credit support systems between companies for the first semester of 2021, Government of France (Paris) 14 December 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=E990C682-7ACB-4DF2-94DF-234ADB73964F.

²⁷⁹⁴ Press Release: The Banque de France, part within the Eurosystem, of the BIS Innovation Hub, to accelerate the collaboration among central banks in innovative financial technologies, Banque de France (Paris) 30 June 2020. Access Date: 23 February 2021. <https://www.banque-france.fr/en/communiquede-presse/banque-de-france-part-within-eurosystem-bis-innovation-hub-accelerate-collaboration-among-central>.

²⁷⁹⁵ Press Release: The Banque de France, part within the Eurosystem, of the BIS Innovation Hub, to accelerate the collaboration among central banks in innovative financial technologies, Banque de France (Paris) 30 June 2020. Access Date: 23 February 2021. <https://www.banque-france.fr/en/communiquede-presse/banque-de-france-part-within-eurosystem-bis-innovation-hub-accelerate-collaboration-among-central>.

²⁷⁹⁶ Press Release: Banque de France Press Release – 20 July 2020, Banque de France (Paris) 20 July 2020. Access Date: 23 February 2021. <https://www.banque-france.fr/en/communiquede-presse/banque-de-france-press-release-20-july-2020>.

²⁷⁹⁷ Report: European aspects of France's recovery plan, France Relance of the Government of France (Paris) 3 September 2020. Access Date: 25 February 2021. <https://www.gouvernement.fr/en/european-aspects-of-france-s-recovery-plan>.

²⁷⁹⁸ Report: European aspects of France's recovery plan, France Relance of the Government of France (Paris) 3 September 2020. Access Date: 25 February 2021. <https://www.gouvernement.fr/en/european-aspects-of-france-s-recovery-plan>.

²⁷⁹⁹ Press Release: Terms of repayment of the loan guaranteed by the State, Ministry of the Economy, Finance, and Recovery (Paris) 8 September 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=EFABC670-767B-4E52-962B-198AAA4E5C89.

monetary policy agreement that Minister Le Maire believes will incentivize entrepreneurs to borrow from the banks and stimulate market activity.²⁸⁰⁰

On 19 January 2021, the International Monetary Fund (IMF) released an evaluation of France's response to the pandemic and commended their economic focus that adequately, quickly, and dynamically supported their people in times of need. Minister Le Maire commented on the IMF's analysis and reaffirmed their commitment to use fiscal and monetary policies to support high-risk businesses, promote a greener and more competitive economic recovery, and rebalance the financial markets. Furthermore, he ensured a future of expansion on these three goals, as laid out in their recovery plan.²⁸⁰¹

On 1 March 2021, Minister Le Maire announced the Government of France's plan to reroute an additional EUR1 billion towards the industrial sector over the next two years.²⁸⁰² He explained that the French industrial sector struggles to be competitive and depends heavily on a limited assortment of industries; therefore, these additional funds are intended to incentivize firms to invest in digital technologies, physical capital, and insourced labour.²⁸⁰³ Minister Le Maire announced France was on track to meet their economic growth target of EUR40 billion and 6 per cent in 2021, due to both this fiscal policy action and other existing aspects of the COVID-19 recovery plan.²⁸⁰⁴

France's took strong action through coordinated measures with Germany and the European Union and in monetary, fiscal, and structural policies which provides evidence of full compliance to their commitment of fostering strong growth in the G7 economies.

Thus, France receives a score of +1.

Analyst: Angelina Zabajko

Germany: +1

Germany has fully complied with its commitment "to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies."

On 23 March 2020, the German government announced EUR50 billion in aid for small businesses, self-employed individuals, and members of liberal professions.²⁸⁰⁵

On 6 April 2020, the German government adopted a more extensive Quick Loan Programme. The New Programme will allow small and medium-sized firms access to a "instant loan" as long as they are eligible and with certain restrictions.²⁸⁰⁶

²⁸⁰⁰ Press Release: Terms of repayment of the loan guaranteed by the State, Ministry of the Economy, Finance, and Recovery (Paris) 8 September 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=EFABC670-767B-4E52-962B-198AAA4E5C89.

²⁸⁰¹ Press Release: IMF Annual Report on Economic Response released brought by France to the health crisis, Minister of the Economy, Finance, and Recovery (Paris) 19 January 2021. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=D416C985-B843-4DC5-A308-4638BBD01B98.

²⁸⁰² France steps up economic stimulus rollout with more cash for industry, Reuters (Paris) 1 March 2021. Access Date: 3 March 2021. <https://www.reuters.com/article/us-france-economy-idUSKCN2AT25I>.

²⁸⁰³ France steps up economic stimulus rollout with more cash for industry, Reuters (Paris) 1 March 2021. Access Date: 3 March 2021. <https://www.reuters.com/article/us-france-economy-idUSKCN2AT25I>.

²⁸⁰⁴ France steps up economic stimulus rollout with more cash for industry, Reuters (Paris) 1 March 2021. Access Date: 3 March 2021. <https://www.reuters.com/article/us-france-economy-idUSKCN2AT25I>.

²⁸⁰⁵ German government announces €50 billion in emergency aid for small businesses, Federal Ministry of Finance (Berlin) 23 March 2020. Access Date: 9 March 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-03-23-gemeinsame-pm.html>.

On 3 June 2020, the German government announced a EUR130 billion fiscal stimulus package to stabilize the economy by providing help to citizens, companies, and local authorities, as well as investments into green and digital technology.²⁸⁰⁷

On 4 June 2020, Peter Altmaier, Minister for Economics and Energy, and Bruno Le Maire, France's Minister of the Economy and Finance, discussed the future launch of data network project GAIA-X and what the coordinated action means for the two countries' future prosperity in economic, scientific, and labour spheres. Minister Altmaier stated, "[Digital innovation] is important for competition and future jobs ... We invite all European and international partners who share our principles [to] cooperate with us." The GAIA-X system is still in its developing stages.²⁸⁰⁸

On 15 June 2020, the German government announced a short time work benefit to keep employment stable during the financial crisis amidst the COVID-19 pandemic.²⁸⁰⁹ The program is designed to help employers reduce their amount of layoffs by reducing work hours with an additional government wage top up.²⁸¹⁰

On 18 June 2020, Chancellor Angela Merkel proposed and urged the European Union to approve a EUR750 billion COVID-19 recovery plan that would provide unity and cohesion for Europe's economic recovery.²⁸¹¹

On 21 July 2020, the European Union passed the EUR750 billion coronavirus recovery funds, where Germany played a pivotal role in strengthening ties among and creating unified methods to address the crisis.²⁸¹²

On 29 June 2020, the Deutsche Bundesbank announced the expansion of the Bank for International Settlements' Innovation Hubs.²⁸¹³ Germany and France agreed to host two of these new hubs in order to foster further collaboration and information exchange regarding innovation and economic development.²⁸¹⁴

On 15 March 2021, the German government announced the launch of Zukunftsfonds, an equity fund for technologies of the future.²⁸¹⁵ The government will invest EUR10 billion into the initiative, aiming to mobilize EUR30 billion with further private and public partnerships.²⁸¹⁶

²⁸⁰⁶ German government adopts more extensive Quick Loan Programme for small and medium-sized businesses, Federal Ministry of Finance (Berlin) 6 April 2020. Access Date: 9 March 2021.

<https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-04-07-quick-loan-programme.html>.

²⁸⁰⁷ A stimulus package for everyone in Germany, Federal Ministry of Finance (Berlin) 3 June 2020. Access Date: 28 February 2021. <https://www.bundesfinanzministerium.de/Web/EN/Issues/Priority-Issues/stimulus-package-for-everyone/stimulus-package-for-everyone.html>.

²⁸⁰⁸ Joint Press Release: Under the leadership of Germany and France, Europe is taking its first step towards data infrastructure, Ministry of the Economy and Finance (Paris) 4 June 2020. Access Date: 25 February 2021.

https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=455CDCF3-24F8-42BB-B9C7-8837AED20249.

²⁸⁰⁹ Kurzarbeit: Germany's Short Term Work Benefit, International Monetary Fund (Washington) 15 June 2020. Access Date: 1 May 2021. <https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit>.

²⁸¹⁰ Kurzarbeit: Germany's Short Term Work Benefit, International Monetary Fund (Washington) 15 June 2020. Access Date: 1 May 2021. <https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit>.

²⁸¹¹ Merkel urges EU to agree on €750 billion recovery plan by end of July, France 24 (Paris) 18 June 2020. Access Date: 28 February 2021. <https://www.france24.com/en/20200618-merkel-urges-eu-to-agree-on-€750-billion-covid-19-recovery-plan-by-end-of-july>.

²⁸¹² EU Leaders Reach Deal on €750 Billion COVID Recovery Fund, Investopedia (New York) 21 July 2020. Access Date: 28 February 2021. <https://www.investopedia.com/eu-leaders-reach-historic-deal-on-eur750-billion-covid-recovery-fund-5071916>.

²⁸¹³ New BIS Innovation Hub Centre for global financial innovation to be set up jointly in Frankfurt and Paris, Deutsche Bundesbank (Frankfurt) 29 June 2020. Access Date: 9 March 2021. <https://www.bundesbank.de/en/press/press-releases/new-bis-innovation-hub-centre-for-global-financial-innovation-to-be-set-up-jointly-in-frankfurt-and-paris-835680>.

²⁸¹⁴ Press Release: The Banque de France, part within the Eurosystem, of the BIS Innovation Hub, to accelerate the collaboration among central banks in innovative financial technologies, Banque de France (Paris) 30 June 2020. Access Date: 23 February 2021. <https://www.banque-france.fr/en/communique-de-presse/banque-de-france-part-within-eurosystem-bis-innovation-hub-accelerate-collaboration-among-central>.

Germany took strong action to coordinate measures and in the areas of fiscal, structural and monetary policy to achieve strong growth in G7 economies.

Thus, Germany receives a score of +1.

Analyst: James Venlauskas

Italy: -1

Italy not complied with its commitment “to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.”

On 6 June 2020, the Italian government approved a EUR55 billion coronavirus spending package to assist families and firms to maneuver the economic downturn brought on by the pandemic.²⁸¹⁷

On 27 October 2020, the Italian government implemented a EUR5.4 billion package which includes grants for self-employed workers, income support for families and quick relief to sectors hardest hit by the COVID-19 pandemic.²⁸¹⁸

On 14 December 2020, Prime Minister Giuseppe Conte stated that the Italian government would continue to implement strongly expansionary budgets to ensure economic certainty and increase the share of renewable energy sources.²⁸¹⁹

On 15 January 2021, the Italian government approved another stimulus package of EUR32 billion which provides a deferral on tax payment deadlines and extends support for workers and businesses forced to close due to public health measures.²⁸²⁰

Italy took strong action in the area of fiscal policy to achieve strong growth in the G7 economies. However, they did not take strong action in the areas of monetary or structural policy nor to ensure coordinated measures with G7 economies.

Thus, Italy receives a score of -1.

Analyst: James Venlauskas

Japan: 0

Japan has partially complied with its commitment “to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.”

²⁸¹⁵ Launch of the Zukunftsfonds, German Federal Ministry of Finance (Munich) 25 March 2021. Access Date: April 30 2021. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Financial_markets/Articles/2021-03-25-launch-of-the-zukunftsfonds.html.

²⁸¹⁶ Launch of the Zukunftsfonds, German Federal Ministry of Finance (Munich) 25 March 2021. Access Date: April 30 2021. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Financial_markets/Articles/2021-03-25-launch-of-the-zukunftsfonds.html.

²⁸¹⁷ Italy's Coronavirus Economic Stimulus Package, Leaders League (Paris) 5 June 2022. Access Date: 28 February 2021. <https://www.leadersleague.com/en/news/italy-coronavirus-economic-package>.

²⁸¹⁸ Policy Response to COVID-19, International Monetary Fund (Washington) 5 February 2021. Access Date: 28 February 2021. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>.

²⁸¹⁹ Conte Says Italy Will Stick With Its Expansionary Policy in 2021, Bloomberg News (New York) 14 December 2020. Access Date: 28 February 2021. <https://www.bloomberg.com/news/articles/2020-12-14/conte-says-italy-will-stick-with-its-expansionary-policy-in-2021>.

²⁸²⁰ Italy approves new stimulus package, shunting up 2021 deficit, Reuters (London) 15 January 2021. Access Date: 28 February 2021. <https://www.reuters.com/article/italy-budget-stimulus/italy-approves-new-stimulus-package-shunting-up-2021-deficit-idINL8N2JQ1PA?edition-redirect=uk>.

On 20 March 2020, the Bank of Japan, along with the Bank of England, European Central Bank, the Bank of Canada, the U.S. Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”²⁸²¹ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”²⁸²²

On 20 April 2020, the Japanese government enacted a JPY117 trillion stimulus package in response to the COVID-19 pandemic.²⁸²³ This package allotted funds for the securing of zero interest loans, deferment of taxes, and cash payments to Japanese residents and businesses.²⁸²⁴

On 27 April 2020, the Bank of Japan made several amendments to its Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus program.²⁸²⁵ These amendments expanded access to low interest loans by financial institutions and further defined what was considered collateral for these loans.²⁸²⁶

On 27 May 2020, the Japanese government announced another round of economic stimulus, amounting to JPY117 trillion, to further alleviate COVID-19 related economic hardship.²⁸²⁷

On 15 November 2020, Prime Minister Yoshihide Suga signed the Regional Comprehensive Economic Partnership, designed to boost intra-Asian economic ties, and stimulate economic growth.²⁸²⁸

On 7 December 2020, Prime Minister Suga announced a JPY75 trillion stimulus package to alleviate economic strains of the pandemic, with additional targeted investment in new growth areas.²⁸²⁹

On 18 December 2020, the Bank of Japan extended the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus program for an additional six months until September 2021.²⁸³⁰

Japan took strong action through fiscal policy and coordinated measures to achieve strong growth in the G7 economies. However, Japan has not taken strong action in the areas of structural or monetary policy.

²⁸²¹ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁸²² Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁸²³ Emergency Economic Measures for Response to COVID-19 to protect the lives and lifestyles of the public and move toward economic recovery, Prime Minister of Japan and His Cabinet (Tokyo) 20 April 2020. Access Date: 25 February 2021. http://japan.kantei.go.jp/ongoingtopics/_00019.html.

²⁸²⁴ Emergency Economic Measures for Response to COVID-19 to protect the lives and lifestyles of the public and move toward economic recovery, Prime Minister of Japan and His Cabinet (Tokyo) 20 April 2020. Access Date: 25 February 2021. http://japan.kantei.go.jp/ongoingtopics/_00019.html.

²⁸²⁵ Strengthening of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19), Bank of Japan (Tokyo) 27 April 2020. Access Date: 25 February 2021. https://www.boj.or.jp/en/mopo/measures/mkt_ope/ope_v/index.htm/.

²⁸²⁶ Strengthening of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19), Bank of Japan (Tokyo) 27 April 2020. Access Date: 25 February 2021. https://www.boj.or.jp/en/mopo/measures/mkt_ope/ope_v/index.htm/.

²⁸²⁷ Japan approves fresh \$1.1 trillion stimulus to combat pandemic pain, Reuters (Toronto) 26 May 2020. Access Date: 25 February 2021. <https://www.reuters.com/article/us-health-coronavirus-japan-stimulus-idUSKBN2323D3>.

²⁸²⁸ The 4th Regional Comprehensive Economic Partnership (RCEP) Summit and RCEP Agreement Signing Ceremony, Ministry of Foreign Affairs of Japan (Tokyo) 15 November 2020. Access Date: 25 February 2021. https://www.mofa.go.jp/policy/economy/fta/page1e_000291.html.

²⁸²⁹ Japan unveils \$708 billion in fresh stimulus with eye on post-COVID growth, Reuters (Toronto) 7 December 2020. Access Date: 25 February 2021. <https://www.reuters.com/article/us-japan-economy-stimulus-idUSKBN28I02Y>.

²⁸³⁰ Statement on Monetary Policy, Bank of Japan (Tokyo) 18 December 2020. Access Date: 25 February 2021. https://www.boj.or.jp/en/mopo/mpmsche_minu/index.htm/.

Thus, Japan receives a score of 0.

Analyst: Thomas Dellinger

United Kingdom: 0

The United Kingdom has partially complied with its commitment “to resolve to coordinate measures and use all policy tools, to achieve strong growth in the G7 economies.”

On 20 March 2020, the Bank of England, along with the Bank of Canada, the European Central Bank, the Bank of Japan, the U.S. Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”²⁸³¹ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”²⁸³²

On 18 November 2020, Prime Minister Boris Johnson set out a GBP12 billion plan for a “green industrial revolution” which will create and support up to 250,000 highly skilled “green” jobs in the UK, and spur over three times as much private sector investment by 2030.²⁸³³

On 12 November 2020, Business Secretary Alok Sharma announced an extension of a COVID-19 grant for self-employed individuals to March 2021, cash grants of up to GBP3,000 per month for English businesses, and an additional GBP2.2 billion for local authorities to distribute to small businesses.²⁸³⁴

On 17 December 2020, the Bank of England set monetary policy to meet the 2 per cent inflation target to sustain economic growth and employment. The bank’s Monetary Policy Committee voted unanimously to maintain the bank rate at 0.1 per cent, continue with the programme of GBP100 billion UK government bond purchases, and to commence a previously announced programme of GBP150 billion UK government bond purchases.²⁸³⁵

On 17 December 2020, the British government passed the UK Internal Market Act that ensures there are no harmful new barriers to trade between the four nations in the UK.²⁸³⁶

On 19 February 2021, Prime Minister Johnson met with other G7 leaders and resolved to work together to make 2021 a turning point for multilateralism and to shape a recovery that promotes the health and prosperity of people and planet.²⁸³⁷

²⁸³¹ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020.

Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁸³² Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020.

Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁸³³ Press Release: PM outlines his Ten Point Plan for a Green Industrial Revolution for 250,000 jobs, Prime Minister’s Office (London) 18 November 2020. Access Date: 23 February 2021. <https://www.gov.uk/government/news/pm-outlines-his-ten-point-plan-for-a-green-industrial-revolution-for-250000-jobs>.

²⁸³⁴ Business Secretary’s statement on coronavirus (COVID-19), Government of the United Kingdom (London) 12 November 2020.

Access Date: 24 February 2021. <https://www.gov.uk/government/speeches/business-secretarys-statement-on-coronavirus-covid-19-12-november-2020>.

²⁸³⁵ Bank Rate maintained at 0.1 per cent, Monetary Policy Summary and minutes of the Monetary Policy Committee meeting, Bank of England (London) 17 December 2020. Access Date: 24 February 2021. <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2020/december-2020>.

²⁸³⁶ Press Release: UK Internal Market Bill becomes law, Department for Business, Energy & Industrial Strategy, Cabinet Office (London) 17 December 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/uk-internal-market-bill-becomes-law>.

²⁸³⁷ Address by Prime Minister Boris Johnson, Prime Minister’s Office (London) 19 February 2021. Access Date: 23 February 2021. <https://www.gov.uk/government/news/g7-leaders-statement-19-february-2021>.

The United Kingdom took strong action through coordinating measures and using monetary and fiscal policy tools to achieve strong growth in the G7 economies. However, the United Kingdom has not used structural policy tools.

Thus, the United Kingdom has received a score of 0.

Analyst: Mike Zhao

United States: 0

The United States has partially complied with its commitment “to coordinate measures and use all policy tools, to achieve strong growth in the G7 economies.”

On 20 March 2020, the U.S. Federal Reserve, along with the Bank of England, European Central Bank, the Bank of Japan, the Bank of Canada, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”²⁸³⁸ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”²⁸³⁹

On 27 August 2020, the Federal Open Market Committee announced the unanimous approval of updates to its Statement on Longer-Run Goals and Monetary Policy Strategy, which articulates its approach to monetary policy and serves as the foundation for its policy actions.²⁸⁴⁰

On 22 January 2021, President Joseph Biden issued an executive order that launched “an interagency benefit coordination structure” to provide equitable emergency economic relief in the form of direct payments to working families, communities, and small businesses.²⁸⁴¹

On 30 October 2020, the Federal Reserve Board adjusted the terms of the Main Street Lending Program in two important ways to better target support to small businesses. In particular, the minimum loan size for three Main Street facilities available to for-profit and non-profit borrowers has been reduced from USD250,000 to USD100,000 and the fees have been adjusted to encourage the provision of these smaller loans. The Board and Department of the Treasury also issued a new frequently asked question clarifying that “Paycheck Protection Program loans of up to USD2 million may be excluded for purposes of determining the maximum loan size.”²⁸⁴² To date, the Main Street program has made almost 400 loans totalling USD3.7 billion, providing support to businesses from a wide range of industries. The program was established with

²⁸³⁸ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁸³⁹ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁸⁴⁰ Press Release: The Federal Open Market Committee announced the unanimous approval of updates to its Statement on Longer-Run Goals and Monetary Policy Strategy, Federal Reserve (Washington) 27 August 2020. Access Date: 24 February 2021. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200827a.htm>.

²⁸⁴¹ Press Release: Talking Points: January 22 Executive Orders-Economic Relief, White House (Washington) 22 January 2021. Access Date: 25 February 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/22/talking-points-january-22-executive-orders-economic-relief/>.

²⁸⁴² Press Release: Federal Reserve Board adjusts terms of Main Street Lending program to better target support to small businesses that employ millions of workers and are facing continued revenue shortfalls due to the pandemic, Federal Reserve (Washington) 30 October 2020. Access Date: 24 February 2021. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20201030a.htm>.

the approval of the Treasury Secretary and with USD75 billion in equity provided by the Treasury Department from the CARES Act.²⁸⁴³

The United States took strong action in the areas of monetary, fiscal, and structural policies to achieve strong growth in the G7 economies. However, it has not taken action to coordinate measures with either G7 member-states.

Thus, the United States has received a score of 0.

Analyst: Mike Zhao

European Union: +1

The European Union has fully complied with its commitment “to resolve to coordinate measures and use all policy tools, to achieve strong growth in the G7 economies.”

On 19 March 2020, the European Union set in motion a Temporary Framework on State Aid Rules to ensure that sufficient liquidity is available to European businesses to help sustain economic activity in Europe during and after the COVID-19 pandemic.²⁸⁴⁴ This framework includes both fiscal and monetary policy measures and allows member states to grant companies up to EUR800,000 to address their liquidity needs or grant loans with low interest rates.²⁸⁴⁵

On 20 March 2020, the European Central Bank, along with the Bank of England, Bank of Japan, the Bank of Canada, the U.S. Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”²⁸⁴⁶ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”²⁸⁴⁷

On 6 April 2020, the European Commission used EUR1 billion from the European Fund for Strategic Investments to indirectly provide liquidity to at least 100,000 European small and medium-size enterprises (SMEs) and small mid-cap companies that have been negatively impacted by the COVID-19 pandemic.²⁸⁴⁸ This monetary policy initiative fulfills the Commission’s commitment made on 13 March to immediately support SMEs beginning in April.²⁸⁴⁹

²⁸⁴³ Press Release: Federal Reserve Board adjusts terms of Main Street Lending program to better target support to small businesses that employ millions of workers and are facing continued revenue shortfalls due to the pandemic, Federal Reserve (Washington) 30 October 2020. Access Date: 24 February 2021. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20201030a.htm>.

²⁸⁴⁴ Press Release: State aid: Commission adopts Temporary Framework to enable Member States to further support the economy in the COVID-19 outbreak, European Commission (Brussels) 19 March 2020. Access Date: 26 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_20_496.

²⁸⁴⁵ Press Release: State aid: Commission adopts Temporary Framework to enable Member States to further support the economy in the COVID-19 outbreak, European Commission (Brussels) 19 March 2020. Access Date: 26 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_20_496.

²⁸⁴⁶ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁸⁴⁷ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁸⁴⁸ Press Release: Coronavirus: Commission and European Investment Fund (part of EIB Group) unlock €8 billion in finance for 100,000 small and medium-sized businesses, European Commission (Brussels) 6 April 2020. Access Date: 26 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_569.

²⁸⁴⁹ Press Release: Coronavirus: Commission and European Investment Fund (part of EIB Group) unlock €8 billion in finance for 100,000 small and medium-sized businesses, European Commission (Brussels) 6 April 2020. Access Date: 26 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_569.

On 17 June 2020, the European Parliament called for structural economic policies to level the playing field for all businesses in order to prevent unfair competition from foreign companies that could distort the single market.²⁸⁵⁰

On 22 September 2020, the European Commission authorized “Support to Mitigate Unemployment Risks in an Emergency,” a fiscal policy that would supplement member states’ national efforts to prevent unemployment.²⁸⁵¹ Under the programme, the EU will provide members with financial assistance, upon request, in the form of loans that are granted on favourable terms. Up to EUR100 billion is available to all member states.²⁸⁵² This assistance supports national short-time work schemes, unemployment benefits, and similar job protection measures.²⁸⁵³

On 10 December 2020, the European Central Bank extended the pandemic emergency long-term refinancing operations.²⁸⁵⁴ It is stated that the action “will serve as a liquidity backstop to the euro area banking system and contribute to preserving the smooth functioning of money markets during the extended pandemic period.”²⁸⁵⁵

On 17 December 2020, the European Union approved a EUR1.8 trillion stimulus package that includes structural and fiscal policy measures.²⁸⁵⁶ The package includes the EU’s long-term budget and Next Generation EU, a temporary recovery instrument aimed at repairing the social and economic damage caused by the COVID-19 pandemic.²⁸⁵⁷ Most of the package will promote modernization through research and innovation, environmental measures, and digital transformations. It also aims to make the European economy more resilient and prepared for disruptions.²⁸⁵⁸

The European Union has taken strong action through coordinated measures and the implementation of monetary, fiscal, and structural policies to achieve strong growth in the G7 economies.

Thus, the European Union has received a score of +1.

Analyst: Elisabeth Iannucci

²⁸⁵⁰ Foreign takeovers in Covid-19 crisis: MEPs push for level-playing field, European Parliament News (Brussels) 24 June 2020. Access Date: 26 February 2021. <https://www.europarl.europa.eu/news/en/headlines/economy/20200618STO81512/foreign-takeovers-meps-push-for-level-playing-field>.

²⁸⁵¹ Foreign takeovers in Covid-19 crisis: MEPs push for level-playing field, European Parliament News (Brussels) 24 June 2020. Access Date: 26 February 2021. <https://www.europarl.europa.eu/news/en/headlines/economy/20200618STO81512/foreign-takeovers-meps-push-for-level-playing-field>.

²⁸⁵² Covid-19’s economic impact: €100 billion to keep people in jobs, European Parliament News (Brussels) 6 November 2020. Access Date: 26 February 2021. <https://www.europarl.europa.eu/news/en/headlines/priorities/eu-response-to-coronavirus/20200416STO77205/covid-19-s-economic-impact-EU100-billion-to-keep-people-in-jobs>.

²⁸⁵³ Covid-19’s economic impact: €100 billion to keep people in jobs, European Parliament News (Brussels) 6 November 2020. Access Date: 26 February 2021. <https://www.europarl.europa.eu/news/en/headlines/priorities/eu-response-to-coronavirus/20200416STO77205/covid-19-s-economic-impact-EU100-billion-to-keep-people-in-jobs>.

²⁸⁵⁴ ECB extends pandemic emergency longer-term refinancing operations, European Central Bank (Washington) 10 December 2020. Access Date: 9 March 2021. <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr201210~8acfa5026f.en.html>.

²⁸⁵⁵ ECB extends pandemic emergency longer-term refinancing operations, European Central Bank (Washington) 10 December 2020. Access Date: 9 March 2021. <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr201210~8acfa5026f.en.html>.

²⁸⁵⁶ EU leaders finally approve coronavirus stimulus package after Hungary and Poland lift their veto, CNBC (Brussels) 10 December 2020. Access Date: 26 February 2021 <https://www.cnbc.com/2020/12/10/eu-leaders-finally-approve-coronavirus-stimulus-package.html>.

²⁸⁵⁷ Recovery plan for Europe, European Commission (Brussels) n.d. Access Date: 26 February 2021. https://ec.europa.eu/info/strategy/recovery-plan-europe_en.

²⁸⁵⁸ Recovery plan for Europe, European Commission (Brussels) n.d. Access Date: 26 February 2021. https://ec.europa.eu/info/strategy/recovery-plan-europe_en.