

**Explaining Compliance with G20 Commitments:  
The Democratic Institutional and  
Concert Equality Models Compared**

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## **Abstract**

Since its 1975 inception, the now G8 Summit has seen its members comply with their collective commitments to an increasing and now substantial degree, in a pattern well explained by the democratic institutionalist model of G8 governance. Does this model also account for the compliance record of the G20 finance ministers' forum founded in 1999, where the equality in capability, common democratic principles and constricted participation – key in G8 compliance – challenge the institutional nature of the G20? An analysis of compliance with the G20 finance ministers' commitments from 2003, as compared with those of the G8, suggests that democratic institutionalism is key in explaining the G20's compliance record, but that the concert equality model is equally important in helping us understand the critical elements in accounting for these cross-institutional compliance trends.

## Introduction

Since their first gathering in 1975, the G7/G8 Summits have increasingly produced tangible, ambitious and wide-ranging commitments<sup>1</sup> in an effort to generate multilateral consensus across a diverse number of global issues. Annual compliance assessments conducted since 1996 reveal that the G8 leaders have complied with these collective commitments to an increasing and now substantial degree, in a pattern well explained by the democratic institutionalist model of G8 governance.<sup>2</sup> But while the G8 has been described as a “full strength global governance institution” that deliberates, directs, decides and delivers, the G20 has “put in a respectable performance as a decisional body”, without much known about its ability to delivery with its collective commitments made.<sup>3</sup>

This paper thus beings by charting the compliance results of the G8’s 2003 Evian Summit - the last G8 for which a full compliance data set is available. To put these results into perspective, part two compares these trends with results found during the Summit’s most recently completed fourth cycle, the globalization era from 1996-2002. Part three begins the process of charting compliance with G20 commitments by assessing the extent to which the G8’s commitments reached at Evian translated into compliance behaviour by the G20’s South Africa, India and Australia. As the only three English-speaking non-G8 members of the G20, these countries vary by relative capability, represent three different continents, are economically situated between the

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<sup>1</sup> Commitments are defined as discrete, specific, publicly expressed, collectively agreed statements of intent. In other words, they are promises or undertakings by leaders to take future action to move toward an identified target or commitment. See Analytical and Compliance Studies - Methodology at: [www.g8.utoronto.ca](http://www.g8.utoronto.ca).

<sup>2</sup> The democratic institutionalist model of G8 governance is explained in: Kokotsis, Ella (1999). *Keeping International Commitments: Compliance, Credibility and the G7, 1988 – 1995*. Garland Publishing, New York. Annual compliance studies conducted since 1996 are available on the University of Toronto G8 Information Centre web site at: [www.g8.utoronto.ca](http://www.g8.utoronto.ca).

<sup>3</sup> Kirton, John. “Getting the L20 Going: Reaching Out from the G8”. Paper prepared for a workshop on the “G20 to Replace the G8: Why Not Now”. Sponsored by the Brookings Institution, Institute for International Economics, and the Centre for Global Governance, Washington, D.C., September 22, 2004.

developed-developing world, and boast varying degrees of association with the G8. Their unique position within the G20 therefore allows us to select them as logical case studies in assessing overall G20 compliance behaviour. Part four compares the extent to which the commitments reached at the G8 since 1999<sup>4</sup> have carried through as commitments in the G20 (or visa versa) as a means of understanding the leadership vs. followship relationship between these two institutions. Do commitments reached at the annual G8 Summits extend into the communiqués delivered by the G20? Or alternatively, do the commitments in the G20 communiqués drive the language and commitments ultimately reached by the G8? Part five explains the G8's delivery successes by drawing on the democratic institutionalist model of compliance behaviour. These causal variables are then extrapolated to explain the G20's compliance performance in part six. Finally, part seven concludes by drawing on the concert equality model to further explain the causal differences in compliance behaviour between the G8 and G20, and offers some conclusions about what these preliminary compliance findings might suggest for the G20's future compliance record.

### **1. The 2003 G8 Evian Record**

The leaders of the G8 met in Evian, France on June 1-3, 2003 in what would become the highest commitment-producing Summit in its 29-year history.<sup>5</sup> Despite the divisions among the G8 leaders bred by the war in Iraq, the Summit produced a record-high 206 commitments across 14 separate declarations grouped primarily under Jacques Chirac's four Summit themes of solidarity, responsibility, security and democracy. Following the momentum of Kananaskis the year prior, the leaders made strong commitments on the African front in areas such as water, famine, infectious

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<sup>4</sup> 1999 corresponds with the inception of the G20.

diseases, agricultural sustainability, peer review and debt relief for the highly indebted poor countries (HIPC). On the political-security front, the leaders pledged concrete action in the areas of transport security, radiological terrorism, weapons of mass destruction and the control of Man-Portable Air Defence Systems (MANPADs). Long-standing issues of sustainable development and the environment were met with revived action, while new momentum flowed in areas such as tanker safety, threats from SARS, corporate governance and the promotion of a responsible market economy. Only in traditional economic areas, including trade, inflation, exchange rates, fiscal and monetary policy did the Summit yield disappointingly fewer concrete results.<sup>6</sup>

Yet despite the unusually high number of commitments achieved across such a diverse number of policy areas, the G8 leaders at Evian pledged a total of \$3 billion at the Summit and only for the replenishment of the Global Fund to fight AIDS, Tuberculosis and Malaria. Relative to the \$27 billion pledged at Kananaskis the year before, the leaders, through their modest financial contributions, offered little to ensure that the commitments made at Evian would be effectively complied with in the months and years ahead. Moreover, despite the copious number of documents and commitments produced, Evian offered only three remit mandates that would bind the leaders to return to a particular subject at their next Summit meeting in Sea Island, and one additional remit mandate committing them to review progress on the Africa Action Plan no later than 2005 (Appendix A).

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<sup>5</sup> The 2004 Sea Island Summit did supercede Evian with the leaders producing 253 commitments across 15 documents.

<sup>6</sup> The complete set of Evian documents is available on the University of Toronto G8 Information Centre web site at: [www.g8.utoronto.ca](http://www.g8.utoronto.ca).

What do the compliance scores tell us about the G8's success in reliably implementing the commitments made at Evian?<sup>7</sup> Based on an assessment of the 12 priority issue areas (Appendix B), the Evian numbers revealed an overall compliance score of 51%, with the highest complying members being Canada and the United Kingdom, followed by France (Summit host) and the U.S. (next in the hosting rotation) tied for second place. Germany, Japan and Russia follow, with Italy in last place overall (Appendix C).

These results also reveal that compliance during this period varied considerably by issue area, with commitments focused on Terrorism and Weapons of Mass Destruction (WMD) scoring perfect compliance scores across all G8 countries. Compliance scores were also high in the area of Development Assistance (ODA) and Health (AIDS), followed by Transport Security, the Environment (Marine), World Economy, Debt (HIPC) and Energy. And finally, scores in the negative range are revealed for commitments relating to Trade (MTN) and Crime (Terrorist Financing) indicating that the G8 did not act to fulfill their priority commitments in these issue areas in the post-Evian period.

## **2. Charting G8 Compliance: 1996 - 2002**

Building on previous analytical studies and applying the concepts and methodology developed by Kirton and Kokotsis, the University of Toronto's G8 Research

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<sup>7</sup> Compliance is achieved when national governments alter their own behaviour and that of their societies in order to fulfil the specified goal or commitment. Leaders legitimize their commitments by including them within their national policy agendas, referring to them in State of the Union Address or Throne Speeches, assigning specialized task forces or working groups to negotiate mandates, launching new diplomatic initiatives or allocating budgetary resources; all designed to fulfill the specified welfare target. Full or nearly full conformance with a commitment here is assigned a score of +1. A score of -1 indicates complete or nearly complete failure to implement a commitment. An "inability to commit", or a "work in progress" is given a score of 0. An "inability to commit" refers to factors outside of the executive branch impeding the implementation of a given commitment and a "work in progress" refers to an initiative that has been launched by a government but is not yet near completion and whose results can therefore not be judged.

Group has assessed the compliance record of the G8 with the Summit's core commitments from 1996 to the present. As these analytical studies directly follow and apply earlier concepts and methods, their results are directly comparable with earlier compliance assessments. As they cover all core issue areas and the compliance record of all participating G8 members, they offer a comprehensive portrait of Summit performance in the years since globalization first became a major Summit preoccupation.<sup>8</sup>

Several patterns appear in these findings. First, as Appendix D indicates, the average level of compliance for this period is 45%. This is considerably higher than the 1975-1988 von Furstenberg and Daniels compliance average of 32%, and very close to the more limited Kokotsis approach 1988-1995 average of 43%.<sup>9</sup> Moreover, the level of compliance has varied widely by year. It begins at a relatively normal 36% in 1996-97, drops to 27% in 1997-98, rises sharply to 45% in 1998-99, stays at a relatively robust 39% in 1999-00, surges to 80% in 2000-01, secures an above-average score of 53% in 2001-02, drops below the mean to 33% in 2002-03 and surges above the median to 51% in 2003-04. As all of these scores are well above the 32% identified by von Furstenberg and Daniels (with the exception of 1997-98), these findings contradict those who see the G8 in the 1990's as delivering a lower level of performance than the Summit in previous years.

As Appendix D also shows, during the 1996-2002 period, compliance continued to vary widely among countries, even if all members had positive rather than negative compliance scores. Among the members, Canada continues to lead at 64%, followed by

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<sup>8</sup> "Compliance here has been assessed against a selected set of priority commitments, rather than all commitments the last Summit produced. The priority commitments selected were not randomly chosen but identified to produce a representative subset of the total according to such dimensions as issue areas, ambition, specified time for completion, instruments used and, more generally, the degree of precision, obligation and delegation of each." See 2003 Evian Interim Compliance Report: [www.g8.utoronto.ca](http://www.g8.utoronto.ca)

the U.K., a close second at 62%. With these scores, both countries continue to rank similar to the 1975-89 ranking. Below these falls Germany at 43%, followed by Japan and Italy at 42% and 41% respectively. The newest member to join the group (and thus not evaluated during the 1975-89 period), Russia, scores last place with an overall compliance average of 14%. While the available data for Russia is slender, these scores appear plausible given the country's overall lack of national implementation capacity. Furthermore, they are consistent with the argument that democratic polities with popularly elected leaders at the time, combined with the socializing effects of the G8 as an international institution over time, generate higher compliance scores.

There is a similarly wide variation in the compliance record of the 1996-2003 Summits by policy sector and issue area. As Appendix E indicates, for the period as a whole, the compliance level in the core economic sector is 34%. Issues in the global/transnational sector score 43%. In both cases, these are above the comparable levels for the 1975-89 period. However, in the area of political security issues (which includes traditional east-west relations, terrorism, arms control, landmines and human rights), the level is an unusually high 72%. Unusually low scores are found in the Regional Security and Governance sectors (focused on UN reform), each at 11% and 17% respectively.

Although the partial nature of this data makes more detailed analysis difficult, some patterns are clear. First, among the 33 issue areas assessed across the eight years, there are only eight negative and nine neutral scores. This is consistent with the argument that these Summits are indeed worth doing for they do generate positive results over time. At the other end of the spectrum, the presence of fifteen perfect scores (ranging from macroeconomics to trade, debt of the poorest, the environment,

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<sup>9</sup> Von Furstenberg, G. and Daniels, J. P. *Economic Summit Declarations, 1975-1989: Examining the Written Record of International Cooperation*. Princeton Studies in International Finance. Princeton

global health, terrorism and security) suggests that the G8 can be very effective in governing globalization.<sup>10</sup>

Second, as the “globalization era” for the G8 began in 1996, the Summit compliance score averaged 32%. However the component sector scores of 34% in economics, 43% in global/transnational issues, 72% in political/security issues, 11% in Regional Security issues and 17% in governance issues suggests a particularly robust role for the modern G8 in the political/security field.

An assessment of particular issue areas where sufficient multi-year data exist suggests several trends. Most striking is the high, indeed, perfect scores for macroeconomics; a sharp contrast from its low scores in 1975-89. Also noteworthy is the low score for trade, again a striking contrast with its high scores in 1975-89 and confirmation by many about the G8’s recent poor performance in this area.<sup>11</sup> A third is the high scores in the areas of the environment (including climate change) terrorism, and landmines, suggesting that the G8 is indeed a promising forum for advancing an expanding conflict prevention/human security agenda.

### 3. Charting G20 Compliance

Meeting on September 25, 1999 in Washington, D.C., the finance ministers of the G7 announced the creation of the G20 – a new international forum consisting of the finance ministers and central bankers from 19 countries<sup>12</sup> as well as representation by the EU, IMF and World Bank. The creation of the G20 fulfilled the commitment made by

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University Press, New Jersey, 1992. Kokotsis (1999).

<sup>10</sup> Kirton, John.” Explaining G8 Effectiveness”, in Michael Hodges, John Kirton and Joseph Daniels, eds. *The G8’s Role in the New Millennium*. Ashgate: Aldershot. 1999.

<sup>11</sup> Bayne, Nicholas. “The G7 and Multilateral Trade Liberalization: Past Performance, Future Challenges”, in John Kirton and George von Furstenberg, eds. *New Directions in Global Economic Governance: Managing Globalization in the Twenty-First Century*. Ashgate: Aldershot. 2001.

<sup>12</sup> G20 members include finance ministers and central bank governors from: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom and the United States. The Managing Director of the IMF as well as the President of the World Bank participate fully in the discussions.

the G8 at the 1999 Cologne Summit to “establish an informal mechanism for dialogue among systematically important countries within the framework of the Bretton Woods institutional system”.<sup>13</sup> Mandated to “promote discussion, study and review policy issues among industrialized countries and emerging markets with a view to promoting international financial stability”<sup>14</sup>, the first meeting of the G20 was held in Berlin in December 1999 under the chairmanship of Canadian Finance Minister Paul Martin. It was clear from this first meeting that the reconciliation of interests between the industrial and emerging markets on issues relating to developments in the international economy and financial system could play a key role in strengthening the global financial architecture – particularly since its member countries represented all continents, 80% of global trade, two-thirds of the world’s population and 90% of the world’s GDP.

Given, however, that the G20’s mandate was premised on “informal dialogue” as a means of “promoting cooperation to achieve stable and sustainable world growth”<sup>15</sup>, its creation was largely seen as “deliberative” rather than “decisional”, designed to encourage the “formation of consensus” on global financial issues.<sup>16</sup> If indeed intended to encourage consensus rather than drive decisions, what does this mean for the G20’s ability to not only reach tangible commitments that are timely and robust, but to comply with these commitments in the weeks and months following the conclusion of these annual gatherings?

A comparative compliance assessment is offered here which examines the results of the G20’s compliance with the commitments made at the 2003 Evian

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<sup>13</sup> G8 Final Communiqué, Cologne, Germany, June 20, 1999. [www.g8.utoronto.ca](http://www.g8.utoronto.ca)

<sup>14</sup> “New G20 Forum: Background”. [www.g8.utoronto.ca](http://www.g8.utoronto.ca)

<sup>15</sup> G8 Final Communiqué, Cologne, Germany, June 20, 1999. [www.g8.utoronto.ca](http://www.g8.utoronto.ca)

<sup>16</sup> Kirton, John. “What is the G20?” November 30, 1999. [www.g8.utoronto.ca](http://www.g8.utoronto.ca)

Summit<sup>17</sup>. These results are then compared against the compliance outcomes of the G20 following their 2003 Morelia Summit in Mexico. This analysis focuses specifically on the compliance trends charted across three predominantly English-speaking (non-G8) G20 members – Australia, India and South Africa. Not only do these three countries vary with respect to their relative capability<sup>18</sup>, geographically, they represent three different continents and economically, they lie wedged between the developed and the developing world. Moreover, their personal associations with the G8 varies markedly, as South Africa has been invited and present at every G8 Summit since Genoa in 2001, India was in attendance at Evian in 2003, and Australia has yet to attend a G8 Summit. What do these variations then suggest about each of these countries' ability to comply with commitments reached at both the G8 and G20 levels?

Overall compliance by the G20 with the Evian commitments was 41% - or 10% lower than the G8's compliance with these same commitments. The results by country suggest that South Africa ranks the highest across the 12 priority issues with an overall compliance rate of 67% (see Appendix F. Australia follows with a score of 42% across the Evian priority commitments, followed by India at 17%.

Comparing results across issue area suggests the strongest compliance results were in the area of the marine environment and energy, both delivering perfect compliance scores in the post-Evian period. Crime (terrorist financing), transport security and WMD follow with compliance scores of 66%. Scores of 33% are revealed for issues relating to the world economy, ICT, trade and terrorism (CTAG), while HIV/AIDS and development (ODA) score a "0" overall. The only issue to fall within the negative range is debt (HIPC), with a compliance score of -33%.

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<sup>17</sup> The 2003 Evian Summit was selected for this exercise as it represents the last year for which a complete data set of G8 compliance information was available. At the time of this paper, only the interim compliance results for the 2004 Sea Island Summit had been made publicly available.

<sup>18</sup> Define relative capability – look at your own book, Ella!

High scores for the protection of the marine environment are not entirely surprising given the length of coastline and the importance of the fishing industry to the national economies of each of these three countries. Having already signed the ratified the United Nations Convention on the Law of the Sea (UNCLOS) by the time of the Evian Summit, some countries, notably Australia, extended beyond the terms of the convention to launch, for example the following year, a \$10 million Regional Heritage Program that would “work with....neighbours in Asia and the Pacific to protect threatened areas of high biological diversity”.<sup>19</sup> South Africa also extended beyond the ratification of UNCLOS by launching post Evian (in February 2004), its second environmental court in Port Elizabeth, designed to “clamp down on organized syndicates who indiscriminately poach the country’s marine resources”.<sup>20</sup>

Traditional security issues including WMD, transport security and crime (terrorist financing) all fall within the middle range, consistent with the G8’s Evian scores across these three issue areas. Here we find that commitments relating to the reduction in the proliferation of MANPAD (Man-Portable Air Defence Systems) stockpiles, support for the IAEA (International Atomic Energy Agency), and accession to and ratification of the UN Convention on Transnational Organized Crime all pull in above-average compliance scores. Below-average results, however, are revealed on traditional economic issues, including the world economy and trade. Only South Africa delivers positive compliance scores for its commitments relating to the strengthening of investor confidence as well as the delivery of the goals set out in the Doha Development Agenda by the end of 2004.

The area of greatest weakness across all three countries comes in relation to commitments reached on debt, development and health. On debt, the commitment to

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<sup>19</sup> “International Good Neighbours”, February 18, 2004. [http: www.pm.gov.au/news/media\\_releases](http://www.pm.gov.au/news/media_releases).

<sup>20</sup> “Ministers Moosa and Maduna to Launch SA’s Second Environmental Court”. Department of Environmental Affairs and Tourism. February 18, 2004. <http://www.environment.gov.za>

calculate the amount of “topping up” of debt relief available to countries at completion point is met with an overall score in the negative range. Only Australia showed some initiative in this regard by agreeing to forgive Nicaragua’s bilateral debt of \$5.4 million.<sup>21</sup> On development, the commitment for a proposal for a new International Finance Facility was met with scores of “0” given the absence of explicit discussions surrounding the establishment of development-related financing instruments across all three countries. And finally, with regards to health, the commitment to strengthen the Global Fund to fight AIDS, Tuberculosis and Malaria is also met with a score of “0”. Compliance results in this case, however, vary by country. India scores in the negative range given its complete lack of contributions or pledges to the Global Fund in any form. Australia scores a “0” given its commitment to contribute \$18.9 million, but not in one lump sum until it is confident that the Global Fund is “working out”.<sup>22</sup> In reaction to this announcement, both Oxfam International and Medecins Sans Frontiers issued a statement noting that “based on the size of its economy, Australia should be contributing \$25 million for 2004 alone, rather than \$19 million over three years”.<sup>23</sup> And finally, South Africa is the only country of the three to demonstrate positive compliance in this issue area through its contribution of \$3.9 million to the Global Fund in the post-Evian period. Recognizing the burden of HIV / AIDS on the promotion of women’s rights and well-being, a significant portion of South Africa’s contribution to the Global Fund was directed towards gender-sensitive development cooperation.<sup>24</sup>

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<sup>21</sup> “Australia Forgives Nicaragua’s Debt”. Treasurer of the Commonwealth of Australia. April 15, 2004. [www.treasurer.gov.au/tsr/content/pressreleases/2004/](http://www.treasurer.gov.au/tsr/content/pressreleases/2004/)

<sup>22</sup> “Global Fund says it needs \$5 billion during 2004-05”. *HIV Treatment Bulletin*. April 3, 2004. [www.i-base.org.uk/pub/htb/v5/](http://www.i-base.org.uk/pub/htb/v5/)

<sup>23</sup> Ibid.

<sup>24</sup> “The Global Fund to Fight AIDS, Tuberculosis and Malaria: Pledges”. *The Global Fund*. January 1, 2005. [www.theglobalfund.org/en/files/pledges&contributions](http://www.theglobalfund.org/en/files/pledges&contributions).

How do these results then compare with the commitments made by Australia, India and South Africa following the 2003 Morelia meeting of the G20? The G20 complied less with their own commitments than they did with the G8's, scoring 31% across the six commitments made in Morelia (Appendix K). Similar to the Evian results, South Africa leads in overall compliance with a score of 50%, followed in second place by India (40%) and then Australia (16%). Once again, compliance varies widely by issue area, with higher compliance scores for trade and corporate accountability and transparency standards, mid-range compliance for terrorist financing, and compliance in the negative range for the monitoring of developments in Offshore Financial Centres (OFCs).<sup>25</sup> Compliance for both financial crisis prevention and the implementation of financial codes of conduct score a "0" thereby indicating a work in progress in both cases.

When compared with the Evian results, these scores point to some interesting observations. Commitments on trade, corporate accountability and transparency standards, along with terrorist financing, represent extensions of commitments reached in the Evian Summit just four months prior to the Morelia G20 meeting. On trade, finance ministers at the G20 affirmed their commitment to "quickly re-energize the negotiation process towards the fulfillment of the Doha Development Agenda", recognizing that "flexibility and political will" from all was "urgently needed".<sup>26</sup> This commitment represented a direct extension of the one reached at Evian by the G8 just four months prior to Morelia where the leaders agreed to "...achieve the objectives and overall timetable set out in the Doha Development Agenda".<sup>27</sup> On the issue of corporate accountability and transparency standards, the G20 committed itself at Morelia to

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<sup>25</sup> This compliance result is based on scores for Australian and South Africa only as compliance information for India was not available at the time of this paper.

<sup>26</sup> Communiqué from the fifth G20 Finance Ministers' and Central Bank Governors' Meeting, Morelia, Mexico. October 26-27, 2003.

effectively fighting financial abuses, recognizing the existence of “diversified ways for individuals and companies and other entities to abuse the international financial system”. Again, this represented an extension of the commitment made by the leaders at Evian to “fight financial abuses” so that “money laundering, corruption and other relevant crimes are universally criminalized”. And thirdly, on the issue of terrorist financing, the G20 at Morelia affirmed their commitment to “ disrupting terrorist financing networks”, recognizing the need to “concentrate efforts to subject informal financial sectors to appropriate monitoring and enforcement actions”. This commitment extends directly from Evian where the G8 noted their direct support for the G20 on this issue by stating they were “supporting steps by [their] Finance Ministers to coordinate counter-terrorism financing measures...to address terrorist financing, capacity building and other counter-terrorism objectives in their assessment and assistance initiatives”.

The G20’s commitment to “monitor developments in Offshore Financial Centres (OFCs), based on the IMF’s work” reveals the only score in the negative range across the six commitments reached at Morelia. What is interesting about this commitment is not its appearance in the Evian communiqué, rather its manifestation in the 2004 Sea Island communiqué the following year. At Sea Island, the G8 leaders reaffirmed their commitment to “further enhance transparency and supervisory standards in financial markets, in particular non-compliant off-shore centers”. More specifically, the leaders requested their “Finance Ministers to carry this work forward”.<sup>28</sup>

For the two commitments in which a work in progress – or a compliance score of “0” is revealed – commitments appearing in the G20 communiqué do not extend from, or project to, either the Evian or Sea Island communiqués. In the first instance, this

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<sup>27</sup> The Evian Summit Chair’s Summary, June 3, 2003. Evian, France.

<sup>28</sup> G8 Final Communiqué on Fighting Corruption and Improving Transparency, Sea Island Summit, June 10, 2004.

includes the G20's mandate "to review and promote crisis prevention and resolution measures" with the IMF tasked with identifying vulnerabilities. In the second instance, this includes the G20's commitment to "promote the development of a workable code of conduct" with respect to financial crisis. In neither case do these commitments find resonance in the G8's documents either prior to, or following from, the G20 Morelia meeting.

#### **4. Who's Driving Whom?**

This preliminary comparative analysis of the G20's commitments vis-à-vis commitments made by the G8 reveals that in those cases where the G8 initiated a commitment which was then reiterated in the subsequent G20 communiqué, positive G20 compliance scores followed. Where a commitment was initiated at the G20, but compliance failed, the commitment re-appeared in the text of the subsequent years' G8 communiqué. Does this early evidence perhaps suggest that not only is compliance with G20 commitments more likely in situations where commitments are generated at the G8 level, but that reaffirmation by the leaders with a G20 commitment the subsequent year is required in cases where G20 compliance fails? A comparative assessment of the G8 and G20 documents from 1999-2003 tells us more about the "push-pull" relationship of the G8 vs. the G20.<sup>29</sup> Do commitments made in one forum find resonance in the other (or visa versa)? Or is the G20 simply a means of securing broader consensus for G8-generated ideas, as some scholars suggest?<sup>30</sup>

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<sup>29</sup> Commitments "Pushed" are those commitments initially made at the G20 one year and then repeated within the text of the G8's final documents at their next meeting. Commitments "Pulled" are those commitments made initially at the G8 one year and then repeated within the text of the G20 documents at their next meeting.

<sup>30</sup> See, for example, John Kirton. "What is the G20?". Adapted from "The G7, China and the International Financial System", Paper presented at an International Think Tank Forum on "China in the Twenty-First Century," China Development Institute, November 10-12, 1999.

A cross-Summit analysis from 1999-2003 shows us that commitments reached at the G20 were three times more likely to have been generated at the G8 earlier that same year (Appendix J). In most of these cases, the language supporting the commitments is almost identical across both forums indicating a firm reiteration of the G8's commitment at the G20 level. Moreover, these commitments do not focus on any one particular issue area, rather, transcend numerous matters, ranging from policies to reduce countries' vulnerabilities to financial crises, offering technical assistance to emerging market economies, committing to launch new trade rounds, strengthening efforts to combat terrorist financing and pledging to achieve the Millennium Development Goals, particularly in Africa. What perhaps stands out the most from this period, is the outcome of the 2001 G20 meeting in Ottawa. Falling just two months after the 9/11 terrorist attacks, this G20 generated the highest number of commitments (24) in its six year history. A full 20 of the 24 commitments generated focused specifically on terrorist related promises, including action plans to freeze assets of terrorists, cooperation on the exchange of intelligence, and technical assistance to countries in need of regulations to combat terrorist financing. Of these 20 commitments, only two found resonance in the G8's Summit the following year at Kananaskis. This points to the real lack of thrust the G20 has in pushing commitments it generates into the final communiqués of the G8 in subsequent years.

## **5. Explaining the G8's Compliance Success**

The past decade has witnessed an overwhelming surge in the volume of scholarly literature aimed at explaining the G8's emergence as a global institution worthy of serious scholarly attention.<sup>31</sup> And despite an overall lack of analytic consensus on the Summit's performance, John Kirton suggests that “yearly and cyclical variations in G8

performance” show a “secular trend toward increasingly high performance across most functions...”<sup>32</sup> These core functions include, for example, Summit deliberations (length of working sessions), direction-setting (number of documents issued), decision-making (number of commitments agreed to), global governance development (remit mandates and ministerial institutions created) and finally, delivery (compliance and monies mobilized). These core Summit functions provide a solid basis against which the overall performance of the Summits can be assessed.

What do we know about the delivery function of the Summit’s performance? Based on independent scholarly studies conducted by Von Furstenberg and Daniels, Kirton and Kokotsis and the University of Toronto G8 Research Group, we find that the G8 has become more effective in implementing its commitments reached over time, with compliance scores steadily increasing, particularly during the Summit’s fourth cycle.<sup>33</sup> These findings suggest that sustained, positive and increasing compliance patterns over time are largely attributable to key democratic institutionalist variables which impact the Summit’s ability to deliver compliance results. These variables include: (i) enhanced Summit institutionalization at both official and ministerial levels; (ii) strong domestic bureaucratic units; (iii) effective multilateral organizations controlled by the G8; (iv) strong commitment by leaders to the G8’s institutions and issues; (v) popular domestic

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<sup>31</sup> See for example, the G8 bibliography available on [www.g8.utoronto.ca](http://www.g8.utoronto.ca)

<sup>32</sup> Here, Kirton looks at nine competing models including: 1) American Leadership; 2) Concert Equality; 3) False New Consensus; 4) Democratic Institutionalism; 5) G8 Nexus; 6) Collective Management; 7) Ginger Group; 8) Group Hegemony; and 9) Meta Institution. John Kirton. “Explaining G8 Effectiveness: A Concert of Vulnerable Equals in a Globalizing World” p. 27.

<sup>33</sup> See for example, Von Furstenberg, G. and Daniels, J. P. *Economic Summit Declarations, 1975-1989: Examining the Written Record of International Cooperation*. Princeton Studies in International Finance. Princeton University Press, New Jersey, 1992. Kirton, J.J. and Kokotsis, E. “National Compliance with Environmental Regimes: The Case of the G7, 1988-1995. Paper presented at the Annual Convention of the International Studies Association, Toronto, Ontario, March 18-22, 1997; Kokotsis, E. *Keeping International Commitments: Compliance, Credibility and the G7, 1988-1995*. Garland Publishing, Inc. New York, 1999. Compliance Studies (1996-2004) at [www.g8.utoronto.ca](http://www.g8.utoronto.ca)

support for leaders and issues they embrace; and (vi) institutional/structural changes from within.

In the first instance, the development of an institutional architecture within the Summit process allows for an established framework within which agendas can be initiated, measures can be approved and commitments can be pursued. Particularly during the Summit's fourth cycle, we've witnessed a proliferation in both the depth and breadth of the G8's inter-Summit ministerial process.<sup>34</sup> For example, the 1996-2003 period alone produced 126 inter-Summit ministerials, or 60% of the Summit's 29-year total. If follow-up ministerials are important variables in explaining Summit compliance, some interesting patterns prevail.<sup>35</sup> Of the 89 follow-up ministerials since 1975, the first Summit cycle (1975-1989) produced 19 follow-up ministerials, the second cycle (1989-1995) produced 24 and the third (1996-2003) produced 50 (or 56% of the total). These correspond directly with the Summit's compliance patterns over time, with the highest compliance coming during the most recent Summit cycle and the lowest compliance occurring during the Summit's first cycle.

Similar patterns are obvious when one assess the number of G8 institutions created, adjusted, approved and continued.<sup>36</sup> During the 1996-2003 period, the Summit

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<sup>34</sup> Inter-Summit ministerials and equivalents are "meetings of the G7/8 ministers or heads or equivalents from these actors (collective statements issued in the name of the G7/8, conference calls) between the end of on year's annual Summit and the start of the Summit the regularly scheduled annual following year." John Kirton and Michael Malleson. "Inter-Summit Ministerials and Equivalents, 1975-2003". July 25, 2003. [www.g8.utoronto.ca](http://www.g8.utoronto.ca).

<sup>35</sup> Follow-up ministerials take place prior to the change in host on January 1 of the new year and can be seen primarily as following up or implementing the earlier Summit. Lead-up ministerials, taking place after January 1, can be seen as primarily preparatory to, or connected with, the subsequent Summit. Follow-up ministerials are therefore seen primarily as a cause of compliance with the previous Summit's commitments and lead-up ministerials are seen as a cause of the subsequent Summit's success. Kirton and Malleson, 2003.

<sup>36</sup> "New Institutions Created" includes, in its weakest form, convening officials for a meeting, on the grounds that this may lead to further meetings and thus the incremental creation of an institution. "Existing

created, adjusted and approved/continued a total of 46 institutions. This compares to 40 during the Summit's first two cycles (1975- 1988) and 20 during the Summits third cycle (1989-1995). The surge in the creation, adjustment and approval/continuation of Summit ministerials during this fourth cycle is commensurate with the overall rise in Summit compliance during this period. The surge in ministerials and institutional creations effectively provides a solid mechanism through which more effective and timely implementation of leaders' commitments can occur.

Strong domestic bureaucratic institutional units are also key in accounting for the G8's increased levels of Summit compliance over time. For example, where strong, institutionally entrenched Foreign Ministries serve as repositories for implementing G8 agreements, smaller, less institutionally developed departments such as health and the environment, typically tend to lack the necessary coordinating centres for G8-related activity and oversight. This is consistent with the findings (between 1996-2003) where traditional security issues garner a compliance score of 72%, with global transnational issues securing only 43% (Appendix E).

Higher compliance levels are also assured in cases where the G8 control - either through monetary/military contributions or political capital - existing broader regimes, and subsequently extend commitments and issue instructions made at the Summit to these international institutions. One of the strongest examples of this is with regards to the Summit's commitments on the debt of the poorest, for which exceptionally high compliance scores were recorded for both the 1999 Cologne Summit (86%) and the 2001

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Institutions Adjusted" includes having their duration, membership, substantive mandate or relationship with other institutions extended, reduced, or newly specified. "Existing Institutions Approved and Continued" includes an acknowledgement of the institution's existence, and continuance of its works as currently

Genoa Summit (100%). Here, commitments made by the G8 on the highly indebted poor countries were subsequently coordinated through existing international institutions that its members effectively control, including the Paris Club, the IMF and the World Bank.<sup>37</sup>

The leaders' commitment to international cooperation, the G8's institutional architecture and the issues themselves are evidenced by the number of remit mandates produced. Remit mandates are "formal instructions contained in the documents the leaders collectively issue at the annual G8 Summit, specifying that they will deal with an item at their Summit the following year or in subsequent years".<sup>38</sup> According to Kirton, remit mandates are important for several reasons. First, they may "indicate the priority or seriousness that leaders attach to an agenda item, normative direction or decisional commitment". Second, they may constitute a form of "self-binding, giving a particular item a shadow of the future". And third, they may represent "a way of one year's host trying to bind a subsequent year's host to the priority items preferred by the former". Taken together, remit mandates serve as important causes or predictors of compliance through the delivery of specified discussion items, directions or decisions.

The empirical record of remit mandates illustrates that the overall average from 1975-2003 climbed considerably across the Summit's three cycles<sup>39</sup> – a trend which

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mandated, merely noted, reaffirmed or approved. Fact Sheet, "Institutions Created by Summit, 1975-2003", compiled by Janel Smith, November 12, 2003. [www.g8.utoronto.ca](http://www.g8.utoronto.ca).

<sup>37</sup> See 1999 and 2001 Compliance Reports by the University of Toronto G8 Research Group at: [www.g8.utoronto.ca](http://www.g8.utoronto.ca)

<sup>38</sup> Kirton, John and Antara Haldar. G7/8 Summit Remit Mandates, 1975-2003. June 24, 2003. [www.g8.utoronto.com](http://www.g8.utoronto.com). Remit mandates take several forms: (i) they may specify that a report be prepared for the leaders at their next Summit; (ii) they may identify who is to prepare such a report; (iii) they may pledge that the leaders themselves will deal with a particular item or theme, or "review progress" on it; (iv) or they may require that action be taken by the time of their next Summit, implying that they will monitor whether it has been done or not.

<sup>39</sup> G8 Remit mandates averaged 1 in the 1975-1988 period, 3.1 in the 1989-1995 period and 4.7 in the 1996-2003 period. Kirton and Halder, 2003.

supports the argument that commitments are generally complied with when the leaders who made them demonstrate a strong personal commitment to both the issues at stake and the Summit process as whole. By binding themselves to addressing an issue at their subsequent meeting, leaders are committing themselves to reviewing progress - which ultimately places increased pressure on them to deliver concrete results.

Deep public support for Summit leaders and the commitments they embrace grants the leaders an enormous amount of political capital thereby allowing them to more effectively follow through with their Summit commitments. For example, during the last cycle of Summitry, leaders were less afflicted by electoral uncertainties and thus enjoyed longer-lived governments. Given that same group of leaders that met in Evian, had also met in Kananaskis in 2002 and in Genoa in 2001 meant that the leaders had more political experience, greater Summit skills, experienced greater socialization at a personal level and came to the Summit with more balanced expectations. This type of environment tends to typically be conducive to greater overall levels of Summit compliance, evidenced by the results of the G8's most recent cycle.

And finally, the institutional structure and composition of the G8 has also had an impact on compliance results. Sharp drops in compliance in 1997-98, followed by the sharp rise in 1999-2001 suggests the impact of changes to the Summit's compositional format during these periods. In 1997, the Russians were admitted to the "Denver Summit of the Eight", leaving little time for the seven other leaders to meet alone. The new diversity of membership and hence less focus on substantive issues may have produced less "psychological buy-in" on the part of the leaders and thus lower compliance with their commitments the subsequent year. By contrast, the 1998 Birmingham Summit was

the first permanent G8, giving Russia and the other Summit members a level of assurance with its membership transition. Here we find an overall compliance score of 45%; a sharp increase from the 27% produced post-Denver the year before.

## **6. How Does the G20 Measure Up?**

When we dissect each of the variables that account for the G8's delivery successes and apply them to the G20, we find that the G20 in fact lacks the majority of the institutional variables that would otherwise enable it to produce compliance successes. With respect to institutionalization at both official and ministerial levels, the G20, since its inception in 1999, has not initiated any institution-building directives, rather, continues to extend its mandate through existing international bodies, primarily the UN, World Bank, IMF and the WTO. This is strongly evidenced in the language of its commitments where pledges are repeatedly made to "support the activities of International Financial Institutions (IFIs) and other relevant international fora".<sup>40</sup> Follow-up ministerials or inter-Summit ministerial processes likewise do not flow from the G20 for the obvious reason that this body currently exists itself at the ministerial level and commitments expressed by the finance ministers are more often than not directives imposed through the G8 leaders' direction-setting and delivery process. This is clearly evidenced by push-pull effect of the G8, where the leadership of the Summit influences – by a three to one margin - the direction of the G20's agenda (Appendix J). On the matter of control over effective multilateral organizations, again, the G8 process has demonstrated its ability to influence, direct and promote implementation through those existing international bodies over

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<sup>40</sup> G20 Finance Ministers' and Central Bank Governors' Meeting, Delhi Communiqué, November 23, 2002.

which it exerts the strongest amount of political and financial control. Because the G8 collectively represent the largest shareholders within those institutions responsible for global policy implementation (IMF, World Bank, OECD, WTO, Paris Club), they are better able to effectively set the agenda, reach agreements, prompt action, and secure delivery on commitments reached.

Remit mandates have also proven an effective measurement tool by which to gauge G8 success as they provide normative direction, create a self-binding mechanism and also tie future hosts to commitments reached by their predecessors. The G8 vs. G20 record over the 1999-2003 period shows a total of 22 to 4 remit mandates – a five-fold advantage by the G8 across this function (Appendix H). Given that remit mandates serve as important predictors of compliance through the delivery of specified discussion items, directions or decisions, it is clear that the G8 process has the compliance advantage over the G20 in this area.

And finally, greater political capital, few electoral uncertainties and longer-lived governments meant that the same group of leaders that met in Evian in 2003 also met in Kananaskis and Genoa. Through this, the leaders gained more Summit skill and experience, enhanced their socialization at personal levels and brought with them a more balanced set of expectations – all of which drove up G8 compliance, as evidenced by the results of the Summit's most recent cycle. What is interesting about this phenomenon is that representation by South Africa at every consecutive G8 Summit since 2001 correlates positively with South Africa's compliance record with both the 2003 G8 Evian and the 2003 G20 Morelia commitments. In both cases, South Africa outperformed both Australia and India, scoring 67% with its G8 commitments (vs. 43% for Australia and

17% with India) and 50% with its Morelia commitments (vs. 16% for Australia and 40% for India). The advantage, therefore, of having the same group of leaders across an extended period of time tends to reflect positively on overall compliance outcomes, both at the G8 and the G20 levels.

## **7. Conclusion: Drawing Further Explanations from the Concert Equality Model**

Democratic institutionalist variables strongly support patterns of compliance by the G8 with their collective Summit agreements and also help us understand how the G20s record fares by comparison. But does the concert equality model draw on some further explanatory variables that might help account for the comparatively lower G20 compliance trends? Drawing on concert theory's variables of direct political control, concentrated power, constricted participation and shared common values further assists us understanding and explaining the G20s decisional and delivery record.

On direct political control, the importance of leader-level direct representation at the G8 cannot be understated for this element ensures that the decisions they embrace and the commitments they make, carry added weight. Moreover, as Andrew Cooper notes, "only leaders can see the big picture and have the vision and confidence to take bold risks".<sup>41</sup> Unlike the G20, the G8 does not need to defer its decisions to higher-level ministers or bureaucrats. As such, the heads of state and government themselves become personally attached to the commitments they reach and therefore place a higher degree of personal importance on seeing these commitments delivered. Moreover, the salience of leaders-level representation is indicative of the fact that over its thirty-year history, every

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<sup>41</sup> Cooper, Andrew and John English, "Reforming the International System from the Top: A Leaders' 20 Summit" (2005).

leader from every G7/G8 country has consistently been present at these annual meetings. According to Kirton, “One can compare this record with the existing G20, and ask if all its finance ministers have come to every one of its annual meetings in its first five years”.<sup>42</sup>

Concentrated power – which refers to the restriction of membership to the great powers of the day – ensures that although lesser states are occasionally consulted when their interests are involved, they generally possess fewer rights – and certainly not that of equality.<sup>43</sup> Again, this is indicative of the G20’s influence at the G8 level, where we see that although South Africa is the only country to have attended since Genoa in 2001, only Brazil, China, India and Mexico from the G20 were invited to participate on the margins of the G8 at Evian in 2003.

Third, the G8’s constricted membership or participation ensures that cohesion on policy coordination and implementation is more likely when fewer states interact. Unlike the G20 format, the G8’s smaller body of actors lowers overall transaction costs, reduces potential veto points and increases transparency, thereby facilitating timely joint decision-making, the verification of compliance and the sanctioning of cheaters.<sup>44</sup> Moreover, given the political sensitivities that often flow from the G8’s gatherings, “a very small, cohesive group is necessary to maintain the trust from which their effectiveness flows”.<sup>45</sup> The ability to have free informal exchanges, meaningful dialogue and the achievement of consensus – particularly on politically charged or issues of high

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<sup>42</sup> Kirton, John. “Getting the L20 Going: Reaching Out from the G8”. September 2004.

<sup>43</sup> Kupchan, Charles and Clifford A. Kupchan, “Concerts, Collective Security and the Future of Europe”. *International Security*, 16, No. 1, 1991: 120; Elrod, Richard B. “The Concert of Europe: A Fresh Look at an International System”, *World Politics*, 28, no. 2 (January 1976): 163-64.

<sup>44</sup> Snidal, Duncan, “The Limits of Hegemonic Stability Theory”. *International Organization*, 39, No. 4 (Autumn 1985): 599; Grieco, Joseph M. “Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism”. *International Organization*, 1988: 506.

sensitivity - is diluted, however, as additional members very often “compromise the capacity for effective action”.<sup>46</sup>

And finally, a strong set of common values and shared social purpose amongst the G8 is reflected in their political solidarity through the sharing of normative orientations, which makes the compatibility of policy preferences more likely. A much more diffuse model exists within the G20 where democratic governance is far from secured in either China or Saudi Arabia.

It is clear that the G8 and the G20 have distinctively separate mandates and roles within the international system. Whereas the G8 is a “full strength global governance institution, with deliberative, directional, decisional and delivery” tasks, the G20 remains a “deliberative rather than decisional body...designed to encourage the formation of consensus on international issues”.<sup>47</sup> This is strongly evidenced by the number of commitments generated by the G20 from 1999-2003 (44), compared with the 602 generated by the G8 during this same period (Appendix G). Moreover, the G8 and G20 have fundamentally different “constitutional missions”. The G8 was created in 1975 to “globally protect and promote the value of ‘open democracy, individual liberty and social advance”, while the G20 was largely created to “ensure financial stability”.<sup>48</sup> And if Paul Martin’s vision of creating a leaders’ level G20 – or “L20” – comes to pass, the G8 leaders within this group, will certainly not want to abolish their democratic stronghold,

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<sup>45</sup> Kirton, John. “Getting the L20 Going”. September, 2004.

<sup>46</sup> Kirton, John. “The G20: Representativeness, Effectiveness and Leadership in Global Governance”, in *Guiding Global Order: G8 Governance in the Twenty-First Century*, John Kirton, Joseph Daniels and Andreas Freytag, eds. (Aldershot: Ashgate). 150.

<sup>47</sup> Kirton, John, “What is the G20” (1999) and “Getting the L20 Going” (2004).

<sup>48</sup> “Getting the L20 Going”.

particularly “when democracy is under attack in Russia, and not yet secured in China or Saudi Arabia”.<sup>49</sup>

Most importantly, however, global crises often need “timely and responsive action”. Given that the G8 have “never been able to mount an ad hoc emergency face-to-face meeting, even in response to crises such as 9/11” it is hard to imagine how the “more unwieldy and diverse” G20 - or even L20 – could.<sup>50</sup> Even under normal situations, “the transaction costs of securing such cooperation among 20 rather than eight actors, in a club with much greater diversity on all dimensions” is extremely difficult to imagine.<sup>51</sup>

Perhaps the focus needs to remain on the G20 as an international body capable of fostering dialogue on north-south issues, restarting negotiations on multilateral trade liberalization and integrating environmental and social issues to “secure a new coherence in global governance”.<sup>52</sup> But with its large and diverse membership, it seems likely that consensus-building – and by extension delivery on commitments reached – will continue to remain outside of the G20’s immediate purview. In the mean time, unless Paul Martin’s concept of an L20 comes to fruition, the G20 will likely find itself continuing to remain, as John Kirton suggests, “a second-tier body for the legitimization of G7/8 deliberations, direction-setting and decisions...”<sup>53</sup>

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<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

<sup>51</sup> Ibid.

<sup>52</sup> Johnson, Pierre Marc, “Creating Sustainable Global Governance” in *Guiding Global Order: G8 Governance in the Twenty-First Century* (2000). 245-281.

<sup>53</sup> Kirton, John. “The G20: Representativeness, Effectiveness, and Leadership in Global Governance” (2000). 153.

## Appendix A: 2003 Evian G8 Remit Mandates

1. “We will **review progress** on our [Africa] Action Plan no later than 2005 on the basis of a report”. (Chair’s Summary)
2. “We agree to exchange information on national measures related to the implementation of these steps [on MANPADs] by December 2003. We will **review progress** at our next meeting in 2004”. (G8 Action Plan on Enhancing Transport Security and Control of MANPADs).
3. “The G8 Presidency **will produce** a report for the 2004 Summit”. (G8 Action Plan on Building International Political Will and Capacity to Combat Terrorism)
4. CTAG will...by...”Seeking to increase counter-terrorism capacity building assistance and coordination **by the 2004 Summit**...Encouraging regional assistance programmes including delivery through regional and donor sponsored training centres **by the 2004 Summit**....Seeking to address unmet regional assistance needs **by the 2004 Summit**” (G8 Action Plan on Building International Political Will and Capacity to Combat Terrorism”)

## **Appendix B: Priority Commitments for Compliance Assessments – 2003 G8 Evian Summit**

### **1. World Economy and Growth:**

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

### **2. ICT:**

2003-69: We will develop an implementation plan to achieve these objectives by next spring's Tokyo ministerial conference.

- ◆ We will develop close co-ordination of our respective global observation strategies for the next ten years; identify new observations to minimize data gaps.
- ◆ We will build on existing work to produce reliable data products on atmosphere, land, fresh water, oceans and ecosystems.
- ◆ We will improve the world-wide reporting and archiving of these data and fill observational gaps of coverage in existing systems.

### **3. Trade (MTN):**

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

### **4. Development (ODA):**

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

### **5. Debt (HIPC):**

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

### **6. Environment (Marine Environment)**

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

### **7. Health (AIDS/Infectious Diseases):**

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

**8. Crime and Drugs (Terrorist Financing)**

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

**9. Terrorism (CTAG):**

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

**10. Transport Security (MANPADS):**

2003-168: Given the increasing number of Manpads in world-wide circulation, we commit ourselves to reducing their proliferation and call upon all countries to strengthen control of their Manpads stockpiles.

**11. Weapons of Mass Destruction (WMD)**

2003-186: We reaffirm our support for the IAEA, which should be granted the necessary means to implement its monitoring tasks.

**12. Energy**

2003-75: Participate in the International Conference on Renewable Energies, spring 2004 in Bonn.

## Appendix C: 2003 Evian Final Compliance Scores\*

|                                   | Canada      | France      | Germany     | Italy       | Japan       | Russia      | UK          | USA         | Issue Area Average |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| World Economy/Growth              | 1           | 0           | 1           | -1          | 0           | 0           | 0           | 1           | <b>0.25</b>        |
| ICT                               | 1           | 1           | 1           | 1           | 1           | 0           | 0           | 1           | <b>0.75</b>        |
| Trade (MTN)                       | 0           | 0           | 0           | -1          | 0           | -1          | 0           | -1          | <b>-0.38</b>       |
| Development (ODA)                 | 1           | 1           | 1           | 1           | 1           | 0           | 1           | 1           | <b>0.88</b>        |
| Debt (HIPC)                       | 1           | 1           | 0           | 0           | 0           | 0           | 1           | 0           | <b>0.38</b>        |
| Environment (Marine)              | 1           | 1           | 0           | 0           | 0           | 1           | 1           | 0           | <b>0.50</b>        |
| Health (AIDS)                     | 1           | 1           | 0           | 1           | 1           | 1           | 1           | 1           | <b>0.88</b>        |
| Crime (Terrorist Financing)       | 1           | 1           | -1          | -1          | -1          | -1          | -1          | -1          | <b>-0.50</b>       |
| Terrorism (CTAG)                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | <b>1.00</b>        |
| Transport Security                | 1           | 0           | 1           | 0           | 0           | 1           | 1           | 1           | <b>0.63</b>        |
| Weapons of Mass Destruction (WMD) | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | <b>1.00</b>        |
| Energy                            | 0           | 1           | 1           | 1           | 1           | 1           | 0           | 1           | <b>0.75</b>        |
|                                   |             |             |             |             |             |             |             |             |                    |
| Individual Country Average        | <b>0.83</b> | <b>0.75</b> | <b>0.50</b> | <b>0.25</b> | <b>0.42</b> | <b>0.33</b> | <b>0.50</b> | <b>0.50</b> |                    |
| Overall Issue Average             |             |             |             |             |             |             |             |             | <b>51%</b>         |
| Overall Country Average           |             |             |             |             |             |             |             |             | <b>51%</b>         |
| Overall Compliance Average        |             |             |             |             |             |             |             |             | <b>51%</b>         |

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

## Appendix D: G8 Compliance Assessments by Country 1996 - 2003

|                        | Lyon<br>1996-<br>97 <sup>54</sup> | Denver<br>1997-<br>98 <sup>55</sup> | Birmingham<br>1998-99 <sup>56</sup> | Cologne<br>1999-<br>00 <sup>57</sup> | Okinawa<br>2000-<br>01 <sup>58</sup> | Genoa<br>2001-<br>02 <sup>59</sup> | Kananaskis<br>2002-03 <sup>60</sup> | Evian<br>2003-<br>04 <sup>61</sup> | Overall<br>Country<br>Average |
|------------------------|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|-------------------------------------|------------------------------------|-------------------------------|
| France                 | 0.26                              | 0                                   | 0.25                                | 0.34                                 | 0.92                                 | 0.69                               | 0.62                                | 0.75                               | <b>0.48</b>                   |
| United States          | 0.42                              | 0.34                                | 0.60                                | 0.50                                 | 0.67                                 | 0.35                               | 0.38                                | 0.50                               | <b>0.47</b>                   |
| United Kingdom         | 0.42                              | 0.50                                | 0.75                                | 0.50                                 | 1.0                                  | 0.69                               | 0.62                                | 0.50                               | <b>0.62</b>                   |
| Germany                | 0.58                              | 0.17                                | 0.25                                | 0.17                                 | 1.0                                  | 0.59                               | 0.15                                | 0.50                               | <b>0.43</b>                   |
| Japan                  | 0.21                              | 0.50                                | 0.20                                | 0.67                                 | 0.82                                 | 0.44                               | 0.08                                | 0.42                               | <b>0.42</b>                   |
| Italy                  | 0.16                              | 0.50                                | 0.67                                | 0.34                                 | 0.89                                 | 0.57                               | -0.09                               | 0.25                               | <b>0.41</b>                   |
| Canada                 | 0.47                              | 0.17                                | 0.50                                | 0.67                                 | 0.83                                 | 0.82                               | 0.85                                | 0.83                               | <b>0.64</b>                   |
| Russia                 | N/A                               | 0                                   | 0.34                                | 0.17                                 | 0.14                                 | 0.11                               | -0.09                               | 0.33                               | <b>0.14</b>                   |
| Overall Summit Average | <b>0.36</b>                       | <b>0.27</b>                         | <b>0.45</b>                         | <b>0.39</b>                          | <b>0.80</b>                          | <b>0.53</b>                        | <b>0.32</b>                         | <b>0.51</b>                        | <b>45%</b>                    |

<sup>54</sup> Applies to 19 priority issues, embracing the economic, transnational and political security domains.

<sup>55</sup> Applies to six priority issues, embracing the economic, transnational and political security domains.

<sup>56</sup> Applies to seven priority issues, embracing the economic, transnational and political security domains (human trafficking).

<sup>57</sup> Applies to six priority issues, embracing the economic, transnational and political security domains (terrorism).

<sup>58</sup> Applies to 12 priority issues, embracing economic, transnational, and political security domains (conflict prevention, arms control and terrorism).

<sup>59</sup> Applies to nine priority issues, embracing economic, transnational, and political security domains (terrorism).

<sup>60</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>61</sup> Applies to the 12 priority issues, embracing economic, transnational and political security domains (WMD, transport security and terrorism).

## Appendix E: G8 Compliance by Issue, 1996-2003

| Issue Area  | Lyon<br>1996-97    | Denver<br>1997-98  | Birmingham<br>1998-99 | Cologne<br>1999-00 | Okinawa<br>2000-01 | Genoa<br>2001-02 | Kananaskis<br>2002-03          | Evian<br>(interim)<br>2003-04 |
|---|--------------------|--------------------|-----------------------|--------------------|--------------------|------------------|--------------------------------|-------------------------------|
| <b>TOTAL</b><br>(based on average<br>of <i>n</i> )          | 36.2%<br>(22)      | 12.8%<br>(6)       | 31.8%<br>(6)          | 38.2%<br>(6)       | 81.4%<br>(12)      | 49.5%<br>(11)    | 36%<br>(13)                    | 51%<br>(12)                   |
| <b>Economic Issues</b><br>(average 34%)                     |                    |                    |                       |                    |                    |                  |                                |                               |
| World Economy   | +0.31              |                    |                       |                    | +0.86              |                  |                                | +0.25                         |
| IFI Reform  | +0.29 <sup>d</sup> |                    |                       |                    |                    | -1.0             |                                |                               |
| Exchange Rates  |                    |                    |                       | 0                  |                    |                  |                                |                               |
| Macroeconomics  | +1.0               |                    |                       | +1.0               |                    |                  |                                |                               |
| Microeconomics  | +0.29 <sup>e</sup> |                    |                       |                    |                    |                  |                                |                               |
| Employment  |                    | +0.38 <sup>i</sup> | 0 <sup>g</sup>        |                    |                    |                  |                                |                               |
| Aging   |                    |                    | +0.33 <sup>h</sup>    |                    | +0.86              |                  |                                |                               |
| ICT <sup>i</sup>  | +0.57 <sup>e</sup> |                    |                       |                    | +1.0               | +0.75            |                                | +0.75                         |
| Trade   | +0.29 <sup>e</sup> |                    | +0.33 <sup>j</sup>    | -0.57              | +1.0               | +0.88            | +0.13 /<br>-0.13 <sup>z</sup>  | -0.38 <sup>t</sup>            |
| Development<br>(General/ODA)                                | 0 <sup>e</sup>     | 0                  |                       |                    |                    | 0                | +0.50                          | +0.88                         |
| Debt of the<br>Poorest/HIPC                                 |                    |                    | 0                     | +0.86              |                    | +1.0             | +0.25                          | +0.38                         |
| Education   |                    |                    |                       |                    |                    | +0.58            |                                |                               |
| <b>Global<br/>Transnational<br/>Issues</b><br>(average 43%) |                    |                    |                       |                    |                    |                  |                                |                               |
| Transnational Issues<br>(General)                           | +0.48              |                    |                       |                    |                    |                  | +0.63 <sup>y</sup>             | +0.75 <sup>w</sup>            |
| Environment   | +0.14              | +0.5 <sup>f</sup>  | +1.0 <sup>k</sup>     |                    |                    | +0.17            | +0.57 /<br>+0.57 <sup>aa</sup> | +0.50 <sup>u</sup>            |
| Biotechnology   |                    |                    |                       |                    | +0.75              |                  |                                |                               |
| Human Genome  |                    |                    |                       |                    | +0.80              |                  |                                |                               |
| Health <sup>l</sup>   |                    |                    |                       |                    | +1.0               | +0.75            |                                | +0.88                         |
| Cultural Diversity  |                    |                    |                       |                    | +0.63              |                  |                                |                               |
| Nuclear Safety  | +0.29              |                    |                       |                    |                    |                  |                                |                               |
| Crime & Drugs   | +0.43 <sup>e</sup> | 0 <sup>t</sup>     | +0.25 <sup>m</sup>    | 0 <sup>n</sup>     |                    |                  | +0.25                          | -0.50                         |
| <b>Political/Security<br/>Issues</b><br>(average 72%)       |                    |                    |                       |                    |                    |                  |                                |                               |
| East/West Relations   | +0.86 <sup>e</sup> |                    |                       |                    |                    |                  |                                |                               |
| Terrorism   | +0.71 <sup>e</sup> |                    |                       | +1.0               | +0.40              | +1.0             | +1.0                           | +1.0                          |
| Arms Control  | +0.29 <sup>e</sup> |                    |                       |                    | +0.88              |                  | +0.25                          |                               |
| Landmines   | +0.71              | +0.75 <sup>t</sup> |                       |                    |                    |                  |                                |                               |
| Human Rights  | +0.71 <sup>e</sup> |                    |                       |                    |                    |                  |                                |                               |

|   |                    |       |  |  |       |  |             |                  |
|---|--------------------|-------|--|--|-------|--|-------------|------------------|
| Security Issues                           | +0.31              |       |  |  |       |  |             | +0.63 /<br>+1.0v |
| <b>Regional Security</b><br>(average 11%) |                    |       |  |  |       |  |             |                  |
| Asia                                      | -0.43 <sup>e</sup> |       |  |  |       |  |             |                  |
| Europe                                    | +0.86 <sup>o</sup> |       |  |  |       |  |             |                  |
| Middle East                               | -0.43 <sup>e</sup> |       |  |  |       |  |             |                  |
| Russia                                    |                    | -0.86 |  |  |       |  |             |                  |
| Conflict Prevention                       |                    |       |  |  | +0.63 |  | +0.38       |                  |
| <b>Governance Issues</b><br>(average 17%) |                    |       |  |  |       |  |             |                  |
| UN Reform I<br>(\$ obligations)           | +0.14              |       |  |  |       |  |             |                  |
| UN Reform II<br>(dev't agenda)            | +0.14              |       |  |  |       |  | +0.25 /0.0x |                  |

<sup>a</sup> Data refer to members' compliance to commitments expressed in the Communiqué, as evaluated immediately prior the next Summit (i.e., 1996/1997 data refer to commitments made at the Lyon Summit in 1996 and assessed on the eve of the 1997 Denver Summit).

<sup>b</sup> Unless otherwise indicated, data refer to all G7 countries.

<sup>c</sup> Includes economic issues.

<sup>d</sup> Excludes Italy and France.

<sup>e</sup> Excludes Italy.

<sup>f</sup> Refers to G8 (includes Russia).

<sup>g</sup> Refers only to Japan, UK, and Russia.

<sup>h</sup> Refers only to Canada, Germany, U.S.

<sup>i</sup> Information and communications technology; includes Digital Divide and Global Information Society.

<sup>j</sup> Excludes Germany.

<sup>k</sup> Refers to G8 countries (includes Russia); is average of data for two commitments referring to the Kyoto Protocol on Climate Change.

<sup>l</sup> Includes infectious disease.

<sup>m</sup> Refers to human trafficking; refers only to France, Germany, Japan.

<sup>n</sup> Refers specifically to the Financial Action Task Force on Money Laundering.

<sup>o</sup> Excludes Japan.

<sup>p</sup> Refers to Africa Health

<sup>q</sup> Refers to Africa/Good Governance (+0.50) and Africa/Peer Review (0.0)

<sup>r</sup> Refers to Environment/Sustainable Agriculture (0.0) and Environment/Water (+0.50)

<sup>s</sup> Refers to Economic Growth/Agricultural Trade (0.0) and Economic Growth/Free Trade (+0.14)

<sup>t</sup> Refers to Multinational Trade Round (MTN)

<sup>u</sup> Refers to Marine Environment

<sup>v</sup> Refers to Transport Security (+0.63) and Weapons of Mass Destruction (+1.00)

<sup>w</sup> Refers to Energy

<sup>x</sup> Refers to Africa/Good Governance (+0.25) and Africa/Peer Review (0.0)

<sup>y</sup> Refers to Education

<sup>z</sup> Refers to Economic Growth/Agricultural Trade (+0.13) and Economic Growth/Free Trade (-0.13)

<sup>aa</sup> Refers to Environment/Sustainable Agriculture (+0.57) and Environment/Water (+0.57)

## Appendix F: G20 Compliance with Evian Priority Commitments

|                                  | Australia  | India      | South Africa | Compliance Total<br>(by Issue) |
|----------------------------------|------------|------------|--------------|--------------------------------|
| World Economy                    | 0          | 0          | +1           | <b>33%</b>                     |
| ICT                              | 0          | 0          | +1           | <b>33%</b>                     |
| Trade                            | 0          | 0          | +1           | <b>33%</b>                     |
| Development (ODA)                | 0          | 0          | 0            | <b>0</b>                       |
| Development (HIPC)               | 0          | -1         | 0            | <b>-33%</b>                    |
| Marine Environment               | +1         | +1         | +1           | <b>100%</b>                    |
| Crime (Terrorist Financing)      | +1         | 0          | +1           | <b>66%</b>                     |
| Infectious Diseases (HIV/AIDS)   | 0          | -1         | +1           | <b>0</b>                       |
| Terrorism (CTAG)                 | +1         | 0          | 0            | <b>33%</b>                     |
| Transport Security               | +1         | +1         | 0            | <b>66%</b>                     |
| WMD                              | 0          | +1         | +1           | <b>66%</b>                     |
| Energy                           | +1         | +1         | +1           | <b>100%</b>                    |
| Compliance Total<br>(by Country) | <b>42%</b> | <b>17%</b> | <b>67%</b>   | <b>41%</b>                     |

## Appendix G: G8 vs. G20 Commitments: 1999-2003

|                         | No. of G8 Commitments | No. of G20 Commitments |
|-------------------------|-----------------------|------------------------|
| 1999 (Cologne/Berlin)   | 46                    | 4                      |
| 2000 (Okinawa/Montreal) | 105                   | 8                      |
| 2001 (Genoa/Ottawa)     | 58                    | 24                     |
| 2002 (Kananaskis/Delhi) | 187                   | 2                      |
| 2003 (Evian/Morelia)    | 206                   | 6                      |
| Total                   | <b>602</b>            | <b>44</b>              |

## Appendix H: G8 vs. G20 Remit Mandates<sup>62</sup>: 1999-2003

|                         | No. of G8 Remit Mandates | No. of G20 Remit Mandates |
|-------------------------|--------------------------|---------------------------|
| 1999 (Cologne/Berlin)   | 3                        | 1                         |
| 2000 (Okinawa/Montreal) | 5                        | 0                         |
| 2001 (Genoa/Ottawa)     | 4                        | 1                         |
| 2002 (Kananaskis/Delhi) | 6                        | 1                         |
| 2003 (Evian/Morelia)    | 4                        | 1                         |
| <b>Total</b>            | <b>22</b>                | <b>4</b>                  |

<sup>62</sup> “Remit mandates” represent an implementation method calling for governments to take up, or others to report on, a specified subject in subsequent years. An example of a remit mandate, taken from the 2003 Morelia, Mexico G20 Summit would be: “We encourage an inclusive group of issuers and market participants to engage in further discussions. *We ask G20 deputies to review the progress made by the issuers and market participants at the next G20 Deputies meeting in March.*”

## **Appendix I: Priority Commitments for Compliance Assessments – 2003 G20 Morelia Summit<sup>63</sup>**

**2003-1:** We, Finance Ministers and Central Bank Governors, are committed to giving impetus to the multilateral trade approach as one of the most effective ways to promote global growth, reduce poverty and ensure that the benefits of globalization are broadly shared by all, particularly the poorest countries. We therefore called on all World Trade Organization (WTO) members to quickly re-energize the negotiation process toward the fulfillment of the Doha development agenda, recognizing that flexibility and political will from all are urgently needed.

**2003-2:** We reaffirm our mandate to review and promote crisis prevention and resolution measures.

**2003-3:** With a view to promote the development of a workable code of conduct, we encourage an inclusive group of issuers and market participants to engage in further discussions, with G-20 members participating on a voluntary basis. We ask G-20 Deputies to review the progress made by the issuers and market participants at the next G-20 Deputies meeting in March.

**2003-4:** We took note of the diversified ways for individuals and companies and other entities to abuse the international financial system to undertake illicit activities including tax evasion. We are committed to cooperate to effectively fight such abuses and make a strong call on all countries especially those OECD countries that have not taken necessary steps- in particular in allowing access to bank information- to join us in this effort and look forward to having regular reports on the progress of international initiatives in this area.

**2003-5:** We also agreed to monitor developments in Offshore Financial Centers (OFCs), based on the IMF's work.

**2003-6:** We remain committed to disrupting terrorist financing networks. We recognized that this effort requires a focus on both the formal and informal financial sectors. Therefore, while we will continue efforts to improve our formal financial systems, to expand their scope, and to protect them from this abuse, we will also concentrate efforts to subject informal financial sectors to appropriate monitoring and enforcement actions.

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<sup>63</sup> Commitments taken from the Fifth G20 Finance Ministers' and Central Bank Governors' Meeting, Morelia, Mexico, October 26-27, 2003.

## Appendix J: G20 / G8 Commitments “Pushed” vs. “Pulled

|              | G20 Commitments Pushed to G8 | G20 Commitments Pulled from G8 |
|--------------|------------------------------|--------------------------------|
| 1999         | 1                            | 0                              |
| 2000         | 0                            | 6                              |
| 2001         | 2                            | 1                              |
| 2002         | 0                            | 2                              |
| 2003         | 1                            | 3                              |
| <b>Total</b> | <b>4</b>                     | <b>12</b>                      |

### Notes:

1. Of the four commitments in the 1999 Berlin G20 communiqué, one was pushed to the 2000 Okinawa G8 Summit the following year. The other three commitments did not come from, or extend to, the G8.
2. Of the eight commitments in the 2000 Montreal G20 communiqué, six were pulled from the Okinawa G8 Summit that same year. No commitments were pushed to the 2001 Genoa G8 Summit.
3. Of the 24 commitments in the 2001 Ottawa G20 communiqué, one was pulled from the 2001 Genoa G8 Summit that same year. Two commitments were pushed to the 2002 Kananaskis G8.
4. Of the two commitments in the 2002 Delhi G20 communiqué, both were pulled from the 2002 Kananaskis G8 Summit that same year.
5. Of the six commitments in the 2003 Morelia G20 communiqué, three were pulled from the Evian G8 Summit that same year. One commitment was pushed to the 2004 G8 Summit in Sea Island, Georgia.

## Appendix K: G20 Compliance with Morelia Commitments

|   | Australia  | India      | South Africa | Compliance Average (by Issue) |
|---|------------|------------|--------------|-------------------------------|
| Trade (Doha)  | +1         | +1         | +1           | <b>100%</b>                   |
| Financial Crisis Prevention                         | 0          | 0          | 0            | <b>0</b>                      |
| Financial Codes of Conduct                          | 0          | 0          | 0            | <b>0</b>                      |
| Corporate Accountability and Transparency Standards | +1         | +1         | +1           | <b>100%</b>                   |
| Monitor Offshore Financial Centres                  | -1         | n/a        | 0            | <b>-50%</b>                   |
| Terrorist Financing                                 | 0          | 0          | +1           | <b>33%</b>                    |
| Compliance Average (by Country)                     | <b>16%</b> | <b>40%</b> | <b>50%</b>   | <b>31%</b>                    |