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

## **2014 Brisbane G20 Summit Final Compliance Report**

17 November 2014 to 1 October 2015

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“The University of Toronto ... produced a detailed analysis to the extent of which each G20 country has met its commitments since the last summit ... I think this is important; we come to these summits, we make these commitments, we say we are going to do these things and it is important that there is an organisation that checks up on who has done what.”

— *David Cameron, Prime Minister, United Kingdom, at the 2012 Los Cabos Summit*

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## Preface

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

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

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

This report assesses performance by G20 members with 17 priority commitments among the total of 205 commitments made at the 2014 Brisbane Summit, held on 15-16 November 2014. This final report covers compliant behaviour between 16 November 2014 to 1 October 2015. The final report, will be released on the eve of the 2015 Antalya Summit.

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

Professor John Kirton  
Co-director, G20 Research Group

## Research Team

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## Introduction and Summary

The G20 2014 Brisbane Final Compliance Report, prepared by the G20 Research Group at the University of Toronto and the International Organisations Research Institute of the National Research University Higher School of Economics (IORI HSE), analyzes compliance by G20 members with a selection of 17 priority commitments of a total of 205 commitments made at the Brisbane Summit on 15-16 November 2014. The report covers compliance-relevant actions taken by the G20 members between 16 November 2014 to 1 October 2015. This timeframe allows for an assessment of compliance of the full period between the 2014 Brisbane Summit and the Antalya Summit, which will be hosted by Turkey on 15-16 November 2015.

## Methodology and Scoring System

This report draws on the methodology developed by the G8 Research Group, which has been monitoring G7/8 compliance since 1996 (IORI HSE joined this multiyear project in 2005, and Bond University participated in 2014). The use of this methodology builds cross-institutional and cross-member consistency and also allows compatibility with compliance assessments of other institutions.

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

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

## Commitment Breakdown

The G20 made a total of 205 commitments at the Brisbane Summit.<sup>2</sup> These commitments, as identified by the G20 Research Group and HSE, are drawn from the official G20 Leaders' Communiqué, the Brisbane Action Plan, the Statement on Ebola, the Note on the Global Infrastructure Initiative and Hub, and the Principles on Energy Collaboration.

## Selection of Commitments

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

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

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

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

as well as tertiary criteria of significance as identified by scientific teams and relevant stakeholders in the host country.

For the 2014 G20 Brisbane Final Compliance Report, 17 priority commitments were selected from the 205 commitments made at the Brisbane Summit (see Table 1).

### **Final Compliance Scores**

The assessment is based on relevant, publicly available information relating to action taken from 16 November 2014 to 1 October 2015. The final compliance scores by commitment are contained in Table 2. Country rankings are listed in Table 3 and commitment rankings are listed in Table 4. Table 5 allows a comparison of the 2014 interim compliance scores with the final scores of previous G20 summits.

For the period from 16 November 2014 to 1 October 2015, G20 members achieved an average final compliance score of +0.42, which translates to 71%. This final compliance score surpasses the final compliance score for the London, Pittsburgh and Toronto summits.

### **Final Compliance by Member**

For compliance with the Brisbane Summit's priority commitments, the United Kingdom and the United States are tied in first place with a score of +0.76 (88.2%), followed by the European Union at +0.75 (87.5%), Canada at +0.71 (85%) and Germany at +0.69 (84%). The lowest scoring member is Saudi Arabia with a score of -0.24 (38%). The difference between the highest and lowest G20 member compliance scores is +1.00. For more information about compliance by G20 members, see Table 3.

### **Final Compliance by Commitment**

This particular compliance cycle produced a high level of compliance for a few different issue areas: infrastructure and the health commitment on antimicrobial resistance tied for first place at +0.95 (98%), followed by the clean energy commitment at +0.90 (95%) and the macroeconomic commitment on investment, the commitment on unemployment and the commitment on financial regulation tied in third place at +0.70 (85%). The lowest score was on fossil fuels subsidies at -0.45 (28%). For more information on scoring by commitment, see Table 4.



**Table 1: 2014 G20 Brisbane Summit Commitments Selected for Compliance Monitoring**

1	Macroeconomic: Fiscal Strategies	“We will continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of GDP on a sustainable path.” (G20 Brisbane Leaders’ Communiqué)
2	Macroeconomic: Investment	“We are working to facilitate long-term financing from institutional investors ... particularly for small and medium-sized enterprises]” (G20 Brisbane Leaders’ Communiqué)
3	Macroeconomic: Exchange Rates	“We reiterate our commitment to move more rapidly toward more market-determined exchange rate systems and exchange rate flexibility to reflect underlying fundamentals, and avoid persistent exchange rate misalignments.” (G20 Brisbane Action Plan)
4	Trade	“We commit to implement all elements of the Bali package.” (G20 Brisbane Leaders’ Communiqué)
5	Labour and Employment: Youth Unemployment	“We are strongly committed to reducing youth unemployment, which is unacceptably high, by acting to ensure young people are in education, training or employment.” (G20 Brisbane Leaders’ Communiqué)
6	Labour and Employment: Social Protection	“We remain focussed on addressing ... long-term unemployment, by ... having appropriate social protection systems.” (G20 Brisbane Leaders’ Communiqué)
7	Climate Change	“We reaffirm our support for mobilising finance for adaptation ... such as the Green Climate Fund.” (G20 Brisbane Leaders’ Communiqué)
8	Energy: Fossil Fuel Subsidies	“We reaffirm our commitment to rationalise and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, recognising the need to support the poor.” (G20 Brisbane Leaders’ Communiqué)
9	Energy: Clean Energy Technology	“G20 countries agree to work together to ... Encourage and facilitate the design, development, demonstration ... of innovative energy technologies, including clean energy technologies.” (G20 Principles on Energy Collaboration)
10	Health: Ebola	“We will work to expedite the effective and targeted disbursement of funds ... balancing between emergency and long-term needs.” (G20 Brisbane Leaders’ Statement on Ebola)
11	Health: Antimicrobial Resistance	“We also commit to fight anti-microbial resistance.” (G20 Leaders’ Brisbane Statement on Eloba)
12	Gender	“We agree to the goal of reducing the gap in labour force participation rates between men and women in our countries by 25 per cent by 2025, taking into account national circumstances. This will bring more than 100 million women into the labour force [and] significantly increase global growth.” (G20 Brisbane Action Plan)
13	Financial Regulation	“We commit to improve the transparency of ... beneficial ownership by implementing the G20 High-Level Principles on Beneficial Ownership Transparency.” (G20 Brisbane Summit Leaders’ Communiqué)

14	Development: Remittances	“We commit to take strong practical measures to reduce the global average cost of transferring remittances to five per cent and to enhance financial inclusion as a priority.” (G20 Brisbane Leaders’ Communiqué)
15	Development: Tax Administration	“We will work with [developing countries] to build their tax administration.” (G20 Brisbane Summit Leaders’ Communiqué)
16	Development: Aid for Trade	“We will continue to provide aid-for-trade to developing countries in need of assistance.” (G20 Brisbane Leaders’ Communiqué)
17	Infrastructure	“We ... will work on ways to mobilise long-term financing for infrastructure.” (G20 Brisbane Action Plan)

**Table 2: 2014 G20 Brisbane Final Compliance Scores**

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Korea	Mexico	Russia	Saudi Arabia	South Africa	Turkey	United Kingdom	United States	European Union	Average		
1 Macroeconomics: Fiscal Strategies	0	0	0	0	0	0	+1	0	0	0	0	0	0	+1	0	-1	0	0	0	0	+0.05	53%	
2 Macroeconomics: Investment	0	+1	-1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	-1	0	+1	+1	+1	+1	+1	+0.70	85%
3 Macroeconomics: Exchange Rates	-1	+1	-1	+1	+1	N/A	N/A	+1	-1	N/A	+1	+1	+1	+1	-1	-1	-1	+1	+1	+1	+1	+0.29	65%
4 Trade	-1	+1	0	+1	0	+1	+1	0	0	-1	+1	0	0	0	-1	+1	-1	+1	+1	+1	+1	+0.25	63%
5 Labour & Employment: Youth	+1	+1	+1	+1	+1	+1	+1	0	0	+1	+1	+1	-1	+1	0	+1	0	+1	+1	+1	+1	+0.70	85%
6 Labour & Employment: Social Protection	+1	+1	0	+1	+1	0	+1	+1	0	0	0	+1	+1	+1	+1	0	0	0	+1	0	0	+0.55	78%
7 Climate Change	0	+1	-1	+1	0	+1	0	-1	0	-1	+1	+1	+1	-1	-1	0	-1	+1	0	+1	+1	+0.10	55%
8 Energy: Fossil Fuels	-1	-1	0	-1	-1	+1	-1	0	0	-1	-1	0	0	-1	-1	-1	-1	0	+1	0	0	-0.40	30%
9 Energy: Clean Technology	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	-1	+1	+1	+1	+1	+1	+0.90	95%
10 Health: Ebola	-1	0	+1	+1	0	+1	+1	+1	-1	-1	+1	+1	-1	+1	0	0	0	+1	+1	+1	+1	+0.35	68%
11 Health: Antimicrobial Resistance	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	+1	+1	+1	+0.95	98%
12 Gender	-1	0	0	0	+1	+1	+1	0	-1	+1	+1	+1	0	+1	0	-1	0	+1	+1	N/A	+1	+0.32	66%
13 Financial Regulation	+1	+1	0	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	0	0	0	+1	0	+1	+1	+0.70	85%
14 Development: Remittances	-1	0	-1	0	+1	0	0	+1	0	0	0	0	+1	+1	-1	+1	-1	0	+1	0	0	+0.10	55%
15 Development: Tax Administration	+1	0	+1	+1	0	0	+1	+1	+1	-1	0	+1	+1	0	-1	-1	+1	+1	0	+1	+1	+0.40	70%
16 Development: Aid for Trade	0	+1	0	+1	+1	0	0	+1	-1	0	+1	0	0	-1	-1	-1	0	+1	+1	+1	+1	+0.20	60%
17 Infrastructure	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+0.95	98%
Average	+0.06	+0.59	+0.12	+0.71	+0.59	+0.63	+0.69	+0.59	+0.12	+0.13	+0.65	+0.65	+0.47	+0.47	-0.24	-0.12	0.00	+0.76	+0.76	+0.75	+0.42	71%	
	53%	79%	56%	85%	79%	81%	84%	79%	56%	56%	82%	82%	74%	74%	38%	44%	50%	88%	88%	88%	+0.71		

N/A = Not applicable.

**Table 3: 2014 G20 Brisbane Summit Final Compliance by Country**

Rank	Member	Average	
1	United Kingdom	+0.76	88.2%
	United States	+0.76	88.2%
3	European Union	+0.75	87.5%
4	Canada	+0.71	85.3%
5	Germany	+0.69	84.4%
6	Japan	+0.65	82.4%
	Korea	+0.65	82.4%
8	France	+0.63	81.3%
9	Australia	+0.59	79.4%
	China	+0.59	79.4%
	India	+0.59	79.4%
12	Russia	+0.47	73.5%
	Mexico	+0.47	73.5%
14	Italy	+0.13	56.3%
15	Brazil	+0.12	55.9%
	Indonesia	+0.12	55.9%
17	Argentina	+0.06	52.9%
18	Turkey	0.00	50.0%
19	South Africa	-0.12	44.1%
20	Saudi Arabia	-0.24	38.2%

**Table 4: 2014 G20 Brisbane Summit Final Compliance by Commitment**

Rank	Commitment	Average	
1	Health: Antimicrobial Resistance	+0.95	98%
	Infrastructure	+0.95	98%
3	Energy: Clean Technology	+0.90	95%
4	Macroeconomic: Investment	+0.70	85%
	Labour and Employment: Unemployment	+0.70	85%
	Financial Regulation	+0.70	85%
7	Labour and Employment: Social Protection	+0.55	78%
8	Development: Tax Administration	+0.40	70%
9	Health: Eloba	+0.35	68%
10	Gender	+0.32	66%
11	Macroeconomic: Exchange Rates	+0.29	65%
12	Trade	+0.25	63%
13	Development: Aid for Trade	+0.20	60%
14	Climate Change	+0.10	55%
	Development: Remittances	+0.10	55%
16	Macroeconomic: Fiscal Strategies	+0.05	53%
17	Energy: Fossil Fuels	-0.45	28%

**Table 5: G20 Compliance by Member, 2008-2014**

Member	Final		Final		Final		Final		Final		Final		Final		Interim		Final		Interim		Final	
	Washington		London		Pittsburgh		Toronto		Seoul		Cannes		Los Cabos		St. Petersburg		St. Petersburg		Brisbane		Brisbane	
Argentina	0	50%	-0.60	20%	-0.13	44%	0	50%	-0.08	46%	0	50%	+0.31	66%	+0.06	53%	+0.06	53%	-0.12	44%	+0.06	53%
Australia	n/a	-	+0.60	80%	+0.50	75%	+0.56	78%	+0.85	93%	+0.67	84%	+0.94	97%	+0.38	69%	+0.63	81%	+0.47	74%	+0.59	79%
Brazil	+1.00	100%	+0.20	60%	-0.63	19%	+0.29	65%	+0.42	71%	+0.60	80%	+0.56	78%	+0.31	66%	+0.31	66%	0	50%	+0.12	56%
Canada	+1.00	100%	+0.60	80%	+0.63	82%	+0.78	89%	+0.69	85%	+0.73	87%	+0.75	88%	+0.44	72%	+0.44	72%	+0.59	79%	+0.71	85%
China	0	50%	-0.40	30%	+0.13	57%	+0.38	69%	+0.42	71%	+0.53	77%	+0.38	69%	0	50%	+0.19	59%	+0.41	71%	+0.59	79%
France	+1.00	100%	+0.80	90%	+0.63	82%	+0.56	78%	+0.77	89%	+0.60	80%	+0.69	85%	+0.69	84%	+0.69	84%	+0.35	68%	+0.63	81%
Germany	+1.00	100%	+0.80	90%	+0.63	82%	+0.56	78%	+0.54	77%	+0.67	84%	+0.56	78%	+0.56	78%	+0.75	88%	+0.47	74%	+0.69	84%
India	0	50%	-0.40	30%	-0.38	31%	-0.29	36%	+0.42	71%	+0.60	80%	+0.50	75%	+0.19	59%	+0.63	81%	+0.29	65%	+0.59	79%
Indonesia	n/a	-	-0.40	30%	-0.63	19%	-0.13	44%	+0.36	68%	+0.14	57%	+0.47	74%	+0.50	75%	+0.50	75%	-0.18	41%	+0.12	56%
Italy	+1.00	100%	0	50%	+0.13	57%	+0.56	78%	+0.77	89%	+0.80	90%	+0.19	60%	+0.31	66%	+0.44	72%	-0.12	44%	+0.13	56%
Japan	+1.00	100%	+0.20	60%	+0.50	75%	+0.56	78%	+0.62	81%	+0.47	74%	+0.50	75%	+0.31	66%	+0.31	66%	+0.35	68%	+0.65	82%
Korea	n/a	-	0	50%	+0.75	88%	+0.56	78%	+0.46	73%	+0.60	80%	+0.63	82%	+0.19	59%	+0.38	69%	+0.47	74%	+0.65	82%
Mexico	+1.00	100%	0	50%	+0.25	63%	-0.14	43%	+0.58	79%	+0.67	84%	+0.69	85%	+0.38	69%	+0.38	69%	+0.29	65%	+0.47	74%
Russia	0	50%	+0.40	70%	+0.38	69%	+0.13	57%	+0.59	80%	+0.60	80%	+0.63	82%	+0.50	75%	+0.44	72%	+0.53	76%	+0.47	74%
Saudi Arabia	n/a	-	+0.20	60%	-0.13	44%	-0.13	44%	+0.08	54%	+0.21	61%	+0.50	75%	-0.06	47%	+0.06	53%	-0.18	41%	-0.24	38%
South Africa	+1.00	100%	+0.40	70%	+0.63	82%	-0.14	43%	+0.33	67%	+0.47	74%	+0.47	74%	+0.25	63%	+0.25	63%	-0.29	35%	-0.12	44%
Turkey	n/a	-	+0.20	60%	-0.25	38%	-0.14	43%	+0.17	59%	+0.20	60%	+0.25	63%	+0.13	56%	+0.25	63%	-0.06	47%	0	50%
United Kingdom	+1.00	100%	+1.00	100%	+0.50	75%	+0.78	89%	+0.77	89%	+0.87	94%	+0.81	91%	+0.88	94%	+0.75	88%	+0.65	82%	+0.76	88%
United States	0	50%	+0.40	70%	+1.00	100%	+0.33	67%	+0.38	69%	+0.53	77%	+0.81	91%	+0.63	81%	+0.69	84%	+0.71	85%	+0.76	88%
European Union	+1.00	100%	+0.60	80%	+0.38	69%	+0.57	79%	+0.82	91%	+0.85	93%	+0.75	88%	+0.69	84%	+0.63	81%	+0.44	72%	+0.75	88%
Average	+0.67	83%	+0.23	62%	+0.24	62%	+0.28	64%	+0.50	75%	+0.54	77%	+0.57	79%	+0.37	68%	+0.44	72%	+0.25	63%	+0.42	71%
	Final		Final		Final		Final		Final		Final		Final		Interim		Final		Interim		Final	

n/a = not available

## **Conclusions**

G20 compliance performance for the chosen priority commitments, measured as a summit average, improved incrementally from the April 2009 London Summit and September 2009 Pittsburgh Summit (both at 62%) to the June 2010 Toronto Summit (64%) and then rose with the November 2010 Seoul Summit (75%) and the November 2011 Cannes Summit (78%). With the St. Petersburg Summit, compliance dropped to 72%. The final average of 70% for the Brisbane Summit is even lower. If the G20 can improve its performance on delivering on its promises, it may validate its claim for legitimacy as a global governance institution.

Many of the commitments assessed in this report have timelines that extend beyond the 2014 Brisbane Summit or reflect medium- and long-term priorities. A unique feature of this report is the incorporation of deadlines for commitments monitored over multiple compliance cycles. The convergence of medium- and long-term commitments and those with deadlines in the near future reflects the nature of G20 decisions as a crisis management forum and a global governance steering institution. It also illustrates the multifaceted nature of compliance assessment. As the relationship among short, medium, and long-term commitments becomes clearer, the compliance landscape for many of these priority commitments may change over the course of future compliance periods.

## **Future Research and Reports**

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

## **Considerations and Limitations**

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

See also Appendix: General Considerations.

## Appendix: General Considerations

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

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

## 1. Macroeconomics: Fiscal Strategies

“We will continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of GDP on a sustainable path.”

*G20 Brisbane Leaders' Communiqué*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina		0	
Australia		0	
Brazil		0	
Canada		0	
China		0	
France		0	
Germany			+1
India		0	
Indonesia		0	
Italy		0	
Japan		0	
Korea		0	
Mexico		0	
Russia			+1
Saudi Arabia		0	
South Africa	-1		
Turkey		0	
United Kingdom		0	
United States		0	
European Union		0	
Average		+0.05	

### Background

On 15-16 November 2014, G20 leaders at the Brisbane Summit acknowledged that recovery from the global financial crisis remains uneven, hampered by “weak cyclical recovery...weakened productive capacity in key economies, and a legacy of vulnerabilities from the financial crisis.”<sup>4</sup> G20 leaders reaffirmed the need for a concerted effort towards strong, sustainable and balanced growth, and agreed that implementing flexible fiscal strategies, which take into consideration national economic circumstances, are key to recovery and job creation.

At the 2013 St. Petersburg Summit, G20 leaders agreed to develop “Comprehensive Growth Strategies”<sup>5</sup> to collectively address these challenges. G20 leaders presented peer-reviewed strategies as part of the 2014 Brisbane Action Plan, acknowledging that these strategies represented a key mechanism through which global economic recovery could be achieved. In February 2014, the finance ministers and central bank governors indicated that adherence to this commitment by G20 countries, rather than reliance on existing macroeconomic policies, would raise the collective gross domestic product (GDP) by more than 2% over the

<sup>4</sup> Brisbane Action Plan, G20 Australia 2014 (Brisbane) November 2014. Access: 28 January 2015. [https://g20.org/wp-content/uploads/2014/12/brisbane\\_action\\_plan.pdf](https://g20.org/wp-content/uploads/2014/12/brisbane_action_plan.pdf)

<sup>5</sup> G20 Comprehensive Growth Strategies: Macroeconomic and Structural Reforms, G20 Australia 2014 (Brisbane) November 2014. Access: 28 January 2015. [http://www.g20australia.org/official\\_resources/current\\_presidency/growth\\_strategies](http://www.g20australia.org/official_resources/current_presidency/growth_strategies)



next five years.<sup>6</sup> Subsequent analysis by the International Monetary Fund and the Organisation for Economic Co-operation and Development revealed that this increase in collective GDP would be closer to 2.1%, attributing a quarter of the increase to positive spillovers to the global economy resulting from simultaneous implementation of policies.<sup>7</sup>

In May 2014, a policy note created ahead of the Brisbane Summit stated that “strengthening national economies will result in a marked impact on global growth and prosperity, but given high levels of debt in certain developed economies, fiscal policy can only be used sparingly.”<sup>8</sup> Therefore, developing fiscal policies that are flexible, in that they consider national circumstances and prioritize fiscal sustainability, is a critical element to the success of the strategies agreed to last year.

### Commitment Features

This commitment is based on achieving fiscal sustainability through the implementation of sound economic policy measures, tailored to the specific objectives and circumstances of each country. Specifically, this commitment recognizes that each country will have different priorities, dictated by their individual economic circumstances. During the 2014 Brisbane Summit, each G20 country submitted individual Comprehensive Growth Strategies, which describe each country’s fiscal policy objectives. The objectives outlined in the growth strategies have taken into account each country’s near-term economic conditions, which is evident in the variance — in strength and nature — of policy commitments across countries.<sup>9</sup> Moreover, each country’s comprehensive growth strategy outlines measures within their fiscal objectives that address putting debt-to-GDP ratios on a sustainable path.

Therefore, for the purpose of this report, the fiscal policy objectives within the individual country Comprehensive Growth Strategies will provide the basis for assessing country compliance. Each individual country report below will begin by identifying the fiscal policy objectives outlined in each comprehensive growth strategy. The report will then assess compliance based on any actions taken by each member to fulfill the stated fiscal policy objectives. Full compliance will be awarded to G20 members that have taken actions towards implementing all their stated fiscal policy objectives within their individual growth strategies.

### Scoring Guidelines

-1	Member has made NO progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.
0	Member has made SOME progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.
+1	Member has implemented ALL fiscal policy measures stated within its comprehensive growth strategy.

*Lead Analyst: Melanie Wallace*

### Argentina: 0

Argentina has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Argentina has outlined the following fiscal strategies in its comprehensive growth strategy:

<sup>6</sup> Meeting of the G20 Finance Ministers and Central Bank Governors Communiqué, G20 (Sydney) 23 February 2014. Access: 29 January 2015. <http://www.g20.utoronto.ca/2014/2014-0223-finance.html>

<sup>7</sup> Quantifying the Impact of G-20 Members’ Growth Strategies, International Monetary Fund (Washington) 2014. Date of Access: 27 January 2015. <http://www.imf.org/external/np/g20/pdf/2014/growthstrat.pdf>

<sup>8</sup> Policy note: Strategies for economic growth, G20 Australia 2014 (Brisbane) May 2014. Access: 30 January 2015. <https://g20.org/wp-content/uploads/2014/12/Policy%20Note%20Strategies%20for%20Economic%20Growth.pdf>

<sup>9</sup> Policy note: Strategies for economic growth, G20 Australia 2014 (Brisbane) May 2014. Access: 30 January 2015. <https://g20.org/wp-content/uploads/2014/12/Policy%20Note%20Strategies%20for%20Economic%20Growth.pdf>

- Continue to implement countercyclical policy and maintain a low and manageable debt-to-GDP ratio
- Increase tax revenue through the creation of a more progressive tax structure (increasing the share of income tax) and export duties on sectors with high profitability
- Expand public spending in areas with high multiplier effects, such as social security and investment in infrastructure, especially energy-efficiency projects
- Improve allocation of public spending in productive and social investment, including a gradual reduction of subsidies on energy consumption and public transport.<sup>10</sup>

On 24 December 2014, the government of Argentina announced that it would extend tax amnesty for the sixth time. The program will allow those with undeclared accounts in countries such as Switzerland to legalize their undeclared cash. It is estimated that 4,000 citizens are eligible to participate. According to the decree, “The fiscal amnesty allows [the use of] idle cash resources for productive and social investments that would help [economic growth and industrialization].”<sup>11</sup> The government hopes that its threat of cracking down on individuals with undeclared accounts will increase participation significantly.

On 2 January 2015, the government of Argentina announced that it will “raise the retail price at which luxury tax is applicable on sales of cars, motorbikes, boats and planes.”<sup>12</sup> This constitutes an overall tax floor increase of 15%. The government hopes that the initiative will boost sales for the car industry and increase tax revenues.

On 14 January 2015, the government of Argentina launched the second phase of the Argentine Northeastern Pipeline (GNEA) initiative. The project requires an investment of ARS11.35 billion and will create about 11,000 jobs. The pipeline will give the provinces of Chaco, Formosa, and the northern Santa Fe access to natural gas.<sup>13</sup>

On 16 January 2015, the 2014 budget of the Argentine government received additional revenue worth ARS9.9 billion. The additional revenue has improved the balance of the 2014 budget. The radio spectrum auction and money from the ANSeS social security agency are the major sources of this revenue.<sup>14</sup>

On 3 February 2015, the Administración Federal de Ingresos Públicos chief Ricardo Echegaray reported that the Argentine government’s tax collection had increased by 30.1% in January 2015 to ARS117.5 billion. This increase includes 40.8% increase in income taxes, 34.3% increase in social security contributions and 23.2% increase in value-added tax. The revenue collected in January was ARS1.7 billion above the target set in this year’s budget. Tax collections from foreign trade-based revenue brought in only ARS4.3 billion, an 8.5% increase, while import royalties contributed ARS2.8 billion, up by 11.6%.<sup>15</sup>

On 3 September 2015, the federal government extended its tax amnesty program for three more months, the ninth time it has been prolonged since May 2013. The reasoning behind this move is that the “use of Cedin

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<sup>10</sup> Comprehensive Growth Strategy: Argentina, G20 Australia 2014 (Brisbane) 15-16 November 2014. Access: 28 February 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_argentina.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_argentina.pdf)

<sup>11</sup> Gov’t extends tax amnesty once again, Buenos Aires Herald (Buenos Aires) 24 December 2014. Access: 28 February 2015.

<http://www.buenosairesherald.com/article/177999/gov%E2%80%99t-extends-tax-amnesty-once-again>

<sup>12</sup> Gov’t raises retail price for tax applied to luxury car sales, Buenos Aires Herald (Buenos Aires) 2 January 2015. Access: 28 February 2015. <http://www.buenosairesherald.com/article/178524/gov%E2%80%99t-raises-retail-price-for-tax-applied-to-luxury-car-sales>

<sup>13</sup> Gov’t launches second phase of gas pipeline, Buenos Aires Herald (Buenos Aires) 15 January 2015. Access: 28 February 2015.

<http://www.buenosairesherald.com/article/179568/gov%E2%80%99t-launches-second-phase-of-gas-pipeline>

<sup>14</sup> 2014 budget increases by 9.9 billion pesos, Buenos Aires Herald (Buenos Aires) 16 January 2015. Access: 28 February 2015.

<http://www.buenosairesherald.com/article/179643/2014-budget-increases-by-99-billion-pesos>

<sup>15</sup> Tax collection grows 30 percent, Buenos Aires Herald (Buenos Aires) 3 February 2015. Access: 28 February 2015.

<http://www.buenosairesherald.com/article/181066/tax-collection-grows-30-percent>

certificates has been growing over the past few months,” which suggests success in the fight to legalize undeclared cash.<sup>16</sup>

Argentina has taken various measures to generate tax revenue and balance its budget in line with its stated fiscal policy objectives. For instance, Argentina has increased its tax revenue from ARS101.8 billion on 30 November 2014 to ARS117.46 billion at the beginning of February 2015.<sup>17</sup> However, Argentina has not tackled its spending challenges in unsustainable areas like energy consumption and public transit. Finally, its ongoing general election has both politicized and stalled budget talks until after 25 October 2015.

Argentina has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Argentina is awarded a score of 0.

*Analyst: Darcy Drury*

### **Australia: 0**

Australia has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Australia has outlined the following fiscal strategies in its comprehensive growth strategy:

- Reduce tax and government spending
- Achieve fiscal consolidation at a measured pace without undermining the economy’s near-term growth, and achieve average budget surpluses over the progression of the economic cycle by: 1) redirecting spending to investments that boost productivity and participation; 2) reducing the government’s share of the economy over time through reduction in payments and paying down debt; and 3) improving financial net worth over time
- Follow its Budget Repair Strategy until a strong surplus is achieved. This means all new government spending must be more than offset and all unexpected improvements in receipts and payments must be used to directly improve the budget
- Improve the cash balance deficit from 4.5% of GDP in 2013-2014 to 0.9% of GDP in 2016-2017 en route to a balanced budget around 2018-2019
- Cap tax receipts as a share of GDP
- Reduce company tax rate by 1.5 percentage points in July 2015, offsetting the cost of the government’s Paid Parental Leave Scheme.<sup>18</sup>

In December 2014, the Australian government published its Mid-Year Economic and Fiscal Outlook 2014-2015 (MYEFO). The MYEFO determined that both the troubled economy, linked to a decrease in iron ore prices (Australia’s top export), and legislation delays in the Senate had a significant impact on tax receipts, payments, and the budget’s bottom-line.<sup>19</sup> Overall, tax receipts were lower and government payments had

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<sup>16</sup> Government extends tax amnesty for three months, Buenos Aires Herald (Buenos Aires) 1 October 2015. Access: 11 October 2015. <http://www.buenosairesherald.com/article/199955/government-extends-tax-amnesty-for-three-months>

<sup>17</sup> Argentina Tax Revenue, Bloomberg (NYC) 28 February 2015. Access: 28 February 2015. <http://www.bloomberg.com/quote/ARTXTOTL:IND>

<sup>18</sup> Comprehensive Growth Strategy: Australia, G20 Australia 2014 (Brisbane) 15-16 November 2014. Access: 28 February 2015. [http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_australia.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_australia.pdf)

<sup>19</sup> Mid-Year Economic and Fiscal Outlook 2014-15, Commonwealth of Australia (Canberra) 15 December 2014. Access: 1 March 2015. <http://www.budget.gov.au/2014-15/content/myefo/html/index.htm>

increased more than forecasted.<sup>20</sup> The MYEFO stated that underlying cash balances and fiscal balances had both deteriorated since the introduction of the budget in May. However, despite these setbacks, the government continues to progress on budget repair. The 2015 Intergenerations Report shows that measures already implemented are projected to make a significant contribution towards achieving fiscal sustainability over the long term.

The MYEFO stated that the Government of Australia has “more than offset all of its new spending decisions, other than those decisions taken as part of negotiations with the Senate.”<sup>21</sup> The MYEFO also maintained Australia’s commitment to improving the long-term sustainability of the budget stating, “The Path of fiscal consolidation and policy settings will be considered comprehensively as part of the normal annual Budget process.”<sup>22</sup>

In its MYEFO, the Government of Australia formally announced initiatives aimed at improving efficiency of government agencies and increasing public savings. These smaller government reforms involve (1) abolishment of 138 government bodies; (2) consolidation of 15 government bodies into existing government departments; (3) transfer of two bodies out of the Commonwealth; and (4) merging of 26 governmental bodies (for a net reduction of 20).<sup>23</sup> These reforms build upon previous attempts to decrease government spending.

On 20 February 2015 Treasurer Joe Hockey and Minister of Finance Mathias Cormann issued a joint media release announcing the Australian government had successfully passed the Tax Laws Amendment (Research and Development) Bill 2013. This Bill involves a AUS100 million cap on research and development expenditure that companies can claim in their taxes.<sup>24</sup> Hockey and Cormann say this is an important budget saving tool for the Senate.<sup>25</sup>

On 25 June 2015 Minister of Finance Mathias Cormann released the Australian Government General Sector Monthly Financial Statements for May 2015. The fiscal balance for the year up until 31 May 2015 was a deficit of AUD 26,002 million compared to the revised budget profile deficit of AUD 31,193 million. The difference is largely related to lower than expected cash payments.<sup>26</sup>

On 12 May 2015 Treasurer Joe Hockey delivered the Budget Speech 2015. He maintained that, “despite the headwinds, [Australia’s] timetable back to a Budget surplus is unchanged from last year.” Hockey announced a package of tax measures to aid small businesses in Australia, including a tax discount for unincorporated businesses and immediate tax reductions for items purchased up to AUD 20,000 to reduce small business tax liability. He further introduced a number of tax amendments in order to ensure a fair collection of taxes. This includes a new Multinational Anti-Avoidance Law in attempt to discontinue complex tax-avoiding schemes

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<sup>20</sup> Mid-Year Economic and Fiscal Outlook 2014-15, Commonwealth of Australia (Canberra) 15 December 2014. Access: 1 March 2015. <http://www.budget.gov.au/2014-15/content/myefo/html/index.htm>

<sup>21</sup> Mid-Year Economic and Fiscal Outlook 2014-15, Commonwealth of Australia (Canberra) 15 December 2014. Access: 1 March 2015. <http://www.budget.gov.au/2014-15/content/myefo/html/index.htm>

<sup>22</sup> Mid-Year Economic and Fiscal Outlook 2014-15, Commonwealth of Australia (Canberra) 15 December 2014. Access: 1 March 2015. <http://www.budget.gov.au/2014-15/content/myefo/html/index.htm>

<sup>23</sup> Smaller, More Efficient and Effective Government, Minister for Finance (Canberra) 15 December 2014. Access: 1 March 2015. <http://www.financeminister.gov.au/media/2014/1215-smaller-gov.html>

<sup>24</sup> Senate Supports Labor’s R&D Savings Measure Despite Labor Opposition, Minister for Finance (Canberra) 10 February 2015. Access: 1 March 2015. <http://www.financeminister.gov.au/media/2015/0210-senate-supports-savings.html>

<sup>25</sup> Senate Supports Labor’s R&D Savings Measure Despite Labor Opposition, Minister for Finance (Canberra) 10 February 2015. Access: 1 March 2015. <http://www.financeminister.gov.au/media/2015/0210-senate-supports-savings.html>

<sup>26</sup> Australian Government Sector Monthly Financial Statements May 2015, Australian Government Department of Finance, 25 June 2015. Access: 7 October 2015. <http://www.finance.gov.au/publications/commonwealth-monthly-financial-statements/2015/mfs-may/>

used by multinationals and a tighter Australian foreign investment regime, which is estimated to supply AUD 735 million to the budget.<sup>27</sup>

The Australian Tax Office lowered taxes for small businesses by 1.5 per cent, applicable for income years beginning on or after 1 July 2015, while taxes for other companies maintained the same tax rate of 30 per cent.<sup>28</sup>

Australia has made multiple efforts aimed at increasing government savings and key tax reforms. Although Australia has not consistently met budget deficit reduction targets outlined in its forecasts, it has identified barriers to this and recommitted to prioritize fiscal consolidation.

Australia has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Australia is awarded a score of 0.

*Analyst: Rebecca Patrick*

### **Brazil: 0**

Brazil has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Brazil has outlined the following fiscal strategies in its comprehensive growth strategy:

- Fiscal consolidation to support sustainable economic growth and control inflation
- Fiscal sustainability, with an aim towards reducing debt as a share of GDP
- Rebalancing expenditures from concurrent expenses towards investment
- Expansion of social safety nets so as to reduce poverty and income inequality.<sup>29</sup>

On 26 November 2014, the Brazilian government recorded a primary surplus of BRL4.1 billion for the month of October, a recovery from a deficit of BRL20.4 billion for the month of September. With this result, Brazil had an accumulated deficit of BRL11.6 billion for the year of 2014, and a surplus of BRL31.9 billion for the previous 12-month period on its debt payment account. National Treasury Secretary Arno Augustin stated that the Ministry of Finance was already working with a target of BRL10.1 billion surplus for the central government in 2014, as opposed to the BRL80.8 billion expected on the last budget review decree. He stated the target “is what we consider best for the moment” and emphasized the increase of 41.1% in payments to the Growth Acceleration Program, totalling BRL51.5 billion between the months of January and October.<sup>30</sup>

In his first address to the press on 5 January 2015, new Finance Minister Joaquim Levy emphasized the need for promoting fiscal adjustment and a better control of public expenditures. The changes proposed by Joaquim Levy include modifications to the payment of unemployment insurance and pensions. The measures are an attempt at improving the country’s cost expenditure profile.<sup>31</sup>

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<sup>27</sup> Budget Speech 2015, J.B. Hockey 12 May 2015. Access: 7 October 2015. <http://www.budget.gov.au/2015-16/content/speech/html/speech.htm>

<sup>28</sup> Company Tax Rates, Australian Taxation Office (Canberra). Access: 7 October 2015. <https://www.ato.gov.au/Rates/Company-tax/>

<sup>29</sup> Comprehensive Growth Strategy: Brazil. G20 Australia 2014 (Brisbane) October 2014. Access: 22 February 2015. [http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_brazil.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_brazil.pdf)

<sup>30</sup> Governo Central tem superavit primário de R\$ 4,1 bilhões em outubro. Ministry of Finance (Brasilia) 26 November 2014. Access: 25 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2014-1/novembro/governo-central-tem-superavit-primario-de-r-4-1-bilhoes-em-outubro>

<sup>31</sup> Joaquim Levy acredita em retomada da economia sem parada brusca, Ministry of Finance (Brasilia) 5 January 2015. Access: 25 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/joaquim-levy-diz-acreditar-em-reequilibrio-da-economia-sem-parada-brusca>

On 29 January 2015, the National Treasury announced the fiscal results of the central government, showing a primary surplus of BRL1 billion in December 2014. From January to December the results showed a cumulative deficit of BRL17.2 billion, which represented  $-0.3\%$  of the GDP. According to a statement by National Treasury Secretary Marcelo Barbosa Saintive, a frustrated revenue collection of  $1.7\%$  and an increase in expenses of  $0.4\%$  impacted those results, which he believes helps explain the disparity in projections made in November to the presented results. Mr. Saintive also announced the creation of a task force formed by the Ministries of Planning, Finance, Civil House, and Comptroller General of the Union to examine public expenditures, in order to address “the need for fiscal robustness and a greater control of expenditure.”<sup>32</sup>

On 11 February 2015, the National Treasury Secretary (STN) Annual Report revealed that the federal public debt’s stock closed 2014 at BRL2.295 trillion, within the range established by the Annual Financing Plan (PAF).<sup>33</sup> On the same day, the STN also released the PAF for 2015, fixing a higher limit for the public debt’s stock from BRL2.450 trillion to BRL2.6 trillion.<sup>34</sup>

During an event organized by the Chamber of Commerce France-Brazil held on 23 February 2015 in São Paulo, Joaquim Levy defended the fiscal adjustment measures highlighting that there was a fiscal imbalance in 2014, which led to an increase in the country’s debt-to-GDP ratio.<sup>35</sup> Included in the measures announced by the government are limitations to social benefits, such as unemployment insurance, an increase in the interest charged by the Brazilian Development Bank, the increase in taxing of fuel, automobiles, credit operations, cosmetics, and the end of transfers to the Energy Development Account.<sup>36</sup>

Following the announcement on 26 February 2015 that the federal public debt had diminished in January to BRL2.29 trillion, mostly affected by a seasonal movement according to José Franco Medeiros de Moraes, coordinator of the Public Debt Operations, the government published decree n° 8.412.<sup>37</sup> The decree brought about a reprogramming of various financial obligations of the Executive Power for the period of January to April. National Treasury Secretary Marcelo Saintive stated the government was rescheduling its payments in order to give a greater predictability to the ministries.<sup>38</sup>

In January, the central government recorded a primary surplus of BRL10.4 billion, the lowest result for the month of January since 2009.<sup>39</sup> The twelve-month accumulated results showed a deficit of BRL19.9 billion. Compared to January of the previous year, revenue increased  $0.3\%$ , from BRL125 billion to BRL125.4

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<sup>32</sup> Vamos cumprir meta de superavit e recuperar credibilidade, diz Saintive. Ministry of Finance (Brasília) 29 January 2015. Access: 25 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/janeiro/2015cvamos-cumprir-meta-de-superavit-e-recuperar-credibilidade2015-diz-saintive>

<sup>33</sup> Dívida pública encerra 2014 dentro da meta do governo, Ministry of Finance (Brasília) 11 February 2015. Access: 26 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/fevereiro/divida-publica-encerra-2014-dentro-da-meta-do-governo>

<sup>34</sup> Limite para estoque da Dívida Pública será de R\$ 2,600 trilhões em 2015, Ministry of Finance (Brasília) 11 February 2015. Access: 26 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/fevereiro/limite-para-estoque-da-divida-publica-sera-de-r-2-600-trilhoes-em-2015>

<sup>35</sup> Levy defende ajuste fiscal em apresentação para empresários em São Paulo, Ministry of Finance (Brasília) 23 February 2015. Access: 26 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/levy-defende-ajuste-fiscal-em-apresentacao-para-empresarios-em-sao-paulo>

<sup>36</sup> Governo lança programação para gastos e não descarta novas medidas, Globo (Brasília) 26 February 2015. Access: 27 February 2015. <http://g1.globo.com/economia/noticia/2015/02/governo-lanca-programacao-para-gastos-e-nao-descarta-novas-medidas.html>

<sup>37</sup> Dívida pública federal caiu 2,09% em janeiro para R\$ 2,24 trilhões, Ministry of Finance (Brasília) 26 February 2015. Access: 27 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/fevereiro/divida-publica-federal-caiu-2-09-em-janeiro-para-r-2-24-trilhoes>

<sup>38</sup> Governo reprograma gastos para atingir meta fiscal, Ministry of Finance (Brasília) 26 February 2015. Access: 27 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/fevereiro/governo-reprograma-gastos-para-atingir-meta-fiscal>

<sup>39</sup> Governo lança programação para gastos e não descarta novas medidas, Globo (Brasília) 26 February 2015. Access: 27 February 2015. <http://g1.globo.com/economia/noticia/2015/02/governo-lanca-programacao-para-gastos-e-nao-descarta-novas-medidas.html>

billion.<sup>40</sup> Expenditures increased 2.8%, from BRL90 billion to BRL92.5 billion, caused mainly by an increase in social security expenses, which rose 8.4%, from BRL29.1 billion to BRL31.5 billion, resulting from the minimum wage increase. The Secretary also highlighted the reduction of 34.5% of the expenses related to the Growth Acceleration Program (PAC), from BRL7.2 billion in January 2014 to BRL4.7 billion in January 2015.<sup>41</sup> The government's economic team also imposed a reduction of 23.7% on the expenses of the PAC until April.<sup>42</sup>

On 31 March 2015, the Central Bank announced a deficit of BRL7.4 billion in February against the surplus of BRL10.8 billion from January. National Treasury Secretary Marcelo Saintive stated that the results were expected, the result was influenced by the fall in administrated revenue and the payment of timely expenses.<sup>43</sup>

On 29 April 2015, Minister of Finance Joaquim Levy stated that the fiscal adjustments would not disturb the country's growth, while defending the proposed measures that depend on approval by Congress during talk at the Chamber of Deputies. Levy stated that inflation had to convert to the goal in order to give investors safeguard and help lower the long term yield curve, "for this, fiscal discipline is irreplaceable."<sup>44</sup>

On 28 May 2015, the Central Bank announced a surplus of BRL 10.1 billion for the month of March. Saintive stated that, given the macroeconomic conditions Brazil was facing, the results were positive.<sup>45</sup> "We are satisfied with the primary achieved this month. We are on our way. We will increase the collection effort and make the necessary contingencies to achieve the established goal [BRL55.2 billion for the Central Bank]," said Saintive.<sup>46</sup>

On 9 September 2015, Brazil was downgraded to junk rating by the S&P with a negative outlook, opening for the possibility of additional downgrades in the near term. The downgrade was a result of the deterioration of the country's economy and public finance. S&P stated that the decision was based on the mounting political problems that have negatively affected the economy. The country's economy has been weighed down following a massive corruption scandal at the state-run oil firm Petrobras SA. The credit rating agency stated it has been weighing the government's "ability and willingness" to submit a 2016 budget that is consistent with the proposed policies following Rousseff's reelection.<sup>47</sup>

On 14 September 2015, Finance Minister Joaquim Levy and Minister of Planning, Budget, and Management Nelson Barbosa announced a reduction on government expenses of BRL26 billion and additional collection

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<sup>40</sup> Governo reprograma gastos para atingir meta fiscal, Ministry of Finance (Brasilia) 26 February 2015. Access: 27 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/fevereiro/governo-reprograma-gastos-para-atingir-meta-fiscal>

<sup>41</sup> Governo reprograma gastos para atingir meta fiscal, Ministry of Finance (Brasilia) 26 February 2015. Access: 27 February 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/fevereiro/governo-reprograma-gastos-para-atingir-meta-fiscal>

<sup>42</sup> Equipe econômica fixa redução de 23,7% em gastos do PAC até abril, Globo (Brasilia) 26 February 2015. Access: 27 February 2015. <http://g1.globo.com/economia/noticia/2015/02/equipe-economica-autoriza-reducao-de-237-em-gastos-do-pac-ate-abril.html>

<sup>43</sup> Governo Central apresenta deficit de R\$ 7,4 bilhões em fevereiro, Ministry of Finance (Brasilia) 31 March 2015. Access: 11 October 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/marco/governo-central-apresenta-deficit-de-r-7-4-bilhoes-em-fevereiro>

<sup>44</sup> Levy diz que ajuste fiscal não irá atrapalhar crescimento do País, Ministry of Finance (Brasilia) 29 April 2015. Access: 11 October 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/abril/levy-diz-que-ajuste-fiscal-nao-ira-atrapalhar-crescimento-do-pais>

<sup>45</sup> Governo Central faz superavit de R\$ 10,1 bilhões em abril, Ministry of Finance (Brasilia) 28 May 2015. Access: 11 October 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/maio/governo-central-faz-superavit-de-r-10-1-bilhoes-em-abril>

<sup>46</sup> Governo Central faz superavit de R\$ 10,1 bilhões em abril, Ministry of Finance (Brasilia) 28 May 2015. Access: 11 October 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/maio/governo-central-faz-superavit-de-r-10-1-bilhoes-em-abril>

<sup>47</sup> Brazil downgraded to junk rating by S&P, deepening woes, Reuters (Rio de Janeiro) 9 September 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/09/10/us-brazil-ratings-s-p-idUSKCN0RA06120150910>

of BRL40.2 billion in the Union's budget for 2016.<sup>48</sup> Levy stated that the measures would require combined effort from the Brazilian population as well as the National Congress, "it will be important to review tributary expenses, subsidies, and benefits."<sup>49</sup> In order to cover the pension deficit, the government plans to implement the Provisory Contribution of Financial Movements (CPMF) with an aliquot of 0.2%, "the CPMF was considered, among other tax alternatives, the path that would bring the smallest distortions to the economy and smallest inflationary impact."<sup>50</sup>

On 28 September 2015, President Dilma Rousseff stated Brazil could overcome its economic difficulties with fiscal austerity policies that are aimed at regaining investor confidence. The success of a recovery depends on whether President Rousseff has the political strength to get unpopular new taxes and measures passed by Congress, according to investors.<sup>51</sup>

On 8 October 2015, in a unanimous vote, the federal accounts court ruled Dilma Rousseff's government had manipulated its accounts in 2014 to disguise an increasing fiscal deficit. The ruling was the first in approximately 80 years, although not legally binding; it will be used by opposition leaders to argue for impeachment proceedings in Congress, according to leader of the opposition party PSDB Carlos Sampaio.<sup>52</sup>

Brazil has taken steps that are in line with the country's commitment to implement fiscal policies to promote sustainability. These steps include a tightening of fiscal policies and a greater emphasis on the control of public expenditure. The rising debt-to-GDP ratio in 2014 is recognized as having resulted from a fiscal imbalance during the year. With the re-election of President Dilma Rousseff, a new economic team was formed and changes to the current fiscal policies have been announced. These changes are understood to trade short-term economic contraction in favour of medium-term sustainable economic growth.<sup>53</sup> With the turbulent current economic and political environments, it is uncertain whether the fiscal measures will successfully pass through Congress.

Brazil has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Brazil is awarded a score of 0.

*Analyst: Artur Pereira*

## **Canada: 0**

Canada has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Canada has outlined the following fiscal strategies in its comprehensive growth strategy:

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<sup>48</sup> Governo anuncia corte de R\$ 26 bilhões nas despesas para 2016, Ministry of Finance (Brasilia) 14 September 2015. Access: 11 October 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/setembro/levy-anuncia-corte-de-r-26-bilhoes-nas-despesas-do-governo-para-2016>

<sup>49</sup> Governo anuncia corte de R\$ 26 bilhões nas despesas para 2016, Ministry of Finance (Brasilia) 14 September 2015. Access: 11 October 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/setembro/levy-anuncia-corte-de-r-26-bilhoes-nas-despesas-do-governo-para-2016>

<sup>50</sup> Governo anuncia corte de R\$ 26 bilhões nas despesas para 2016, Ministry of Finance (Brasilia) 14 September 2015. Access: 11 October 2015. <http://www.fazenda.gov.br/divulgacao/noticias/2015/setembro/levy-anuncia-corte-de-r-26-bilhoes-nas-despesas-do-governo-para-2016>

<sup>51</sup> Rousseff says fiscal plan to pull Brazil out of recession, Reuters (United Nations) 28 September 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/09/28/us-un-assembly-brazil-rousseff-idUSKCN0RS1PM20150928>

<sup>52</sup> Brazil's president Dilma Rousseff loses legal battle and could face impeachment, The Guardian (Brasilia) 8 October 2015. Access: 11 October 2015. <http://www.theguardian.com/world/2015/oct/08/brazils-president-dilma-rousseff-loses-legal-battle-and-could-face-impeachment>

<sup>53</sup> Putting Brazil's Political Risk in Perspective, Forbes (NYC) 13 Mar 2015. Access: 13 Mar 2015. <http://www.forbes.com/sites/kenrapoza/2015/03/13/putting-brazils-political-risk-in-perspective/>



Balanced federal budgets from 2015 and the introduction of balanced budget legislation  
Federal debt-to-GDP ratio of 25 per cent GDP by 2021.<sup>54</sup>

More generally, Canada's proposed strategy for economic growth formulated for the G20 Australian Summit consisted of five key commitments: (1) infrastructure investment; (2) enhanced job matching service and a modernized national job bank; (3) reduced barriers to entry and promotion of competition in telecommunications sector; (4) new funding for research and innovation; and (5) Canada-EU comprehensive economic and trade agreement and the Canada-Korea free trade agreement.<sup>55</sup>

On 24 November 2014, Prime Minister Stephen Harper announced new investments that will continue to build and renew government infrastructure, from harbours and shipbuilding yards to national defence facilities across Canada. The Canadian government has pledged CAD 5.8 billion in investments towards these projects — the majority of which to take place in the next three years.<sup>56</sup>

On 19 February 2014, Prime Minister Harper announced that Canada is cutting taxes on liquefied natural gas projects in order to spur growth in the industry. Under this tax cut, liquefied natural gas assets acquired over the next decade will enjoy a capital cost allowance rate of 30 per cent for equipment, and 10 per cent for buildings as compared to 8 per cent for equipment and 6 per cent for structures before the cut.<sup>57</sup>

On 1 March 2015, Finance Minister Joe Oliver announced that Canada would extend its 15 per cent mineral exploration tax credit for one more year to support small mining companies. The credit, now scheduled to expire 31 March 2015, has “helped keep investment flowing” in the extractive sector, according to the Canadian government.<sup>58</sup>

On 21 April 2015, Finance Minister Joe Oliver announced in the 2015 Federal Budget that Canada will spend CAD 750 million beginning in 2017-2018 and CAD 1 billion per year ongoing thereafter on a Public Transit Fund to promote public transit infrastructure investment, will continue to spend CAD 5.35 billion on average annually for provincial, territorial, and municipal infrastructure under the New Building Canada Plan, and will continue to build and renew federal infrastructure and on-reserve schools, including through CAD 5.8 billion in investments over six years.<sup>59</sup>

The 2015 Budget also announced that the Government will provide up to CAD 100 million over five years, starting in 2015-2016 for an Automotive Supplier Innovation Program, provide an additional CAD 1.33 billion over six years, starting in 2017-2018, to the Canada Foundation for Innovation to support advanced research infrastructure at universities, colleges, and research hospitals.<sup>60</sup>

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<sup>54</sup> Comprehensive Growth Strategy: Canada. G20 Australia 2014 (Brisbane) October 2014. Access: 22 February 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_canada.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_canada.pdf)

<sup>55</sup> Comprehensive Growth Strategy: Canada, G20 Australia 2014 (Brisbane) November 2014. Access: 28 January 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_canada.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_canada.pdf)

<sup>56</sup> Harper unveils \$5.8 billion in infrastructure spending, *The Globe and Mail* (Toronto) 24 Nov 2014. Access: 2 March 2015.

<http://www.theglobeandmail.com/news/politics/harper-unveils-58-billion-in-infrastructure-spending/article21736451/>

<sup>57</sup> Canada to reduce taxes for LNG projects, Stephen Harper says, *Financial Post* (Toronto) 19 Feb 2015. Access: 2 March 2015.

[http://business.financialpost.com/2015/02/19/canada-to-reduce-taxes-for-lng-projects-stephen-harper-says/?\\_\\_lsa=3a9c-1926](http://business.financialpost.com/2015/02/19/canada-to-reduce-taxes-for-lng-projects-stephen-harper-says/?__lsa=3a9c-1926)

<sup>58</sup> Canada to extend 15% mineral exploration tax credit to 2016, *Bloomberg Business* (Ottawa) 1 Mar 2015. Access: 2 March 2015.

<http://www.bloomberg.com/news/articles/2015-03-01/canada-to-extend-15-mineral-exploration-tax-credit-to-2016>

<sup>59</sup> Investing in Infrastructure (Chapter 3.4), 2015 Budget, Government of Canada (Ottawa) 21 April 2015. Access: 3 October 2015.

[http://www.budget.gc.ca/2015/docs/plan/ch1-eng.html#\\_Toc417204064](http://www.budget.gc.ca/2015/docs/plan/ch1-eng.html#_Toc417204064)

<sup>60</sup> Supporting the Manufacturing Sector and Investing in Advanced Research (Chapter 3.1), 2015 Budget, Government of Canada (Ottawa) 21 April 2015. Access: 3 October 2015. [http://www.budget.gc.ca/2015/docs/plan/ch1-eng.html#\\_Toc417204064](http://www.budget.gc.ca/2015/docs/plan/ch1-eng.html#_Toc417204064)

The Budget also announced that the federal debt-to-GDP ratio is expected to fall to 27.9 per cent in 2017–18, putting the Government on track to meeting its target of 25 per cent of GDP by 2021.<sup>61</sup>

On 23 June 2015, the Federal Balanced Budget Act was enacted in force on assent requiring “that the Government of Canada achieve annual balanced budgets and reduce debt, other than when a recession or extraordinary situation occurs.” The bill stipulates that “any surplus recorded in the Public Accounts in respect of a fiscal year must be applied to the reduction of the federal debt.”<sup>62</sup>

Canada has implemented fiscal policies in infrastructure investment, tax reform, and reducing its debt-to-GDP ratio. However, Canada has not made much progress towards achieving balanced budget legislation.

Canada has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Canada is awarded a score of 0.

*Analyst: Jasmine Chorley*

### **China: 0**

China has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

China has outlined the following fiscal strategies in its comprehensive growth strategy:

- To stabilize near-term growth
- To further boost consumption
- To allow the market to play its basic role and promote private sector involvement
- To support growth and employment
- To reform its fiscal and financial sector.<sup>63</sup>

On 2 February 2015, the State Council announced a new guideline on transfer payments to streamline administrative management, reduce unnecessary spending, and promote equal development in China. According to the Chinese government, this guideline “will allow the market to play a decisive role, and will gradually restrict special [transfer payments] in competitive businesses and industries, to maintain a fair environment for market competition.”<sup>64</sup>

On 10 February 2015, Chinese President Xi Jinping participated in the ninth meeting of the Central Leading Group on Financial and Economic Affairs and demanded stable urbanization in China. President Xi urged faster reform and innovation in investment and financing to better engage public infrastructure construction.<sup>65</sup>

On 25 February 2015, the State Council pledged to pursue a proactive fiscal policy with measures to introduce more tax cuts and lower administrative fees to better support small and micro-sized businesses and to encourage entrepreneurship and innovation. The new policies will expand the range of beneficiaries to

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<sup>61</sup> Balancing the Budget (Chapter 5) 2015 Budget, Government of Canada (Ottawa) 21 April 2015. Access: 3 October 2015. [http://www.budget.gc.ca/2015/docs/plan/ch1-eng.html#\\_Toc417204064](http://www.budget.gc.ca/2015/docs/plan/ch1-eng.html#_Toc417204064)

<sup>62</sup> Federal Balanced Budget Act (S.C. 2015, c. 36, s. 41) Access: 4 October 2015. <http://laws-lois.justice.gc.ca/eng/acts/F-5.8/page-1.html>

<sup>63</sup> Comprehensive Growth Strategy: China, G20 Australia 2014 (Brisbane) November 2014. Access: 2 March 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_china.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_china.pdf)

<sup>64</sup> Transfer payment guideline to promote equal development, The State Council of The People’s Republic of China (Beijing) 2 Feb 2015. Access: 2 March 2015. [http://english.gov.cn/policies/latest\\_releases/2015/02/02/content\\_281475049185334.htm](http://english.gov.cn/policies/latest_releases/2015/02/02/content_281475049185334.htm)

<sup>65</sup> Xi stresses implementing central economic policies, Xinhuanet (Beijing) 10 Feb 2015. Access: 2 March 2015.

[http://news.xinhuanet.com/english/china/2015-02/10/c\\_127481077.htm](http://news.xinhuanet.com/english/china/2015-02/10/c_127481077.htm)

include higher income groups, lower unemployment insurance fees, and shift to requiring installment payments rather than one-time payments on taxes from actual investment interest from non-monetary assets.<sup>66</sup>

On 3 March 2015, China's Vice Finance Minister Zhu Guangyao declared that China's fiscal policy will continue to be proactive going forward. Minister Zhu made the comments at the opening of the Chinese People's Political Consultative Conference, stating that the finance ministry is making fiscal reforms to address the root cause to mounting local government debt.<sup>67</sup>

On 23 March 2015, the Communist Party of China Central Committee and the State Council released a document that calls for a financial boost to support innovation and venture capitals. An institutional and legal framework is in the makings and should be established by 2020.<sup>68</sup>

On 1 April 2015, the State Council, China's cabinet announced that the administrators of the social security fund can now invest it in local debt in order to boost e-commerce and liberalize investment regulation in the sector. The National Council for the Social Security Fund can now invest the 1.2 trillion yuan fund in local government bonds and other financial instruments. The limit on the council's investments in corporate and local government bonds has been increased from 10 per cent to 20 per cent. The measures are said to stabilize economic growth, promote economic restructuring, change the dependency of fiscal policies on capital injection to putting surplus budgetary fund to use.<sup>69</sup>

On 21 April 2015, a free trade zone in Fujian officially started. The plan was approved in December by the State Council and is said to be both innovative and opportune. The zone is expected to bring more investment from Taiwan into the communication, transportation, and tourism industry. This plan fits within the blueprint of the Economic Cooperation Framework Agreement (cross-straits economic pact) signed in 2010.<sup>70</sup>

On 5 May 2015, the National Development and Reform Commission announced that starting from 1 June 2015 Chinese regulators will lift price ceilings from most medical drugs. The intended effect is to ensure fair competition and create a more market-driven pricing system that keeps medical costs in check.<sup>71</sup>

On 10 May 2015, The People's Bank of China cut interests rates to counteract downward pressure on the economy. The People's Bank of China said that its benchmark one year lending rate and its benchmark deposit rate will both be lowered by 25 basis points to 5.1 per cent and 2.25 per cent respectively.<sup>72</sup>

On 16 June 2015, the State Council issued an official statement supporting the creation of a strategic emerging industries board on the Shanghai Stock exchange. The board aims to help raise funds through the

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<sup>66</sup> Quick view: The State Council executive meeting on Feb 25, The State Council of The People's Republic of China (Beijing) 26 Feb 2015. Access: 2 March 2015. [http://english.gov.cn/policies/infographics/2015/02/26/content\\_281475061970428.htm](http://english.gov.cn/policies/infographics/2015/02/26/content_281475061970428.htm)

<sup>67</sup> Update 2 – China will keep fiscal policy proactive – vice finmin, Reuters (Beijing) 3 Mar 2015. Access: 3 March 2015. <http://www.reuters.com/article/2015/03/03/china-parliament-idUSL4N0W53E720150303>

<sup>68</sup> China to spur innovation with financial support, The State Council of The People's Republic of China (Beijing) 25 March 2015. Access: 11 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/03/25/content\\_281475077333513.htm](http://english.gov.cn/policies/policy_watch/2015/03/25/content_281475077333513.htm)

<sup>69</sup> New measures to target economic growth amid slowdown, The State Council of The People's Republic of China (Beijing) 3 April 2015. Access: 11 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/04/15/content\\_281475089509292.htm](http://english.gov.cn/policies/policy_watch/2015/04/15/content_281475089509292.htm)

<sup>70</sup> Fujian province looks to investment from Taiwan, The State Council of The People's Republic of China (Beijing) 21 April 2015. Access: 11 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/04/21/content\\_281475093004530.htm](http://english.gov.cn/policies/policy_watch/2015/04/21/content_281475093004530.htm)

<sup>71</sup> Govt to end ceiling on medicine prices to keep costs in check, The State Council of The People's Republic of China (Beijing) 6 May 2015. Access: 11 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/05/06/content\\_281475102200046.htm](http://english.gov.cn/policies/policy_watch/2015/05/06/content_281475102200046.htm)

<sup>72</sup> China's central banks slashes interest rates again, The State Council of The People's Republic of China (Beijing) 11 May 2015. Access: 12 October 2015.

capital market for inventive and high-growth enterprises. Shanghai Stock exchange is expected increase the level of rivalry against the Shenzhen Stock exchange.<sup>73</sup>

On 27 June 2015, the one year lending and deposit rates were cut by 25 basis points to 4.85 per cent and 2 per cent respectively. The reserve requirement ratio, has also been cut by 50 basis points for commercial banks assisting “rural areas, agriculture and small businesses,” it has also been cut for finance companies by 300 basis points to promote restructuring and the economy.<sup>74</sup>

On 11 August 2015, the People’s Bank of China cut the reference rate against the US dollar by 1.86 per cent. This cut was made to “fix the discrepancy between the reference rate and the market’s spot rate.” Ma Jun, chief economist at the central bank’s research bureau says that A persistent export surplus, large foreign exchange reserves, low inflation, a moderate fiscal deficit and government debt will ensure a stable currency.<sup>75</sup>

On 24 September 2015, the State Council released a guide to invite foreign investors to take part of China’s ‘reform and reorganization of State-owned enterprises (SOEs), forming joint ventures and other cooperative arrangements through overseas mergers, financing cooperation and offshore financing’. This move is seen to encourage mixed-ownership of SOEs and investment in China.<sup>76</sup>

On 30 September 2015, the People’s Bank of China and the China Banking Regulatory Commission cut down minimum down payments from 30 per cent to 25 per cent for first home buyers borrowing from commercial banks in cities with no purchase quotas. This is expected to boost investment in the housing market<sup>77</sup>

China has begun to make progress towards fiscal sustainability, including through promoting equal development and reducing growth of local government debt. However, there has been little evidence demonstrating that China’s debt-to-GDP ratio has changed in a manner that places the country on a more sustainable path.

China has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, China is awarded a score of 0.

*Analysts: Joannie Fu*

## **France: 0**

France has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

France has outlined the following fiscal strategies in its comprehensive growth strategy:

- Lowering the cost of factors of production to stimulate employment and business competitiveness
- Lightening the tax burden of low-income households to boost purchasing power and increase incentives to take up a job
- Modernizing markets to allow for productivity gains, lower prices for consumers and boost companies’ competitiveness gains

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<sup>73</sup> Govt backs creation of emerging industries board in Shanghai, The People’s Republic of China (Beijing) 17 June 2015. Access: 12 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/06/17/content\\_281475128934874.htm](http://english.gov.cn/policies/policy_watch/2015/06/17/content_281475128934874.htm),

<sup>74</sup> Forceful easing to keep Chinese economy buoyant, The People’s Republic of China (Beijing) 29 June 2015. Access: 12 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/06/29/content\\_281475136926377.htm](http://english.gov.cn/policies/policy_watch/2015/06/29/content_281475136926377.htm)

<sup>75</sup> New yuan fixes distortions, The People’s Republic of China (Beijing) 12 August 2015. Access: 12 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/08/12/content\\_281475166292424.htm](http://english.gov.cn/policies/policy_watch/2015/08/12/content_281475166292424.htm)

<sup>76</sup> Government releases guide for SOE mixed ownership, The People’s Republic of China (Beijing) 25 September 2015. Access: 12 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/09/25/content\\_281475197788888.htm](http://english.gov.cn/policies/policy_watch/2015/09/25/content_281475197788888.htm)

<sup>77</sup> China lowers down payment for first home buyers, The State Council of The People’s Republic of China (Beijing) 1 October 2015. Access: 11 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/10/01/content\\_281475202168925.htm](http://english.gov.cn/policies/policy_watch/2015/10/01/content_281475202168925.htm)

- Supporting productive investment to increase long-term growth
- Reducing red tape, which will in turn reduce production costs and help rein in public expenditures.<sup>78</sup>

The growth strategy referenced EUR 50 billion in savings between 2015 and 2017 needed to reduce expenditure growth into line with inflation: an effort that would lead to further deficit reduction without raising taxes.

On 18 December 2014, the French parliament approved President François Hollande’s revised 2015 budget. The budget included measures to cut spending, but still carried a sizeable deficit, in contradiction of EU budget constraints.<sup>79</sup> On 26 March 2014, the French government cuts its deficit targets, indicating stronger economic recovery than was reflected in the 2015 budget.<sup>80</sup>

On 17 February 2015, a package of economic reforms known as Macron Law, passed the National Assembly. The reforms are designed to revive the economy, to improve legislative efficiency and to boost growth by loosening restrictive practices to promote energy and confidence in the French economy.<sup>81</sup> Specific measures of the reforms include the selling of 5% to 10% of the EUR 100 billion portfolio of state-owned assets over the next 18 months, deregulating medical, legal and notary practices, allowing stores to be open on Sunday 12 times a year (compared to five), and liberalizing the inter-city coach industry. Macron Law was praised in a joint statement of euro zone finance ministers that read, “We welcome the commitments of France to address the structural weaknesses of the economy and encourage the implementation of the ambitious and wide-ranging reform agenda.”<sup>82</sup>

On 10 March 2015, EU finance ministers approved a two-year extension for France to bring its budget deficit in line with EU rules, while calling for additional efforts to reduce spending.<sup>83</sup> The previous 2015 deadline to reduce its deficit below the 3% threshold was extended to 2017. The new agreement requires France’s budget deficit to be at 4% by 2015, 2.4% by 2016, and 2.8% by 2017. Valdis Dombrovskis, European Commission VP for the euro, indicated that the deadlines are fixed and that the European Commission would reassess France’s fiscal performance in the next two to three months. This is the seventh consecutive year France has exceeded the EU’s target deficit.

On 27 June 2015, France forbade the payment of services over EUR 1,000 in cash — meaning businesses and consumers have to pay electronically for service fees exceeding that amount.<sup>84</sup> On 18 September 2015, the French Senate recommends taxing businesses it designated as being a part of the “sharing economy”<sup>85</sup>. These are initial steps towards legislation that effectively increase red tape.

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<sup>78</sup> Comprehensive Growth Strategy: France, G20 Australia 2014 (Brisbane) 14 November 2014. Access: 28 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_france.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_france.pdf)

<sup>79</sup> France 2015 Budget to Curb Spending, Wall Street Journal (Paris) 1 October 2014. Access: 28 February 2015. <http://www.wsj.com/articles/france-2015-budget-to-curb-spending-1412150641>

<sup>80</sup> France cuts 2015 deficit target, eyes economic recovery, Reuters (Paris) 26 March 2015. Access: 28 February 2015. <http://www.reuters.com/article/2015/03/26/us-france-economy-idUSKBN0MM0NN20150326>

<sup>81</sup> France’s Socialist Party pushes free-market deregulation with Macron Law, WSWS (Paris) 17 December 2014. Access: 28 February 2015. <https://www.wsws.org/en/articles/2014/12/17/macrd17.html>

<sup>82</sup> Macron Seeks Blair Moment in France for Hollande’s Economic Push, Bloomberg Business (Paris) 8 December 2014. Access: 28 February 2015. <http://www.bloomberg.com/news/articles/2014-12-08/macron-seeks-blair-moment-in-france-for-hollande-s-economic-push>

<sup>83</sup> France Gets Respite on Budget Deficit as More Reforms Demanded, Bloomberg (Brussels) 10 March 2015. Access: 10 March 2015. <http://www.bloomberg.com/news/articles/2015-03-10/france-gets-respite-on-budget-deficit-as-more-reforms-demanded>

<sup>84</sup> Payer en Espèce Interdit Au-Delà de 1.000 Euros, Le Figaro (Paris) 27 June 2015 Access: 10 October 2015 <http://www.lefigaro.fr/flash-eco/2015/06/27/97002-20150627FILWWW00021-payer-en-espece-interdit-au-dela-de-1000-euros.php>

<sup>85</sup> Le Sénat Propose de Taxer les Revenus de l’Économie du Partage, Le Figaro (Paris) 18 September 2015. Access: 10 October 2015 <http://www.lefigaro.fr/conjoncture/2015/09/17/20002-20150917ARTFIG00146-le-senat-propose-de-taxer-les-revenus-de-l-economie-du-partage.php>

On 18 August 2015, France's Minister of Ecology, Sustainable Development and Energy, Ségolène Royal, announced France's "loi de la Transition Énergétique,"<sup>86</sup> making EUR 5 billion available for projects that promote France's transition towards renewable energy. The law's funds will go to renovation of infrastructure to reduce energy demand, renewable energy, and towards clean transport.<sup>87</sup> The law aims to wane France's reliance on fossil fuels while sparking new business and investment opportunities in the energy sector.<sup>88</sup>

On 14 September 2015, France's Comité Interministériel aux Ruralités announced a plan to improve France's rural economy. The centerpieces of the program are the interest-free loans offered to 30,000 rural communes across France (available to 40 per cent of France's population), the investment of EUR 1 billion in rural areas, and the simplification of norms in local collectives.<sup>89</sup> The program will simplify procedures and make funds available in France's rural areas.<sup>90</sup>

On 30 September 2015, France's Finance Minister, Michel Sapin announced the 2016 budget, which included multiple provisions in line with France's comprehensive growth strategy. These are initial steps in the formation of legislation. Chief among these is the announced reduction of income taxes; François Hollande states there will be a EUR 2 billion tax reduction on some eight million lower and middle income households.<sup>91</sup> Michel Sapin cited a predicted reduction of France's deficit from 3.8% of GDP in 2015 to an estimated 3.3% in 2016.<sup>92</sup>

The French government is making investments predicted to have positive impacts on the economy while planning a reduction of taxes on lower income households. Nevertheless, it has increased red tape for some businesses and its economy did not grow between April and June 2015.<sup>93</sup> The French government has passed new economic reforms and there are signals indicating that the French economy is in a stage of recovery and is setting itself on a trajectory of growth.

France has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, France is awarded a score of 0.

*Analyst: Emile Lavergne*

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<sup>86</sup> La loi de Transition Énergétique est Publiée : les Mesures d'Application Immédiate, Ministère de L'Écologie, du Développement Durable et de L'Énergie (Paris) 18 August 2015. Access: October 10, 2015 <http://www.developpement-durable.gouv.fr/La-loi-de-transition-energetique,44350.html>

<sup>87</sup> Le Financement de la loi Energétique, Ministère de L'Écologie, du Développement Durable et de L'Énergie (Paris) 18 June 2015. Access: 10 October 2015. [http://www.developpement-durable.gouv.fr/IMG/pdf/140618\\_fiche\\_financement.pdf](http://www.developpement-durable.gouv.fr/IMG/pdf/140618_fiche_financement.pdf)

<sup>88</sup> Comment Sera Financée la Transition Énergétique?, Le Monde (Paris) 1 October 2015. Access: 10 October 2015 [http://www.lemonde.fr/planete/article/2014/10/01/comment-sera-financee-la-transition-energetique\\_4498476\\_3244.html](http://www.lemonde.fr/planete/article/2014/10/01/comment-sera-financee-la-transition-energetique_4498476_3244.html)

<sup>89</sup> Nos Ruralités Une Chance pour la France, Comité Interministériel Aux Ruralités (Vesoul) September 2015. Access: 10 October 2015

<sup>90</sup> Comité Interministériel aux Ruralités : 21 Nouvelles Mesures Pour l'Égalité des Territoires, Ministère du Logement, de L'Égalité et de la Ruralité (Paris) 14 September 2015. Access 10 October 2015 <http://www.territoires.gouv.fr/comite-interministeriel-aux-ruralites-21-nouvelles-mesures-pour-l-egalite-des-territoires>

<sup>91</sup> La Baisse de l'Impôt sur le Revenu Concernera 8 Millions de Foyers, Le Figaro (Paris) 7 September 2015. Access: 10 October 2015 <http://www.lefigaro.fr/conjoncture/2015/09/07/20002-20150907ARTFIG00132-la-baisse-de-l-impot-sur-le-revenu-concernera-8-millions-de-foyers.php>

<sup>92</sup> Moins d'Impôts, Plus d'Économies: le Budget 2016 Tient Grosso Modo ses Promesses, Libération (Paris) 29 September 2015. Access: 10 October 2015 [http://www.liberation.fr/futurs/2015/09/29/budget-2016-declaration-en-ligne-impots-en-baisse-et-economies-a-programmer\\_1393780](http://www.liberation.fr/futurs/2015/09/29/budget-2016-declaration-en-ligne-impots-en-baisse-et-economies-a-programmer_1393780)

<sup>93</sup> Des Indicateurs Économiques Toujours Contrastés en France, Le Monde (Paris) 23 September 2015. Access: 10 October 2015 [http://www.lemonde.fr/economie-francaise/article/2015/09/23/france-des-indicateurs-economiques-toujours-contrastés\\_4768029\\_1656968.html](http://www.lemonde.fr/economie-francaise/article/2015/09/23/france-des-indicateurs-economiques-toujours-contrastés_4768029_1656968.html)

## Germany: +1

Germany has fully complied with its commitment to continue to implement fiscal strategies taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Germany has outlined the following fiscal strategies in its comprehensive growth strategy:

- Recommit to complying with all international fiscal commitments at the EU and G20 level
- Balance the federal budget (in nominal terms) in 2015
- Decrease debt ratio to below 65% by 2018 from 76.9% of GDP in 2013
- Preserve a balanced budget while scaling up infrastructure investment.<sup>94</sup>

On 28 November 2014, the Bundestag approved Germany's 2015 budget. For the first time since 1969, Germany recorded a balanced budget, owing largely to an increase in tax revenues and low interest rates, as well as a EUR 2.2 billion rebate from the EU.<sup>95</sup> In 2014 the government attained EUR 11.9 billion (USD 13.9 billion) budget surplus, representing 0.4% of GDP.

On 2 March 2015, German government officials reached a final agreement on how the funds from the EUR 10 billion investment package proposed by Federal Minister of Finance Wolfgang Schäuble will be allocated. The group decided that between 2016 and 2018, a total of EUR 7 billion in federal government spending will be targeted in five key areas: public transportation infrastructure, energy efficiency, digital infrastructure, combating climate change, and urban development. The remaining EUR 3 billion will be directed toward government ministries according to the amount that each ministry has paid to finance the recently introduced supplementary child care benefits.

In a 4 March 2015 press release, the federal government announced it would go ahead with measures to support financially weak local authorities. The federal government committed to investing EUR 1.5 billion to local authorities in 2017, in addition to the EUR 1 billion already invested. The federal government also committed to establishing a fund for the exclusive purpose of boosting investment by local authorities with inadequate financial resources. It plans to endow the fund with a total of EUR 3.5 billion up to 2018.

On 1 July 2015 the federal cabinet adopted the government draft for the 2016 federal budget and the financial plan to 2019. There will be no new federal borrowing in any of the years during this period. This demonstrates that the federal government is upholding its commitment to sound and responsible fiscal policy.

On 8 September 2015 Minister Schäuble said: "Consistent fiscal and economic policymaking that does not seek to force short-term growth, but instead improve the opportunities for sustainable growth is the healthier, more successful approach."<sup>96</sup> This statement clearly ranks economic priorities of German government.

On 29 September 2015, the German cabinet adopted the draft of a second supplementary federal budget for 2015 which is addressing the refugee crisis. Minister Schäuble said: "Dealing with the high numbers of refugees is the federal government's top priority. We want to, and we must, tackle this major challenge right now. The Federation is in a position to do so because we have carried out structural consolidation of the federal budget in recent years. With the supplementary budget for 2015, we are using the leeway we have for

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<sup>94</sup> Comprehensive Growth Strategy: Germany, G20 Australia 2014 (Brisbane) 14 November 2014. Access: 28 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_germany.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_germany.pdf)

<sup>95</sup> Bundestag approves 2015 budget with no new debt, DW (Berlin) 28 December 2014. Access: 28 February 2015.

<sup>96</sup> Wolfgang Schäuble: Less debt, fewer crises, more sustainable growth – that's the best policy approach now, 08 September 2015 Access: 05 October 2015, [http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Fiscal\\_policy/Articles/2015-09-08-less-debt-fewer-crises-more-sustainable-growth.html](http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Fiscal_policy/Articles/2015-09-08-less-debt-fewer-crises-more-sustainable-growth.html)

this year to provide comprehensive support to the *Länder* and local authorities with regard to receiving and accommodating refugees.”<sup>97</sup>

Germany has recorded its first balanced budget in over four decades, committed to substantial investment in infrastructure, and is poised to meet most of its fiscal objectives in 2015.

During the compliance period Germany was successful in implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Germany is awarded a score of +1.

*Analyst: Vitali Selivanov*

## **India: 0**

India has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

India has outlined the following fiscal strategies in its comprehensive growth strategy:

- Medium-term fiscal consolidation, deficit-to-GDP targets of 4.1% in 2014-15, 3.6% in 2015-16, and 3% in 2016-17
- Create a stable tax regime with measures for reduced litigation and dispute resolution
- Fiscal consolidation through enhanced revenue mobilization and rationalized expenditures
- Provide more targeted subsidies (e.g., food, petroleum, and a new urea subsidy), while ensuring full protection to the poor
- Establish an expenditure management commission to oversee the operational efficiency of governmental spending.<sup>98</sup>

On 28 February 2015, Minister of Finance Arun Jaitley announced the Union Budget for 2015-2016. In his budget announcement, Minister of Finance Jaitley recommitted to a fiscal deficit target for this fiscal year (ending 31 March 2016) of 4.1% of GDP. Minister of Finance Jaitley also revealed that the Indian government would postpone its 2015-2016 budget deficit target of 3.6% to 3.9% of GDP in order to make greater space for infrastructure development in the country. To this end, Finance Minister Jaitley also announced an increase in INR700 trillion (USD 11.4 billion) in road and rail investments and power generation projects in the next year.<sup>99,100</sup>

Following the change in goals for the FY15-16, projections for FY16-17 have been changed to 3.5%, and the end target of 3% would be reached a year later than expected.<sup>101</sup>

The debt policy in India emphasizes maintaining a stable, sustainable, low-cost and prudent debt structure. The government of India is in process of introducing necessary legislation and setting up its own Public Debt Management Agency (PDMA). The “Middle Office” has been established in the meantime. One major

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<sup>97</sup> Measures to deal with refugees will be soundly financed, Federal Ministry of Finance, 01 October 2015, Access: 05 October 2015, [http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Fiscal\\_policy/Articles/2015-10-01-refugees-measures-soundly-financed.html](http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Fiscal_policy/Articles/2015-10-01-refugees-measures-soundly-financed.html)

<sup>98</sup> Comprehensive Growth Strategy: India, G20 Australia 2014 (Brisbane) 14 November 2014. Access: 10 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_india\\_01.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_india_01.pdf)

<sup>99</sup> Fiscal Policy Strategy Statement, Union Budget of India 2015 (New Delhi) 28 February 2015. Access: 1 March 2015. <http://indiabudget.nic.in/ub2015-16/frbm/frbm3.pdf>

<sup>100</sup> Jaitley goes for growth, delays cut in fiscal deficit, Government of India (New Delhi) 28 February 2015. Access: 1 March 2015. <http://www.thehindubusinessline.com/economy/budget/jaitley-unveils-budget-for-growth-investment/article6944653.ece?homepage=true>

<sup>101</sup> Government contains fiscal deficit to 3.99% of GDP in FY15 to Rs 5.01 lakh crore: The Economic Times 31 May 2015. Access: October 10 2015. <http://economictimes.indiatimes.com/news/economy/finance/government-contains-fiscal-deficit-to-3-99-of-gdp-in-fy15-to-rs-5-01-lakh-crore/articleshow/47487908.cms>



change is the 10% increase of the states' share in the net proceeds of union tax revenues to 42%. The decentralization of revenue has “significantly constrained the Centre’s fiscal resources,” the minister was quoted as saying.<sup>102</sup>

On 30 April 2015, the government dropped the provisions aimed at setting up a PDMA on the grounds that the government lacks the experience and knowledge to undertake a task that the Reserve Bank of India (RBI) has been responsible of for years.<sup>103</sup>

The Union Budget revealed that the government of India will be implementing a Goods and Services Tax that will come into effect 1 April 2016. The Minister of State for Finance Jayant Sinha stated that the new tax will “fundamentally change the taxing power of the states, local governments and the Centre,” and through the devolution to the states, it will transform the “fiscal architecture” of the Indian government.<sup>104</sup>

On 27 February 2015, finance minister Arun Jaitley proposed to cut subsidies by 10% by focusing on eliminating “subsidy leakages, not subsidies themselves.”<sup>105</sup> On May 13 2015, the government approved a policy aimed at increasing domestic urea production by 2 million tonnes and cut subsidies by over INR48 billion (USD 740.9 million).<sup>106</sup> On 1 August 2015, as a part of Jaitley’s plan, the government put forth a plan to replace a portion of subsidies with their equivalent in cash in the bank accounts of beneficiaries, which appears to be more beneficial for target demographics.<sup>107, 108</sup>

Although India had made progress towards its fiscal sustainability, including thorough reforms to taxes and creating fiscal space for much-needed infrastructure development, it has gone back on the reforms it had implemented for those purposes. Though it has taken steps towards subsidy reform to make subsidy spending more efficient, it has cut must forms of subsidy.

Though India had, immediately following the Brisbane summit, made some progress towards its comprehensive growth strategy, it has gone back on them since then. Thus, India is awarded a score of 0.

*Analyst: Anna Bianca Roach*

## **Indonesia: 0**

Indonesia has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Indonesia has outlined the following fiscal strategies in its comprehensive growth strategy:

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<sup>102</sup> Budget 2015 not pro-rich, it has something for all: Jayant Sinha, India Times (New Delhi) 10 March 2015. Access: 1 March 2015. <http://economictimes.indiatimes.com/news/economy/policy/budget-2015-not-pro-rich-it-has-something-for-all-jayant-sinha/articleshow/46469289.cms>

<sup>103</sup> Why the govt took a U-turn on public debt office: Manojit Saha, Business Standard (Mumbai), 1 May 2015. [http://www.business-standard.com/article/economy-policy/why-the-govt-took-a-u-turn-on-public-debt-office-115050100678\\_1.html](http://www.business-standard.com/article/economy-policy/why-the-govt-took-a-u-turn-on-public-debt-office-115050100678_1.html)

<sup>104</sup> GST will transform India's fiscal architecture: Jayant Sinha, India Times (New Delhi) 5 March 2015. Access: 6 March 2015. <http://economictimes.indiatimes.com/news/economy/finance/gst-will-transform-indias-fiscal-architecture-jayant-sinha/articleshow/46468367.cms>

<sup>105</sup> FM Arun Jaitley cuts down on subsidy bill: Hindustan Times (New Delhi), 28 February 2015. <http://www.hindustantimes.com/business/fm-arun-jaitley-cuts-down-on-subsidy-bill/story-AnFEoRDVwVdiyDVHBHvNYN.html>

<sup>106</sup> Cabinet clears new urea policy, to cut subsidy by Rs 4,800 crore: The Economic Times 13 May 2015. Access: 10 October 2015. [http://articles.economictimes.indiatimes.com/2015-05-13/news/62124156\\_1\\_neem-coated-urea-urea-units-new-urea-policy](http://articles.economictimes.indiatimes.com/2015-05-13/news/62124156_1_neem-coated-urea-urea-units-new-urea-policy)

<sup>107</sup> Government planning to deduct part of subsidies and hand it over to beneficiaries to boost demand: Yogima Sharma, The Economic Times, 1 August 2015. Access: 10 October 2015. [http://articles.economictimes.indiatimes.com/2015-08-01/news/65103082\\_1\\_subsidy-transfer-direct-cash-transfer-scheme-aadhaar-database](http://articles.economictimes.indiatimes.com/2015-08-01/news/65103082_1_subsidy-transfer-direct-cash-transfer-scheme-aadhaar-database)

<sup>108</sup> Subsidy is Rs 3.77 lakh crore, targeted beneficiaries very few, dna india (New Delhi) 27 February 2015. Access: 10 October 2015. <http://www.dnaindia.com/money/report-subsidy-is-rs-377-lakh-crore-targeted-beneficiaries-very-few-2064680>

- A recognized need for sound, effective and sustainable fiscal policy
- Commitment to keep the current account deficit to a maximum of 3% of GDP through revenue optimization and improving the quality of spending
- Financing infrastructure projects to improve Indonesia's supply chain in order to drive economic growth
- Energy subsidy reform to minimize growing burden to the government budget
- Broadening its tax base and modernizing tax administration to increase government revenue.<sup>109</sup>

Effective 1 January 2015, Indonesian President Joko Widodo implemented a fixed diesel subsidy system to replace the traditional petroleum subsidy program.<sup>110</sup> Prior to this move, subsidies would comprise 13% of total expenditure in 2015 but has been reduced to as little as 1%. The government expects about IDR 200 trillion in savings from these subsidy cuts.<sup>111</sup>

On 9 January 2015, President Joko Widodo submitted a revised state budget for 2015. The draft fiscal plan increased its expenditure on infrastructure development to IDR 281.1 trillion.<sup>112</sup> The World Bank has considered a lack of adequate infrastructure to be a barrier to Indonesia's ability to improve economic growth. The President aims to improve the interconnectivity issue in Indonesia and to enhance its domestic economy with the increase in infrastructure budget.

On 13 February 2015, the Indonesian People's Representative Council approved the final version of its revised state budget 2015.<sup>113</sup> The new state budget targets higher tax revenue through tax administration reform and expanding its taxpayer base. The Indonesian government aims to introduce a tax amnesty and expects the resulting tax revenue to reduce its current budget deficit.

On 30 April 2015, the Indonesian Ministry of Finance has launched a financial management information system (FMIS) named SPAN. The system aims to facilitate the management of government spending, the preparation of a unified national budget, and the budget execution. Subsequently, FMIS will help the government to improve its transparency, efficiency, and accountability.<sup>114</sup>

On 10 July 2015, the Indonesian Government released its Third Economic Policy Package, which aims to decrease the price of oil fuel, gas, and electricity tariff for industries. The price of oil fuel will reduce from IDR 6, 900 per litre to IDR 6, 700 per litre. The price will begin from October to December 2015.<sup>115</sup>

Indonesia has eliminated petroleum subsidies and invested in improved infrastructure. However, it has not taken any action to keep its current account deficit to the self-imposed 3% maximum.

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<sup>109</sup> Comprehensive Growth Strategy: Indonesia, G20 Australia 2014 (Brisbane) 16 November 2014. Access: 2 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_indonesia1.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_indonesia1.pdf)

<sup>110</sup> Widodo Makes Biggest Change to Indonesia Fuel Subsidies: Economy, Bloomberg Business (NYC) 30 December 2014. Access: 27 February 2015. <http://www.bloomberg.com/news/articles/2014-12-31/widodo-makes-biggest-change-to-indonesias-fuel-subsidy-system>

<sup>111</sup> Budget 2015: Indonesia's revised fiscal plan envisages substantial rise in infrastructure spending, but implementation constraints remain, iHS (United States) 28 January 2015. Access: 27 February 2015. <https://www.ihs.com/country-industry-forecasting.html?ID=1065997790>

<sup>112</sup> Budget 2015: Indonesia's revised fiscal plan envisages substantial rise in infrastructure spending, but implementation constraints remain, iHS (United States) 28 January 2015. Access: 27 February 2015. <https://www.ihs.com/country-industry-forecasting.html?ID=1065997790>

<sup>113</sup> Indonesian 2015 Budget Targets Higher Revenue, The Global Business Network (Portsmouth) 19 February 2015. Access: 1 March 2015. <http://tgs-global.com/news/indonesian-2015-budget-targets-higher-revenue/>

<sup>114</sup> New Financial Management Information System at Finance Ministry to Improve Transparency, Efficiency and Accountability, Ministry of Finance Republic of Indonesia (Indonesia), 30 April 2015. Access: 9 October 2015. <http://www.kemenkeu.go.id/en/SP/new-financial-management-information-system-finance-ministry-improve-transparency-efficiency-and>

<sup>115</sup> Government Decreases Oil Fuel, Gas and Electricity Prices through 3rd Economic Policy Package, Ministry of Finance Republic of Indonesia (Indonesia) 8 October 2015. Access: 9 October 2015. <http://www.kemenkeu.go.id/en/Berita/government-decreases-oil-fuel-gas-and-electricity-prices-through-3rd-economic-policy-package>

Indonesia has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Indonesia is awarded a score of 0.

*Analyst: Freda Zhang*

## **Italy: 0**

Italy has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Italy has outlined the following fiscal strategies in its comprehensive growth strategy:

- Support recovery and raise Italy's growth rate while complying with European budgetary rules
- Adjust timeframe for convergence with Medium Term Objective from 2015 to 2017
- Implement tax reforms to promote a more equitable, transparent, simplified and growth-oriented tax system (e.g., the 2015 Stability Law)
- Streamline government spending in areas of public administration, justice system, social welfare, and privatization and dismissal of state-owned real estate.<sup>116</sup>

On 28 November 2014, the European Commission postponed its decision on whether to put Italy under a disciplinary process for failing to tackle their high and rising public debt.<sup>117</sup> Italy, along with France and Belgium, then pledged structural reforms and other fiscal steps to comply with the commission requirements.<sup>118</sup> However, the European Commission ultimately decided against penalizing Italy.<sup>119</sup>

On 30 December 2014, following results showing improvements to employment levels, Italy's Economy Minister Pier Carlo Padoan said that the "slowdown in the Italian economy had ended."<sup>120</sup> Italy's economy had not experienced a quarter of growth in the previous three years, and the government forecasted a decrease of 0.3% in economic output for 2014 followed by an increase in economic output of 0.6% for 2015. He also stated that the country's public debt, second only to Greece in the euro zone, would start to fall in 2016.<sup>121</sup>

On 2 January 2015, the Ministry of Economy and Finance announced that based on the preliminary data for the month of December, the public sector borrowing requirement in 2014 was expected to grow to EUR 76.8 billion, an increase of more than EUR 3.5 billion compared to 2013. The statement also showed an estimated surplus of EUR 5.1 billion, as compared to an estimate of EUR 15.58 billion made in December of 2013. This result is seen as a consequence of a reduction in tax receipts along with an increase in withdrawals from the treasury accounts. These withdrawals resulted from the payment of debts of the public administration, higher interest payments on the public debt, which was due to a different scheduling of deadlines, and contributions to the EU budget.<sup>122</sup>

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<sup>116</sup> Comprehensive Growth Strategy: Italy. G20 Australia 2014 (Brisbane) October 2014. Access: 22 February 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_italy.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_italy.pdf)

<sup>117</sup> EU puts off French and Italian budget rulings until March, Reuters (Brussels) 28 November 2014. Access: 26 February 2015. <http://www.reuters.com/article/2014/11/28/us-eu-budgets-idUSKCN0JC0R620141128>

<sup>118</sup> France, Italy, Belgium promise reform in letters to EU-Dombrovskis, Reuters (Brussels) 28 November 2014. Access: 26 February 2015. <http://www.reuters.com/article/2014/11/28/eu-budgets-dombrovskis-letters-idUSL6N0TI1UW20141128>

<sup>119</sup> EU gives France until 2017 to cut deficit; Italy, Belgium in clear, Reuters (Brussels) 25 February 2015. Access: 27 February 2015. <http://www.reuters.com/article/2015/02/25/us-eu-budgets-idUSKBNOLT1QU20150225>

<sup>120</sup> UPDATE 1-Slowdown in Italian economy has ended - Econmin to Corriere, Reuters (Brussels) 30 December 2014. Access: 27 February 2015. <http://www.reuters.com/article/2014/12/30/italy-economy-growth-idUSL6N0UE0C320141230>

<sup>121</sup> UPDATE 1-Slowdown in Italian economy has ended - Econmin to Corriere, Reuters (Brussels) 30 December 2014. Access: 27 February 2015. <http://www.reuters.com/article/2014/12/30/italy-economy-growth-idUSL6N0UE0C320141230>

<sup>122</sup> Fabbisogno statale 2014: 76,8 miliardi, in miglioramento di 3,5 miliardi sul 2013, Ministry of Economy and Finance (Rome) 2 January 2015. Access: 27 February 2015. [http://www.mef.gov.it/ufficio-stampa/comunicati/2015/comunicato\\_0001.html](http://www.mef.gov.it/ufficio-stampa/comunicati/2015/comunicato_0001.html)

On 19 February 2015, the Organisation for Economic Co-operation and Development (OECD) reevaluated Italy's prospective growth for 2015 from an initial 0.2% prediction made in November to 0.6%. According to the OECD, this increase would be attributed to the "European Central Bank's expansionary measures, the depreciation of the euro, the fall of oil prices, and less restrictive fiscal policies by the government."<sup>123</sup> The OECD report differed from the Italian government's prediction on the expected public debt-to-GDP ratio, stating that it would reach 132.8% for 2015 and 133.5% for 2016. As part of its recommendations, the OECD included the adoption of structural reforms to Italy's labour market and judicial systems, an increase in competition, and a simplification of the legislation as well as being combative with corruption.<sup>124</sup>

On 21 February 2015, Italy's Ministry of Economy and Finance, together with the Treasury Department, presented a document displaying the structural reforms the country had undertaken since September 2014. The document outlined the planned reforms and their implementation timetables, along with their macroeconomic impacts. The government policy measures included the Jobs Act, as part of the labour market reform, increased efficiency of the public administration, reforms to the civil justice system, deregulation of credit and improved access to capital markets, simplification of the tax system, and the reform of the educational system.<sup>125</sup> Included in the reforms to the tax system was the 2015 Stability Law, effective beginning 1 January 2015, which was aimed at reducing the tax wedge on labour and introducing fiscal incentives for firms who hired workers with open ended contracts.<sup>126</sup>

In the European Commission's Country Report on Italy, presented on 18 March 2015, the Italian economy's growth was predicted to turn positive in 2015 (but still remain below the EU average), and its debt-to-GDP ratio was set to increase. The commission stated that although Italy's fiscal adjustment measures had "helped avert immediate sustainability risks,"<sup>127</sup> high government debt still remained a heavy burden for the Italian economy and was a major source of its vulnerability. The report also highlighted Italy's efforts to considerably reduce the tax burden on labour over the past year, but emphasized that it is still high. The report concluded that Italy had made some progress in addressing the recommendations presented in 2014, however, it saw "limited, and sometimes delayed" progress in several areas.<sup>128</sup>

On 13 May 2015, the European Commission urged Italy to assist its banks on the offload of billions in bad loans and on the reform of the role of banking foundations in order to support its economic recovery. Italian banks have an estimated EUR 190 billion of non-performing loans resultant from the previous three years of recession and according to the EU, this issue has become one of Italy's most pressing economic problems.<sup>129</sup>

On 18 May 2015, the IMF increased Italy's economic forecasts for 2015 and 2016. The IMF raised the GDP growth forecast for 2015 from 0.5% to 0.7% and from 1.1% to 1.2% for 2016. Although the Fund commended the efforts of Italian Prime Minister Renzi's efforts to improve efficiency in the labour market,

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<sup>123</sup> OECD raises Italy 2015 GDP forecast to 0.6 percent, Reuters (Rome) 19 February 2015. Access: 27 February 2015. <http://www.reuters.com/article/2015/02/19/us-italy-economy-oecd-idUSKBN0LN0TN20150219>

<sup>124</sup> OECD raises Italy 2015 GDP forecast to 0.6 percent, Reuters (Rome) 19 February 2015. Access: 27 February 2015. <http://www.reuters.com/article/2015/02/19/us-italy-economy-oecd-idUSKBN0LN0TN20150219>

<sup>125</sup> 2014: A turning point for Italy: Structural reforms in Italy since September 2014. Ministry of Economy and Finance (Rome), 21 February 2015. Access: 2 April 2015. [http://www.mef.gov.it/inevidenza/documenti/riforme\\_strutturali.pdf](http://www.mef.gov.it/inevidenza/documenti/riforme_strutturali.pdf)

<sup>126</sup> 2014: A turning point for Italy: Structural reforms in Italy since September 2014, Ministry of Economy and Finance (Rome) 21 February 2015. Access: 2 April 2015. [http://www.mef.gov.it/inevidenza/documenti/riforme\\_strutturali.pdf](http://www.mef.gov.it/inevidenza/documenti/riforme_strutturali.pdf)

<sup>127</sup> Country Report Italy 2015 including an In-Depth Review on the prevention and correction of macroeconomic imbalances, European Commission (Brussels) 18 March 2015. Access: 2 April 2015. [http://ec.europa.eu/europe2020/pdf/csr2015/cr2015\\_italy\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2015/cr2015_italy_en.pdf)

<sup>128</sup> Country Report Italy 2015 including an In-Depth Review on the prevention and correction of macroeconomic imbalances, European Commission (Brussels) 18 March 2015. Access: 2 April 2015. [http://ec.europa.eu/europe2020/pdf/csr2015/cr2015\\_italy\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2015/cr2015_italy_en.pdf)

<sup>129</sup> UPDATE 1-EU asks Italy to act on bad loans by end of the year, Reuters (Rome) 13 May 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/05/13/eu-italy-badloans-idUSL5N0Y447Z20150513>

banking system, and political institutions, it called for “deeper” reforms.<sup>130</sup> Among the recommendations, the IMF stated that progress on the privatization of state owned companies had been “disappointing” and should be accelerated; a greater efficiency would contribute towards the reduction of public debt.<sup>131</sup>

On 18 September 2015, the Italian government announced a raise on GDP growth forecasts for 2015 and 2016. The updated forecasts showed a rise to 0.9% in 2015 and 1.6% in 2016, however, the debt to GDP ratio also saw a rise from 132.5% to 132.8% for 2015 and a fall to 131.4% in 2016, contrary to the previously expected 130.9%. Finance Minister Pier Padoan stated that the country’s recovery would be based on “stronger domestic demand and improved business and consumer sentiment,”<sup>132</sup> while reassuring that Italy has not slowed its efforts to reduce the debt to GDP ratio, affirming that the flexibility asked was in line with EU treaties.<sup>133</sup>

Italy has taken some steps towards the improvement of its fiscal position. Following a three-year recession, Italy’s economic prospects have shown improvements with better results on employment levels. However, Italy has failed to maintain a stable debt-to-GDP ratio, with mixed reports on possible improvements for the 2016 fiscal year. The government’s adjustment of its Medium Term Objective plan will slow the pace of fiscal reform, but is designed to ultimately generate momentum for growth in Italy’s future.

Italy has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Therefore, Italy is awarded a score of 0.

*Analyst: Artur Pereira*

## **Japan: 0**

Japan has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Japan has outlined the following fiscal strategies in its comprehensive growth strategy:

- Fiscal consolidation against a backdrop of very high public debt, in line with fiscal targets
- Halving the primary deficit-to-GDP ratio from FY2010 in FY2015 in order to achieve a primary surplus by FY2020
- Growth-oriented corporate tax reform, aimed at reducing corporate tax rates (to be offset by broadening its overall tax base)
- Increasing consumption tax to 10%, taking various economic and other situations into account.<sup>134</sup>

On 27 December 2014, the Japanese government introduced the Immediate Economic Measures for Extending Virtuous Cycles to Local Economies. This package targets vulnerable areas of the economy, with the intent (1) to stimulate consumption while considering different economic conditions among regions; (2) to revitalize local economies facing structural challenges through effective initiatives such as job creation; and

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<sup>130</sup> UPDATE 1-IMF nudges up Italy growth forecasts, calls for reforms, Reuters (Rome) 18 May 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/05/18/italy-economy-imf-idUSL5N0Y93FR20150518>

<sup>131</sup> UPDATE 1-IMF nudges up Italy growth forecasts, calls for reforms, Reuters (Rome) 18 May 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/05/18/italy-economy-imf-idUSL5N0Y93FR20150518>

<sup>132</sup> Italy Raises Its 2016 GDP Growth Target, The Wall Street Journal (Rome) 18 September 2015. Access: 11 October 2015. <http://www.wsj.com/articles/italy-raises-its-2016-gdp-growth-target-1442601305>

<sup>133</sup> Italy Raises Its 2016 GDP Growth Target, The Wall Street Journal (Rome) 18 September 2015. Access: 11 October 2015. <http://www.wsj.com/articles/italy-raises-its-2016-gdp-growth-target-1442601305>

<sup>134</sup> Comprehensive Growth Strategy: Japan, G20 Australia 2014 (Brisbane) 16 November 2014. Access: 2 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_japan.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_japan.pdf)

(3) to accelerate post-disaster recovery and other emergency responses, and reconstruction from the Great East Japan Earthquake.<sup>135</sup>

On 12 January 2015, the Japanese cabinet approved its FY2015 Budget of JPY 96.34 trillion. The FY2015 budget aimed to achieve both economic revitalization and fiscal consolidation through: (1) its economic stimulus package, (2) FY2014 supplementary budget, and (3) FY2015 tax reform. The budget signalled a JPY 2.79 trillion increase to spending from FY2014, with notable increases directed towards social security and national defence. In efforts to further reduce its debt, the government reduced bond issuance by JPY 4.4 trillion, the third consecutive decrease and lowest in six years.<sup>136</sup> The budget also indicated that Japan is on target to halve its deficit-to-GDP ratio from -6.6% (FY2010) to -3.3% by FY2015.<sup>137</sup>

On 14 January 2015, the Japanese government released the cabinet's decision on its 2015 Tax Reform. The decision highlighted corporate tax reductions from 25.5% to 23.9% in FY2015 and 23.9% in FY2016, as well as international harmonization of taxations related to cross-border transactions, such as automatic exchange of information on financial accounts held by non-residents. Lastly, the reform indicated a postponement of the consumption tax hike until 1 April 2017 after a decrease in demand following last year's consumption tax hike.<sup>138</sup>

On 12 February 2015, the cabinet released its Fiscal 2015 Economic Outlook and Basic Stance for Fiscal and Economic Management.<sup>139</sup> The document identified a modest recovery in FY2014 owing to the implementation of the administration's "three arrows" strategy, which emphasizes sound fiscal policy, bold monetary policy, and growth that promotes private investment. Despite the implementation of the Immediate Economic Measures package and an increase in social security-related costs, government spending is expected to decrease approximately 2.1% in FY2015.

On 12 February 2015, Japanese Minister of Finance Taro Aso outlined the Supplementary Budget for FY2014 at the 189rd Session of the National Diet.<sup>140</sup> The supplementary budget for FY2014 is a part of the "Immediate Economic Measures for Extending Virtuous Cycles to Local Economies," which aims to address the vulnerable areas of the Japanese economy. The budget will allocate a total of JPY 3.5059 trillion to various sections of the "Immediate Economic Measures," including: (1) Livelihood and Lifestyle Support, (2) Revitalization of Local Communities, (3) Disaster and Emergency Response, (4) Special Account for Reconstruction from the Great East Japan Earthquake, and (5) local tax grants.

On 30 June 2015, the Council on Economic and Fiscal Policy released the Basic Policy on Economic and Fiscal Management and Reform 2015.<sup>141</sup> The policy paper suggests an increase in the government's general account spending to JPY 1.6 trillion and an increase in welfare and healthcare spending to JPY 1.5 trillion over the next three years. It also sets an interim target to reduce the primary deficit to 1% of GDP in FY2018,

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<sup>135</sup> Immediate Economic Measures for Extending Virtuous Cycles to Local Economies, Ministry of Finance (Japan) 27 December 2014. Access: 25 March 2015. [http://www5.cao.go.jp/keizai1/keizaitaisaku/2014/141227\\_economic\\_measures\\_all.pdf](http://www5.cao.go.jp/keizai1/keizaitaisaku/2014/141227_economic_measures_all.pdf)

<sup>136</sup> Japan readies record \$800 billion 2015-16 budget: sources. Takaya Yamaguchi, Reuters (Tokyo) 11 January 2015. Access: 25 March 2015. <http://www.reuters.com/article/2015/01/11/us-japan-economy-budget-idUSKBN0KK08J20150111>

<sup>137</sup> Highlights of the Draft Budget for FY2015, Ministry of Finance (Japan) 14 January 2015. Access: 27 February 2015. <http://www.mof.go.jp/english/budget/budget/fy2015/01.pdf>

<sup>138</sup> FY2015 Tax Reform (Main Points), Ministry of Finance (Japan) 14 January 2015. Access: 27 February 2015. [http://www.mof.go.jp/english/tax\\_policy/tax\\_reform/fy2015/tax2015a.pdf](http://www.mof.go.jp/english/tax_policy/tax_reform/fy2015/tax2015a.pdf)

<sup>139</sup> Fiscal 2015 Economic Outlook and Basic Stance for Economic and Fiscal Management, Cabinet Office (Government of Japan) 12 February 2015. Access: 1 March 2015. <http://www5.cao.go.jp/keizai1/2015/0212mitoshi-e.pdf>

<sup>140</sup> Speech on Fiscal Policy by Minister of Finance Aso at the 189rd Session of the National Diet, Ministry of Finance (Japan) 12 February 2015. Access: 28 February 2015.

[http://www.mof.go.jp/english/public\\_relations/statement/fiscal\\_policy\\_speech/e20150212.html](http://www.mof.go.jp/english/public_relations/statement/fiscal_policy_speech/e20150212.html)

<sup>141</sup> Basic Policy on Economic and Fiscal Management and Reform 2015, Cabinet Office (Japan) 20 June 2015. Access: 11 October 2015. [http://www5.cao.go.jp/keizai-shimon/kaigi/cabinet/2015/2015\\_basicpolicies\\_en.pdf](http://www5.cao.go.jp/keizai-shimon/kaigi/cabinet/2015/2015_basicpolicies_en.pdf)

excluding debt servicing and revenues from new debt. The paper aims to serve as a blueprint of Japan's fiscal strategies in the upcoming years.<sup>142</sup>

Despite its enormous public debt, Japan has implemented some fiscal strategies flexibly and in alignment with the fiscal objectives outlined in its comprehensive growth strategy. Such measures included growth-oriented tax reforms and spending towards certain vulnerable regions of Japan's economy. Japan also appears to be on track to halve its debt-to-GDP ratio by the end of FY2015. However, it is not clear that the cost of corporate tax reforms to the Japanese government have been entirely offset by broadening of the tax base.

Japan has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Japan is awarded a score of 0.

*Analyst: Freda Zhang*

### **Korea: 0**

Korea has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

On 20 March 2015, during the 5th Ministerial Meeting on Economy, Deputy Prime Minister Choi Kyung Hwan addressed that it was crucial to pursue structural reform in the four main areas of the labor, education, financial, and public sectors without any delay. The government was planning to move up KRW3 trillion worth of spending to the first half of this year, with KRW2 trillion coming from the annual budget and the other KRW1 trillion from the leftover of the KRW46-trillion policy package.

On 7 April 2015, Korea approved the "Guidelines for FY 2016 Budget and Public Funds Management" at the Cabinet Meeting. The objectives for the 2016 Guidelines are to revive the economy and prepare for the future by strategically using fiscal resources and strengthen fiscal soundness by implementing fiscal reforms. The fiscal reform would focus on increasing budget spending efficiency and fiscal integrity by completing 10 tasks.

On 5 June 2015, Deputy Prime Minister Choi Kyung Hwan stated during an investor relations meeting in London that "the Korean economy is well prepared for external risks as its external soundness and macroeconomic performance indicators are strong," and "financial markets are stable." In terms of fiscal or monetary policies, Deputy Prime Minister addressed that "the Korean economy has enough room for additional policies given its fiscal soundness and interest rate levels," and "the government will decide on additional policies after closely reviewing development."

On 3 July 2015, the Korean government proposed a supplementary budget of around KRW12 trillion, KRW5.6 trillion to deal with revenue shortages and KRW5.6 trillion to help overcome the MERS outbreak, improve water resources management, support the working class, and stimulate local economies. The amount will reach around KRW22 trillion when taking into account other public sector expenditures including KRW3.1 trillion from the government funds.

On 22 July 2015, the Korean government announced a new round of household debt management measures that focus on reducing risks in loan agreement during the 14th Ministerial Meeting on Economy. In order to continue to improve the soundness of household debt, the government will require banks to increase capital buffers taking into consideration their household debt levels. The government will also introduce non-recourse loans as pilot programs and regularly monitor the household debt situation.

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<sup>142</sup> Japan's fiscal strategy takes flexible approach to spending curbs, Reuters (Tokyo) 22 June 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/06/22/us-japan-economy-fiscal-idUSKBN0P207120150622>

On 24 July 2015, Korea approved the 2015 supplementary budget proposal at the National Assembly with around KRW0.26 trillion cuts including a KRW0.2 trillion cut in revenue financing and a KRW0.06 trillion cut in budget expenditures. With the approved supplementary budget, total revenues were revised to increase by KRW0.2 trillion, taking into account adjustments in national tax revenues. Fiscal deficits will improve compared with the supplementary budget proposal, and national debt will fall by KRW0.3 trillion.

On 6 August 2015, the Korean government announced the 2015 tax revision bill that focuses on stimulating the economy to increase youth employment and promote consumption, supporting the working class, and pursuing fair taxation.

On 26 August 2015, the Korean government announced measures to stimulate consumption, which include: (1) temporarily cutting individual consumption tax rates by 30 per cent for the rest of the year, and automobiles and luxury consumer electronics will be applies to a 3.5 per cent tax rate instead of 5 per cent; (2) expanding Korean Grand Sale; and (3) stretching reverse mortgage loans to houses whose prices are KRW900 million or less and residential units in commercial buildings.

On 8 September 2015, the Budget Office of the Ministry of Strategy and Finance released the 2016 budget proposal. The proposal pursues economic stimulation and fiscal soundness while there will be an increase of KRW11.3 trillion of total budgets, or 3 per cent compared with the 2015 budget. Korea will spend KRW387 trillion focusing on increasing youth employment, promoting economic innovation, developing culture and service industries, and improving welfare.

On 24 September 2015, the spokesperson's office of the Ministry of Strategy and Finance released "Notes on the Korean Economy's Recent Developments and Rating Upgrade." According to the notes, the Korean government has been pursuing substantial fiscal reform to improve mid to long term fiscal soundness. Korea's ratio of national debt to GDP increases from 28.7 (2007) to 38.5 (2015 outlook). The country's public institution debt started to fall after the government began public institution reform in 2014. 8 public institutions received credit rating upgrades from Moody's.

Korea has made progress toward fiscal reform, especially focusing on tax revision. its fiscal policy has increased its national debt to GDP.

Korea has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Korea is awarded a score of 0.

*Analyst: Stella Yawen Jiang*

## **Mexico: 0**

Mexico has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of GDP on a sustainable path.

Mexico has outlined the following fiscal strategies in its Comprehensive Growth Strategies:

- Secure a downward trend of public debt through a comprehensive fiscal consolidation strategy, while anticipating public debt to GDP to peak in 2015-16.
- Continue the implementation of the National Infrastructure Program 2014-2018 (NIP) to promote economic growth through investment in infrastructure.
- Strengthen the fiscal responsibility law.
- Improve the efficiency and quality of public spending in infrastructure, health and welfare programs.<sup>143</sup>

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<sup>143</sup> Comprehensive Growth Strategy: Mexico, G20 Australia 2014 (Brisbane) October 2014. Access: 22 February 2015. [http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_mexico.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_mexico.pdf)



On 14 November 2014, the Mexican Chamber of Deputies approved the Federation's Budget Expenditures for the Fiscal Year of 2015 at MXN4.695 billion, which represented an increase of 1.6% compared to the approved budget in 2014. The government allocated MXN65.833 million to investments in road infrastructure, regional development projects in states and municipalities, infrastructure for schools in rural regions of the country, as well as social programs. The approved budget contributes to the completion of the National Goals from the National Development Plan 2013-2018, and is designed to promote structural reforms.<sup>144</sup>

On 18 November 2014, the Mexican government performed a debt issuance in the international market for a total of USD 2 billion in Global Stocks with maturity in 2025. This issuance included improvements in contracts of foreign debt following recommendations from the International Capital Market Association, the International Monetary Fund (IMF) and the G20.<sup>145</sup>

On 26 November 2014, the Secretariat of Finance and Public Credit (SHCP) and the Central Bank declared that the IMF's Executive Board had approved the renewal of the Flexible Credit Line (LCF) for Mexico. The approval of this credit line requires that the country show a sustainable trajectory of the public debt and healthy public finances, low and stable inflation expectations, a well-capitalized financial system, and effective monitoring of the financial sector.<sup>146</sup>

On 16 December 2014, the SHCP presented the Annual Financing Plan for 2015, which contained the objectives of the public credit policies for the fiscal year and the strategies necessary for its achievement. A net federal government debt of 3.1% of GDP was estimated for 2015, a decrease of 0.4% from 2014. The President's administration reaffirmed their commitment to maintaining prudent management of the public debt, emphasizing the need for macroeconomic stability, resulting from fiscal and monetary discipline, and a stable financial system that allows for long-term savings.<sup>147</sup>

The central objectives of Mexico's public debt policy, in line with the National Development Plan and the National Development Financing Program, include: addressing the federal government's financing needs with the lowest costs and risks consistent with a long-term plan, while accounting for possible extreme scenarios; preserving the diversity and access to credit in different markets; and ensuring that the public debt policy facilitates access for financing to an ample array of Mexican economic agents, both public and private.<sup>148</sup>

On 30 December 2014, the SHCP presented the results of public expenditures and the public debt for the month of November 2014. The results showed an increase in the public sector's net expenditure, and specifically an increase of 8.2% from January to November relative to the same period last year. The balance for the internal public debt saw an increase of MXN420.8 billion and the external debt increased by USD

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<sup>144</sup> SE APRUEBA PRESUPUESTO DE EGRESOS DE LA FEDERACION PARA EL EJERCICIO FISCAL DE 2015, Secretariat of Finance and Public Credit (Mexico City) 14 November 2014. Access: 26 February 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2014/noviembre/comunicado\\_098\\_2014.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2014/noviembre/comunicado_098_2014.pdf)

<sup>145</sup> El Gobierno de Mexico Introduce un Nuevo Estandar Internacional en los Contratos de Deuda Externa y Emite un Nuevo Bono de Referencia a 10 Años en Dólares, Secretariat of Finance and Public Credit (Mexico City) 18 November 2014. Access: 26 February 2015. [http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2014/noviembre/comunicado\\_100\\_2014.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2014/noviembre/comunicado_100_2014.pdf)

<sup>146</sup> El Fondo Monetario Internacional renueva la Línea de Crédito Flexible para México resaltando la fortaleza de su economía, Secretariat of Finance and Public Credit (Mexico City) 26 November 2014. Access: 26 February 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2014/noviembre/comunicado\\_103\\_2014.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2014/noviembre/comunicado_103_2014.pdf)

<sup>147</sup> LA SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO PRESENTA EL PLAN ANUAL DE FINANCIAMIENTO 2015, Secretariat of Finance and Public Credit (Mexico City) 16 December 2014. Access: 26 February 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2014/diciembre/comunicado\\_110\\_2014.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2014/diciembre/comunicado_110_2014.pdf)

<sup>148</sup> LA SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO PRESENTA EL PLAN ANUAL DE FINANCIAMIENTO 2015, Secretariat of Finance and Public Credit (Mexico City) 16 December 2014. Access: 26 February 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2014/diciembre/comunicado\\_110\\_2014.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2014/diciembre/comunicado_110_2014.pdf)

14.5 billion, both in comparison to December 2013. These results were consistent with the approved goals by the Union's Congress for the year of 2014.<sup>149</sup>

On 30 January 2015, the SHCP announced measures to demonstrate improved fiscal responsibility that will enhance the pursuit of economic stability. The announcement highlighted that the public finances were poised to handle international volatility for the year 2015, including an adjustment of the federal government's expenditures in order to deal with medium-term volatility.<sup>150</sup> This adjustment is targeted at the federal government's current expenditure, which corresponds to 65% of its total department and agency costs. The predicted adjustment to public expenditure corresponds to an increase of MXN124.3 billion, which represents 0.7% of the GDP. Included in the announcement was the statement that the government had initiated a revision of the expenditure budget for the fiscal year of 2016.<sup>151</sup>

On the same day, the SHCP also announced the results for the fourth quarter of 2014. The results showed a total public debt of MXN545 billion, 3.2% of the GDP, which was lower than the annual target approved by the Union's Congress. With these results, the debt of the Federal Public Sector amounted to 38.3% of the GDP.<sup>152</sup>

On 10 March 2015, the SHCP announced the extension of fiscal discounts for the participants of the Fiscal Regime Incorporation, created through the Fiscal Reform. These actions were aimed at improving productivity through the encouragement of business growth and formality. The fiscal discounts are targeted at small businesses and attempt to help their familiarization with the compliance to tax obligations.<sup>153</sup>

Further on 25 March 2015, the Federal Government established a fiscal stimulus package to reduce the cost of living for Mexican families through lower prices in the housing sector. The objective of the package is to reduce the cost of housing construction and consequently translate into an impulse in economic activity.<sup>154</sup>

On 30 April 2015, the SHCP published reports about the economic situation, public finance, and the public debt for the first trimester of 2015. The SHCP identified greater dynamism in the economy in 2015 compared to the end of 2014, in addition to the maintenance of public debt at moderate and stable levels of 40.9% of the GDP.<sup>155</sup>

On 21 May 2015, the National Institute for Statistics and Geography published the GDP growth of 0.4% for the first trimester of 2015 with respect to the previous trimester. The report highlighted that the growth is a

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<sup>149</sup> LAS FINANZAS PÚBLICAS Y LA DEUDA PÚBLICA A NOVIEMBRE DE 2014, Secretariat of Finance and Public Credit (Mexico City) 30 December 2014. Access: 27 February 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2014/diciembre/comunicado\\_113\\_2014.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2014/diciembre/comunicado_113_2014.pdf)

<sup>150</sup> LA SHCP ANUNCIA MEDIDAS DE RESPONSABILIDAD FISCAL PARA MANTENER LA ESTABILIDAD, Secretariat of Finance and Public Credit (Mexico City) 30 January 2015. Access: 27 February 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/enero/comunicado\\_007\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/enero/comunicado_007_2015.pdf)

<sup>151</sup> LA SHCP ANUNCIA MEDIDAS DE RESPONSABILIDAD FISCAL PARA MANTENER LA ESTABILIDAD, Secretariat of Finance and Public Credit (Mexico City) 30 January 2015. Access: 27 February 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/enero/comunicado\\_007\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/enero/comunicado_007_2015.pdf)

<sup>152</sup> INFORMES SOBRE LA SITUACIÓN ECONÓMICA, LAS FINANZAS PÚBLICAS Y LA DEUDA PÚBLICA, Secretariat of Finance and Public Credit (Mexico City) 30 January 2015. Access: 27 February 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/enero/comunicado\\_008\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/enero/comunicado_008_2015.pdf)

<sup>153</sup> EL GOBIERNO FEDERAL EXTIENDE DESCUENTOS FISCALES PARA IMPULSAR LA FORMALIDAD Y EL CRECIMIENTO, Secretariat of Finance and Public Credit (Mexico City) 10 March 2015. Access: 11 October 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/marzo/comunicado\\_018\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/marzo/comunicado_018_2015.pdf)

<sup>154</sup> EL GOBIERNO FEDERAL ESTABLECE ESTÍMULO FISCAL PARA REDUCIR EL COSTO DE LA VIVIENDA EN BENEFICIO DE LAS FAMILIAS MEXICANAS, Secretariat of Finance and Public Credit (Mexico City) 25 March 2015. Access: 11 October 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/marzo/comunicado\\_026\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/marzo/comunicado_026_2015.pdf)

<sup>155</sup> INFORMES SOBRE LA SITUACIÓN ECONÓMICA, LAS FINANZAS PÚBLICAS Y LA DEUDA PÚBLICA, Secretariat of Finance and Public Credit (Mexico City) 30 April 2015. Access: 11 October 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/abril/comunicado\\_035\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/abril/comunicado_035_2015.pdf)

reflection of a balance between the internal market and exports and has shown to be greater than recent analyst expectations. The SHCP established its estimation of GDP growth for 2015 at a range of 2.2% to 3.2%.<sup>156</sup>

As part of its Action Plan, on 15 June 2015, the Mexican government consolidated an inter-secretarial work group to achieve Mexico's adhesion to the Extractive Industries Transparency Initiative. The goal is to maintain the best international transparency standards relative to payments received by the government from the oil and mining industries. The initiative is a collaboration between the civil society and the private sector.<sup>157</sup>

On 30 July 2015, the SHCP's report on Mexico's economic situation, public finance, and public debt for the first semester of 2015 showed that the public debt increased to 42.2% of the GDP, but remained in line with the pre-determined range established by the Congress, maintaining a moderate and stable level.<sup>158</sup>

On 17 August 2015, Mexican president Enrique Peña Nieto submitted to Congress new law proposals aimed at increasing transparency and tightening controls over debt issued by states and municipalities. The proposals call for a registry where the states and municipalities will need to maintain their debt levels and financial obligations.<sup>159</sup> According to him, the proposed laws don't "prohibit states from resorting to debt, but sets out principles and guidelines so that they do it in a much more orderly and responsible way."<sup>160</sup>

Mexico has taken several steps to maintain a sustainable trajectory and to adopt measures that are necessary for a sustainable public debt ratio, however it has not taken any action to strengthen its fiscal responsibility law, as outlined in its comprehensive growth strategy.

Mexico has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Mexico is awarded a score of 0.

*Analyst: Artur Pereira*

## **Russia: +1**

Russia has fully complied with the commitment on fiscal strategies.

According to the Russian comprehensive growth strategy adopted at the Brisbane summit and the St. Petersburg fiscal template, Russia's strategy mid-term for debt sustainability provides for maintaining a low overall debt burden, moderate budget deficits and targeting increased size of fiscal buffers.<sup>161</sup>

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<sup>156</sup> EVOLUCIÓN ECONÓMICA RECIENTE Y ACTUALIZACIÓN DEL PRONÓSTICO DEL PIB, Secretariat of Finance and Public Credit (Mexico City) 21 May 2015. Access: 11 October 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/mayo/comunicado\\_037\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/mayo/comunicado_037_2015.pdf)

<sup>157</sup> EL GOBIERNO DE MÉXICO AVANZA EN MATERIA DE TRANSPARENCIA EN EL SECTOR DE LAS INDUSTRIAS EXTRACTIVAS, Secretariat of Finance and Public Credit (Mexico City) 15 June 2015. Access: 11 October 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/junio/comunicado\\_053\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/junio/comunicado_053_2015.pdf)

<sup>158</sup> INFORMES SOBRE LA SITUACIÓN ECONÓMICA, LAS FINANZAS PÚBLICAS Y LA DEUDA PÚBLICA, Secretariat of Finance and Public Credit (Mexico City) 30 July 2015. Access: 11 October 2015.

[http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2015/julio/comunicado\\_080\\_2015.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2015/julio/comunicado_080_2015.pdf)

<sup>159</sup> Mexico's Enrique Peña Nieto Submits Bill to Control State and Municipal Debt, The Wall Street Journal (Mexico City) 17 August 2015. Access: 11 October 2015. <http://www.wsj.com/articles/mexicos-enrique-pena-nieto-submits-bill-to-control-state-and-municipal-debt-1439843502>

<sup>160</sup> Mexico's Enrique Peña Nieto Submits Bill to Control State and Municipal Debt, The Wall Street Journal (Mexico City) 17 August 2015. Access: 11 October 2015. <http://www.wsj.com/articles/mexicos-enrique-pena-nieto-submits-bill-to-control-state-and-municipal-debt-1439843502>

<sup>161</sup> Comprehensive Growth Strategy: Russia, G20 Australia November 2014. Access date: 14 May 2015.

[http://g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_russia.pdf](http://g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_russia.pdf).

Russian external debt, as reported by the Bank of Russia, decreased from USD 729 billion on 1 January 2014 to USD 556 billion as of 1 July 2015.<sup>162</sup>

On 5 March 2015, Russian finance minister Anton Siluanov declared that optimization measures implemented by the government, mainly cuts in spending, allowed lowering the projections for the budget deficit in 2015 from 5.2 to 3.8% of GDP.<sup>163</sup>

On 2 October 2015, Russian finance minister informed that the budget deficit forecast for 2015 had been lowered to 3% of GDP.<sup>164</sup>

The minister also mentioned that by the end of 2015 financial authorities plan to spend more than RUB3 trillion from the RUB5 billion Reserve Fund. However, to address this increase in fiscal buffers, the government started developing measures aimed at achieving the balanced federal budget by 2016-2017 and increasing the volume of the Reserve Fund later on.<sup>165</sup>

During the compliance period Russia has not managed to achieve all its fiscal targets provided for by the comprehensive growth strategy adopted at the G20 Brisbane summit. At the same time, it has taken measures to accommodate its fiscal policies following the recent economic shock caused by the fall in oil prices and exchange rates volatility. Thus, Russia is given a score of +1.

*Analyst: Andrey Shelepov*

### **Saudi Arabia: 0**

Saudi Arabia has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of GDP on a sustainable path.

Saudi Arabia has outlined the following fiscal strategies in its comprehensive growth strategy:

- Increase public spending in order to stimulate economic activity through investment in increasing production capacities to enhance supply, as well as increasing government consumption
- Increase non-oil public revenue from 10.1% in 2014 to 13.9% in 2019
- Continue to increase the capital of government credit institutions in line with demand for loans
- Manage budget surplus in a manner that achieves high and growing economic return.<sup>166</sup>

Given its already low debt-to-GDP ratio, 1.6% in 2014,<sup>167</sup> the Saudi government put forth no changes to policies relating to its public debt over the medium term.<sup>168</sup>

On 17 November 2014, Saudi Arabia's Finance Minister Ibrahim Alassaf stated that, despite the downward trend in oil prices, there would be no direct impact on Saudi Arabia's budget for the 2015 fiscal year, as "the

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<sup>162</sup> Russian external debt estimates as of 1 April 2015, Bank of Russia April 2015. Access date: 22 October 2015.

[http://cbr.ru/statistics/credit\\_statistics/debt/debt\\_new.xlsx](http://cbr.ru/statistics/credit_statistics/debt/debt_new.xlsx).

<sup>163</sup> Speech of the Russian finance minister Anton Siluanov at the briefing following the government's meeting, Russian Ministry of Finance 5 March 2015. Access date: 14 May 2015. [http://www.minfin.ru/ru/press-center/?id\\_4=33107](http://www.minfin.ru/ru/press-center/?id_4=33107).

<sup>164</sup> Interview of the Russian Finance Minister Anton Siluanov to the RBC newspaper, Russian Ministry of FINANCE 2 October 2015. Access date: 22 October 2015. [http://www.minfin.ru/ru/press-center/?id\\_4=33254&area\\_id=4&page\\_id=2119&popup=Y](http://www.minfin.ru/ru/press-center/?id_4=33254&area_id=4&page_id=2119&popup=Y)

<sup>165</sup> Speech of the Russian finance minister Anton Siluanov at the briefing following the government's meeting, Russian Ministry of Finance 5 March 2015. Access date: 14 May 2015. [http://www.minfin.ru/ru/press-center/?id\\_4=33107](http://www.minfin.ru/ru/press-center/?id_4=33107).

<sup>166</sup> Comprehensive Growth Strategy: Kingdom of Saudi Arabia, G20 Australia 2014 (Brisbane) November 2014. Access: 28 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_saudi\\_arabia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_saudi_arabia.pdf)

<sup>167</sup> Gulf economies well positioned to cope with lower oil prices, Arab News (Riyadh) 23 February 2015. Access: 12 March 2015. <http://www.arabnews.com/economy/news/708336>

<sup>168</sup> Comprehensive Growth Strategy: Kingdom of Saudi Arabia, G20 Australia 2014 (Brisbane) November 2014. Access: 28 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_saudi\\_arabia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_saudi_arabia.pdf)

kingdom has always been keen on building its budgets on estimates that take all possibilities into consideration.”<sup>169</sup>

On 17 December 2014, Allassaf said that the Kingdom’s countercyclical fiscal policy for the previous years, which allowed Saudi Arabia to build net foreign assets totalling USD 734 billion when oil prices were high, would assist in the maintenance of the development projects and social benefits for 2015.<sup>170</sup> The focus of the investment programs would be targeted at infrastructure, education, health, security, social services, municipal services, water and water treatment services, roads and highways, with emphasis on science and technology projects, as stated in the 2015 National Budget.<sup>171</sup>

On 25 December 2014, Saudi Arabia announced it would be lifting state spending for the 2015 budget to SAR860 billion, a record high, which corresponded to an increase of 0.6% from the SAR855 billion 2014 budget, the smallest increase in over a decade. The projected revenues would drop to SAR715 billion on 2015 from SAR855 billion for the previous year. The government stated that the deficit would be covered by its fiscal reserves<sup>172</sup> and on 26 December 2014, Finance Minister Ibrahim Allassaf stated that some borrowing from the domestic financial market would also be considered.<sup>173</sup>

The Ministry of Finance’s statement about the national budget for 2015 also pointed towards a decline in public debt from SAR60.1 billion at the end of 2013, to SAR44.3 billion by the end of 2014, this value represented approximately 1.6% of the GDP for the 2014 fiscal year.<sup>174</sup>

Furthermore, on the national budget statement, according to the Saudi Arabian Monetary Agency (SAMA), total exports were estimated to be of USD 359.6 billion, a 4.4% decrease from 2013, while total imports were estimated to be USD 150.4 billion, a 2.6% decrease as compared to 2013. This accounted for a trade balance surplus of USD 210.3 billion, a 5.6% decline from 2013.<sup>175</sup>

On 9 February 2015, Standard & Poor’s lowered Saudi Arabia’s economic outlook from “stable” to “negative” as a result of plummeting oil prices. The agency stated that the change is resultant from the country’s dependence on the oil sector, an estimated 90% of its government revenue,<sup>176</sup> and its undiversifiable nature.<sup>177</sup>

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<sup>169</sup> No direct impact on Saudi budget from oil slide -minister, Reuters (Riyadh) 17 November 2014. Access: 12 March 2015. <http://www.reuters.com/article/2014/11/17/saudi-budget-oil-idUSL6N0T714520141117>

<sup>170</sup> Saudi Arabia to keep spending in 2015 budget: finance minister, Reuters (Riyadh) 17 December 2014. Access: 12 March 2015. <http://www.reuters.com/article/2014/12/17/us-saudi-finmin-budget-idUSKBN0JVORC20141217>

<sup>171</sup> Press Release: Recent Economic Developments and Highlights of Fiscal Years 1435/1436 (2014) & 1436/1437 (2015), Ministry of Finance (Riyadh) 25 December 2014. Access: 12 March 2015. <https://www.mof.gov.sa/English/DownloadsCenter/Budget/Ministry's%20of%20Finance%20statment%20about%20the%20national%20budget%20for%202015.pdf>

<sup>172</sup> Saudis to keep spending heavily in 2015 budget, shrug off oil plunge, Reuters (Riyadh) 25 December 2014. Access: 12 March 2015. <http://www.reuters.com/article/2014/12/25/saudi-budget-idUSL6N0U90AZ20141225>

<sup>173</sup> Saudi ministry to discuss deficit financing with central bank, Reuters (Riyadh) 26 December 2014. Access: 12 March 2015. <http://www.reuters.com/article/2014/12/26/saudi-budget-financing-idUSL6N0UA04720141226>

<sup>174</sup> Press Release: Recent Economic Developments and Highlights of Fiscal Years 1435/1436 (2014) & 1436/1437 (2015), Ministry of Finance (Riyadh) 25 December 2014. Access: 12 March 2015. <https://www.mof.gov.sa/English/DownloadsCenter/Budget/Ministry's%20of%20Finance%20statment%20about%20the%20national%20budget%20for%202015.pdf>

<sup>175</sup> Press Release: Recent Economic Developments and Highlights of Fiscal Years 1435/1436 (2014) & 1436/1437 (2015), Ministry of Finance (Riyadh) 25 December 2014. Access: 12 March 2015. <https://www.mof.gov.sa/English/DownloadsCenter/Budget/Ministry's%20of%20Finance%20statment%20about%20the%20national%20budget%20for%202015.pdf>

<sup>176</sup> Saudi set for tighter 2015 budget after oil price falls, Reuters (Riyadh) 2 December 2014. Access: 12 March 2015. <http://www.reuters.com/article/2014/12/02/saudi-budget-idUSL6N0TL1MI20141202>

<sup>177</sup> S&P lowers outlook on Saudi Arabia due to plunge in oil prices, Reuters (Riyadh) 9 February 2015. Access: 12 March 2015. <http://www.reuters.com/article/2015/02/09/saudi-sp-idUSL4N0VJ61C20150209>

On 10 February 2015, SAMA's Governor Fahad Al-Mubarak stated that a reform was needed to the system of subsidies that the government provided to the energy and water system. Although the governor gave no indication that the Saudi government had plans for concrete action, he stated, "One of the existing challenges is enhancing the efficiency of the local consumption of energy and water, which resulted in distortion and a large waste of those important resources in addition to increasing the financial burdens on the government."<sup>178</sup>

On 7 March 2015, an announcement revealed that SAMA's foreign reserve assets had increased by USD 2 billion, reaching USD 730 billion in January. This increase followed consecutive decreases for the previous four months. This volatility was related to a "fall in oil export revenues, while government spending was kept at an elevated level," according to Jadwa Investment economists.<sup>179</sup>

On 2 June 2015, the IMF raised its forecast for GDP growth for Saudi Arabia, although a bigger budget deficit was predicted. GDP was projected to grow 3.5% in 2015, up from the previously projected 3%, the same as the growth for 2014. However, the growth would slow to 2.7% in 2016 as state expenditure began to slow as it adjusts to an environment of lower oil prices. The fiscal deficit was expected to be of 20% of the GDP, up from 14.2% previously forecasted, the biggest deficit since 1999.<sup>180</sup> According to the IMF, "a sizeable fiscal policy consolidation will be needed over the next few years to put the deficit on a gradual but firm downward path."<sup>181</sup>

Additionally, on 9 September 2015, the IMF urged Saudi Arabia to reduce its domestic energy subsidies and its public sector wage bill as a result from the fall of oil prices. Despite record low oil prices, Saudi Arabia government spending saw increases as a result from bonus salary payments following the king's accession to power in January.<sup>182</sup> The Fund stated that although the country had high level of reserves and low public debt, it should take steps now in order to control spending via economic reforms. Among the recommended actions were higher domestic energy prices, long-term deflation of the civil service, increase in non-oil related revenues, and private sector reforms.<sup>183</sup>

Given a successful countercyclical strategy on previous years, the Saudi government has accumulated large fiscal reserves that enable it to maintain its trend towards investments that enable domestic growth. However, given the country's dependency on the oil sector, coupled with the plummeting of prices, there is a need to weaken their fiscal position through deficits in public spending in order to maintain the desired levels of investments.

Saudi Arabia has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Saudi Arabia is awarded a score of 0.

*Analyst: Artur Pereira*

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<sup>178</sup> SAMA chief calls for energy subsidy reform, Arab News (Jeddah) 10 February 2015. Access: 12 March 2015. <http://www.arabnews.com/news/701941>

<sup>179</sup> Rebound in oil prices to boost Saudi export revenues, Arab News (Jeddah) 7 March 2015. Access: 12 March 2015. <http://www.arabnews.com/economy/news/715071>

<sup>180</sup> IMF lifts outlook for Saudi GDP, sees bigger budget gap this year, Reuters (Dubai) 2 June 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/06/02/saudi-imf-growth-idUSL5N0Y00A920150602>

<sup>181</sup> IMF lifts outlook for Saudi GDP, sees bigger budget gap this year, Reuters (Dubai) 2 June 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/06/02/saudi-imf-growth-idUSL5N0Y00A920150602>

<sup>182</sup> IMF urges Saudi action on domestic energy prices and wage bill, Reuters (Riyadh) 9 September 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/09/09/saudi-imf-idUSL5N11F3CN20150909>

<sup>183</sup> IMF urges Saudi action on domestic energy prices and wage bill, Reuters (Riyadh) 9 September 2015. Access: 11 October 2015. <http://www.reuters.com/article/2015/09/09/saudi-imf-idUSL5N11F3CN20150909>

## South Africa: –1

South Africa has not complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of GDP on a sustainable path.

South Africa has outlined the following fiscal strategies in their comprehensive growth strategy:

- Reducing infrastructure constraints through public investments
- Pursuing countercyclical policy by providing support to economic recovery while reducing the budget deficit over the medium term
- Stabilizing debt-to-GDP ratio over the medium term
- Issuing cost containment guidelines to apply to public sector institutions at the national and provincial levels.<sup>184</sup>

On 25 February 2015, the South African government unveiled ZAR35 billion in new taxes and spending cuts.<sup>185</sup> The plan aims in part to reinvigorate a failing power system, which has dragged down growth and deterred investors.

In the budget announcement, Finance Minister Nhlanhla Nene stood by a pledge to keep the deficit at 3.9% of GDP in the fiscal year and narrow it to 2.5% by 2018.<sup>186</sup> To do so while upholding South Africa's welfare programs, Nene announced higher taxes on fuel, which adds about 8% to the price of gas.<sup>187</sup> The package also includes a 1% increase in income tax for those earning more than ZAR182,000, representing the first increase since 1995.<sup>188</sup>

However, these measures totalling a net ZAR8.2 billion for the current fiscal year appear to fall short of the treasury's commitment to raise revenue by ZAR27 billion over the next two years.<sup>189</sup> As a result, the treasury expects fiscal debt-to-GDP ratio to increase from 46.2% in FY2015 to 47.6% in FY2018.<sup>190</sup>

Though South Africa has committed to major infrastructure investments, its current fiscal strategy to finance such programs raises concern among rating agencies. Some have even lowered the country's credit rating, which is now close to junk status.<sup>191</sup> The National Treasury plans to limit borrowing for FY2015-2016 to appease credit rating agencies and to avoid a further downgrade.<sup>192</sup>

South Africa has made no progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, South Africa is awarded a score of –1.

*Analyst: Steven Lampert*

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<sup>184</sup> Comprehensive Growth Strategy: South Africa, G20 Australia 2014 (Brisbane) November 2014. Access: 28 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_south\\_africa.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_south_africa.pdf)

<sup>185</sup> South Africa Announces \$3 Billion in New Taxes, Spending Cuts, The Wall Street Journal (Pretoria) 25 February 2015. Access: 27 February 2015. <http://www.wsj.com/articles/south-africa-announces-3-billion-in-new-taxes-spending-cuts-1424868889>.

<sup>186</sup> 2015 Budget Speech, National Treasury (Pretoria) 25 February 2015. Access: 27 February 2015. <http://www.treasury.gov.za/documents/national%20budget/2015/speech/speech.pdf>.

<sup>187</sup> South Africa Announces \$3 Billion in New Taxes, Spending Cuts, The Wall Street Journal (Pretoria) 25 February 2015. Access: 27 February 2015. <http://www.wsj.com/articles/south-africa-announces-3-billion-in-new-taxes-spending-cuts-1424868889>.

<sup>188</sup> South Africa raises income tax rates for first time in 20 years in gloomy budget, Reuters (Cape Town) 25 February 2015. Access: 27 February 2015. <http://www.reuters.com/article/2015/02/25/safrica-budget-idUSL5NOVZ3BO20150225>.

<sup>189</sup> South African Budget Shows Persistent Fiscal Challenges, Reuters (London) 26 February 2015. Access: 27 February 2015. <http://www.reuters.com/article/2015/02/26/idUSFit91540620150226>.

<sup>190</sup> South African Budget Shows Persistent Fiscal Challenges, Reuters (London) 26 February 2015. Access: 27 February 2015. <http://www.reuters.com/article/2015/02/26/idUSFit91540620150226>.

<sup>191</sup> South Africa Announces \$3 Billion in New Taxes, Spending Cuts, The Wall Street Journal (Pretoria) 25 February 2015. Access: 27 February 2015. <http://www.wsj.com/articles/south-africa-announces-3-billion-in-new-taxes-spending-cuts-1424868889>.

<sup>192</sup> South Africa's Treasury says weak growth a threat to fiscal outlook, Reuters (Africa) 13 October 2015. Access: 13 October 2015. <http://af.reuters.com/article/investingNews/idAFKCN0S71TL20151013>.

## Turkey: 0

Turkey has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of GDP on a sustainable path.

Turkey has outlined the following fiscal strategies in its comprehensive growth strategy:

- Improving public infrastructure
- Maintain positive primary balances and declining debt to GSP ratios
- Implementing cost-benefit analysis for government service procurement
- Enhancing technology and innovation<sup>193</sup>

On 25 March 2015, Science, Industry, and Technology Minister Fikri Işık announced that there will be direct incentives of TRY1.5 billion for research and development projects. The aim is to transform Turkey into a production and research and development hub. Minister Fikri Işık said that the hope is to attract companies to develop new products in Turkey's research and development facilities.<sup>194</sup>

On 23 March 2015, the Turkish Finance Ministry announced it will not charge value added tax to innovators or software developers so long as the companies sell, rent, or transfer their products or ownership rights. Approximately 50 per cent of earnings from the transactions will be exempt from corporate and income taxes.<sup>195</sup>

On 20 February 2015, President Sir Suma Chakrabarti of the European Bank for Reconstruction and Development announced that it has been investing in Turkish companies' innovative works with the aim of making them more competitive in the global market. The banks have been investing in research and development projects and the European Bank for Reconstruction and Development is continuing to provide funds to Turkey's innovative companies.<sup>196</sup>

On 5 September 2015, Deputy Prime Minister Cevdet Yılmaz and Secretary-General Angel Gurría of the Organization for Economic Cooperation and Development presented newly revised G20 Principles of Corporate Governance. Deputy Prime Minister Cevdet Yılmaz announced at the presentation that more transparency, accountability, and effective corporate governance are the demands of rational investors.<sup>197</sup>

On 4 December 2014, Turkish Deputy Prime Minister Ali Babacan announced that the government will implement a new phase of transparency reforms. The construction industry is one of the main targeted sectors. The plan will help with improving competition and fairness in the construction sector amid concerns about corruption, a priority of the G20 countries.<sup>198</sup>

On 30 August 2015, the Central Bank of the Republic of Turkey raised the reserve ratio on short-term hard currency borrowing to encourage the banks borrow on a longer-term basis and bring more stability to a

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<sup>193</sup> Comprehensive Growth Strategy – Turkey, G20 Australia (Brisbane) 15-16 November 2014. Access: 28 February 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_turkey.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_turkey.pdf)

<sup>194</sup> Turkey to offer direct incentives for R&D operations, Hurriyet Daily News (Istanbul) 26 March 2015. Access: 10 October 2015.

<http://www.hurriyetdailynews.com/turkey-to-offer-direct-incentives-for-rd-operations.aspx?pageID=238&nID=80228&NewsCatID=344>

<sup>195</sup> Turkish Finance Ministry eases tax conditions for innovators, Hurriyet Daily News (Istanbul) 23 March 2015. Access: 11 October 2015. <http://www.hurriyetdailynews.com/turkish-finance-ministry-eases-tax-conditions-for-innovators.aspx?pageID=238&nID=80069&NewsCatID=344>

<sup>196</sup> EBRD invests in innovation in Turkey, Hurriyet Daily News (Istanbul) 20 February 2015. Access: 10 October 2015.

<http://www.hurriyetdailynews.com/ebrd-invests-in-innovation-in-turkey-.aspx?pageID=238&nID=78622&NewsCatID=344>

<sup>197</sup> Turkey presents G20/OECD Corporate Governance Principles, Hurriyet Daily News (Istanbul) 05 September 2015. Access: 11 October 2015.

<sup>198</sup> Turkish gov't to announce new transparency reforms: Deputy PM Babacan, Hurriyet Daily News (Istanbul) 4 December 2014. Access: 28 February 2014.



domestic currency market that has been volatile. Limits on foreign exchange transactions that banks conduct with the Central Bank were also implemented in order to increase foreign exchange liquidity.<sup>199</sup>

On 18 December 2014, the Government of Turkey introduced a comprehensive action plan to help boost the economy's growth. Turkey's year-on-year GDP grew by only 1.7% in the third quarter of 2014, which was significantly below the expected 3%. Key objectives of the plan include: "increasing domestic savings at the national level, preventing wastefulness, rationalizing public expenditure, raising the quality of public revenue, improving the business and investment climate, and developing statistical information on infrastructure."<sup>200</sup>

On 16 July 2015, Turkey and Malaysia announced a free trade agreement. There will be a 70 per cent elimination on tariffs. After eight years, duties will be reduced or eliminated for almost 86 per cent of tariff lines. Iron and steel will have import duties phased-out in stages within an eight-year period. All existing duties ranging from 20 to 30 per cent on textiles and apparel and footwear will also be eliminated. In 2014 total trade between Malaysia and Turkey amounted to USD 969 million, Malaysia's exports to Turkey were USD 752 million and imports from Turkey were USD 217 million.<sup>201</sup>

On 4 February 2015, Turkey and Finland signed a Joint Economic and Trade Committee agreement to boost trade and investment. Turkey wants to attract USD 300 million worth of foreign direct investment over the next decade. Both countries agree that cooperation between their small and medium-sized businesses is key to increasing investments and trade.<sup>202</sup>

On 18 February 2015, new budget figures indicated that the government's tax income increased by 6.6% to TRY34.8 billion. This increase was attributed to higher revenues from indirect taxes such as added value taxes, up by 19.2%, and consumption taxes, up by 16.7%. The income from consumption tax on cigarettes also surged to TRY3.3 billion, a 37% increase compared to the same month last year.<sup>203</sup>

Turkey has made progress in promoting competitiveness, innovation and healthy streams of government income. However, it is unclear whether this will reduce its debt-to-GDP ratio.

Turkey has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, Turkey is awarded a score of 0.

*Analyst: Creed Atkinson*

## **United Kingdom: 0**

The United Kingdom has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of GDP on a sustainable path.

The UK has outlined the following fiscal strategies in its comprehensive growth strategy:

- Deficit reduction
- Financial system reform

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<sup>199</sup> Turkish central bank hikes reserve ratio for short-term forex borrowing, Hurriyet Daily News (Istanbul) 30 August 2015. Access: 11 October 2015.

<sup>200</sup> Turkey's new economic action plans urge savings, Hurriyet Daily News (Istanbul) 18 December 2015. Access: 28 February 2014.

<sup>201</sup> Malaysia, Turkey set to boost trade with new deal, Hurriyet Daily News (Istanbul) 17 July 2015. Access: 11 October 2015.

<sup>202</sup> Turkey, Finland sign Joint Economic and Trade Committee agreement, Hurriyet Daily News (Istanbul) 4 February 2015. Access: 28 February 2014.

<sup>203</sup> Income from indirect taxes fuels Turkey's budget, Hurriyet Daily News (Istanbul) 18 February 2015. Access: 28 February 2014. <http://www.hurriyetdailynews.com/income-from-indirect-taxes-fuels-turkeys-budget.aspx?pageID=238&nID=78477&NewsCatID=344>

- Continued infrastructure investment
- Investment support for small and medium enterprises
- Ensure public debt on a sustainable, downward path.<sup>204</sup>
- On 12 October 2015, the Chancellor of the Exchequer, George Osborne, published an updated Charter for Budget Responsibility. Chancellor Osborne described the purpose of the Charter in his Summer Budget 2015 speech. “While we move from deficit to surplus, this Charter commits us to keeping debt falling as a share of GDP each and every year– and to achieving that budget surplus by 2019-20.”<sup>205</sup>
- Fiscal mandates in previous Charters targeted returning the cyclically adjusted current budget to balance (CACB) over a rolling period (initially five years, then reduced to three). Since then, the government has made significant progress on fiscal consolidation, having decreased CACB from its peak of 4.8% of GDP in 2009-10 to 2.4% in 2014-15. CACB of 0.3% is forecast for 2017-18. The UK is therefore forecast to meet its previous fiscal deficit reduction targets one year earlier than expected.

However, Chancellor Osborne said the UK is unlikely to meet its commitment to putting debt-to-GDP levels on a declining path by 2015-16. The ratio is expected to peak at 81.1% this fiscal year. The revised Charter for Budget Responsibility set a new target for debt to be falling as a percentage of GDP in 2016-17.<sup>206</sup>

In order to meet the new debt-to-GDP targets, the government has identified that additional tax increases or spending cuts of around GBP 37 billion must be made. The Conservative government, having been elected to a majority government in May, plans to make these budget adjustments through a combination of reducing welfare spending, squeezing departmental budgets, and cracking down on tax avoidance. Consolidation has already been announced worth GBP 17 billion: GBP 12 billion from welfare reform and GBP 5 billion from measures to address tax avoidance and planning, evasion and compliance, and imbalances in the tax system, with further measures to be announced.<sup>207</sup>

Chancellor Osborne reinforced the UK’s commitment to reducing its debt-to-GDP ratio to the Economic Club of New York on 15 December 2014, and at the OECD’s biennial Economic Survey of the UK press conference on 24 February 2015. Although Chancellor Osborne’s plans took a setback after public borrowing rose and tax receipts stalled in August, the pattern of monthly year-on-year falls has since resumed and the overall trend has been improving since April.<sup>208</sup>

By successfully reducing its fiscal deficit, the UK has caused its debt-to-GDP ratio to begin falling, but the high level of debt still raises concern. However, as not all the spending cuts to reverse this trend have been implemented, the UK has not yet completely complied with its growth strategy commitments.

The United Kingdom has made good progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, the United Kingdom is awarded a score of 0.

*Analyst: Steven Lampert*

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<sup>204</sup> Comprehensive Growth Strategy: United Kingdom, G20 Australia 2014 (Brisbane) November 2014. Access: 28 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_united\\_kingdom.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_united_kingdom.pdf)

<sup>205</sup> Updated Charter for Budget Responsibility, HM Treasury (London) 15 December 2014. Access: 26 February 2015. <https://www.gov.uk/government/news/updated-charter-for-budget-responsibility>

<sup>206</sup> Updated Charter for Budget Responsibility, HM Treasury (London) 15 December 2014. Access: 26 February 2015. <https://www.gov.uk/government/news/updated-charter-for-budget-responsibility>

<sup>207</sup> David Cameron warns of ‘legacy of debt’, BBC News UK Edition (London) 12 January 2015. Access: 27 February 2015. <http://www.bbc.com/news/uk-30773974>

<sup>208</sup> Osborne’s deficit plans suffer setback as UK borrowing rises and tax receipts stall, The Telegraph (London) 22 September 2015. Access: 10 October 2015. <http://www.telegraph.co.uk/finance/economics/11881672/Osbornes-deficit-plans-suffer-setback-as-UK-borrowing-rises-and-tax-receipts-stall.html>

## United States: 0

The United States has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of GDP on a sustainable path.

The United States outlined the following fiscal strategies in its comprehensive growth strategy:

- Deficit reduction over the medium-term to 2.1% of the economy by the ten-year budget window.
- Put debt-to-GDP ratio on a declining path.<sup>209</sup>

On 26 January 2015, the Congressional Budget Office (CBO) released its annual 10-year fiscal forecast. The report indicated some positive trends for US fiscal sustainability. The cost of healthcare reform, once projected to be USD 710 billion between 2015-2019, is now slated at USD 571 billion, representing a 20% reduction.<sup>210</sup>

On 2 February 2015, President Barack Obama unveiled his USD 4 trillion FY2016 budget request.<sup>211</sup> The plan — which has yet to be approved — is consistent with the country's growth strategy objectives. The White House intends for the budget to “end the harmful spending cuts known as sequestration” implemented in 2011.<sup>212</sup> This is possible given the government's estimated USD 1.8 trillion in new revenues and almost USD 400 billion in spending reductions.<sup>213</sup> The new revenue and cost cuts are reflected in the aforementioned healthcare savings as well as a proposed 4.2% increase in the capital gains tax for couples earning over USD 500,000.<sup>214</sup>

The government intends to use the additional money to finance certain new programs, such as a USD 478 billion package to repair public infrastructure and a USD 75 billion initiative to provide all children under four years old from low-income families with access to “high quality” preschool.<sup>215</sup>

The budget has yet to be approved by Congress. On 28 September 2015, Republican and Democrat Senators voted to advance a temporary spending measure, known as a continuing resolution, that would fund the federal government at FY2015 budget levels through 11 December 2015.<sup>216</sup>

The impact of the proposed budget on the debt-to-GDP ratio is unclear. The government claims the ratio will level towards 73% by 2025, representing a modest 1% decrease from 2014.<sup>217</sup> The CBO disagrees with

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<sup>209</sup> Comprehensive Growth Strategy: United States, G20 Summit (Australia) 30 November 2014. Access: 25 February 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_united\\_states.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_united_states.pdf)

<sup>210</sup> The Budget and Economic Outlook: 2015 to 2025, Congressional Budget Office (Washington) 26 January 2015. Access: 26 February 2015. <http://www.cbo.gov/sites/default/files/cbofiles/attachments/49892-Outlook2015.pdf>

<sup>211</sup> Fiscal Year 2016 Budget of the U.S. Government, Office of Management and Budget (Washington) 2 February 2015. Access: 25 February 2015. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf>

<sup>212</sup> Fiscal Year 2016 Budget of the U.S. Government, Office of Management and Budget (Washington) 2 February 2015. Access: 25 February 2015. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf>

<sup>213</sup> Fiscal Year 2016 Budget of the U.S. Government, Office of Management and Budget (Washington) 2 February 2015. Access: 25 February 2015. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf>

<sup>214</sup> Fiscal Year 2016 Budget of the U.S. Government, Office of Management and Budget (Washington) 2 February 2015. Access: 25 February 2015. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf>

<sup>215</sup> Fiscal Year 2016 Budget of the U.S. Government, Office of Management and Budget (Washington) 2 February 2015. Access: 25 February 2015. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf>

<sup>216</sup> Spending Bill Passes, Averting a Shutdown, New York Times (NYC) 30 September 2015. Access: 7 October 2015. Access: <http://www.nytimes.com/2015/10/01/us/politics/government-shutdown-congress.html>

<sup>217</sup> Press Briefing by Senior Administration Officials on the President's FY2016 Budget, Office of the Press Secretary (Washington) 2 February 2015. Access: 25 February 2015. <http://www.whitehouse.gov/the-press-office/2015/02/02/press-briefing-senior-administration-officials-presidents-fy2016-budget>

this projection and believes the ratio will rise “to nearly 79 per cent of GDP” by 2025.<sup>218</sup> The outcome may depend on future interest rate levels, which have yet to rise despite speculation.<sup>219</sup>

Moody’s maintained the United States’ Triple-A rating, but noted potential long-term threats to its score. The rating agency expressed concern over rising spending on social programs.<sup>220</sup>

While the United States has taken some steps to see through the flexible fiscal strategies outlined in its growth strategy, it remains unclear whether the country will uphold its commitment to decreasing its debt-to-GDP ratio.

Thus, the United States is awarded a score of 0.

*Analyst: Steven Lampert*

### **European Union: 0**

The European Union has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

The European Union outlined the following fiscal strategies in its comprehensive growth strategy:

- Pursue growth-friendly fiscal consolidation according to each member’s fiscal situation, including a mix of expenditure cuts and revenue measures
- Increase efficiency of public expenditure and maintain an adequate level of productive public investment
- Introduce tax reforms to make the tax system fairer and more efficient
- Coordinate member states’ fiscal policies to ensure medium-term objectives.<sup>221</sup>

On 28 November 2014 the European Commission released its Annual Growth Survey 2015 outlining the key features of its growth agenda. The survey called for an integrated approach to growth using three pillars: 1) a coordinated boost to investment; 2) a renewed commitment to structural reforms; and 3) pursuit of fiscal responsibility.<sup>222</sup> The outcome of the Growth Survey reflects the EU’s commitment towards its comprehensive growth strategy.

In conjunction with the Annual Growth Survey 2015, the commission announced a EUR 315 billion investment plan on 26 November 2014 titled the European Fund for Strategic Investments (EFSI).<sup>223</sup> The EFSI is meant to increase both public and private investments over the next three years, particularly towards strategic investments to propel Europe towards growth once again. On 13 January 2015 The European Commission adopted the EFSI’s legislative proposal. They then reached a political agreement regarding the Regulation for the EFSI on 28 May 2015, which was approved by EU Finance Ministers on 19 June 2015 and

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<sup>218</sup> The Budget and Economic Outlook: 2015 to 2025, Congressional Budget Office (Washington) 26 January 2015. Access: 26 February 2015. <http://www.cbo.gov/sites/default/files/cbofiles/attachments/49892-Outlook2015.pdf>.

<sup>219</sup> The Debt Non-Spiral, New York Times (NYC) 27 January 2015. Access: 26 February 2015. <http://krugman.blogs.nytimes.com/2015/01/27/the-debt-non-spiral/>

<sup>220</sup> Moody’s Backs Triple-A Rating on U.S. But Warns on Social Spending, Wall Street Journal 7 October 2015. Access: 7 October 2015. <http://www.wsj.com/articles/moodys-backs-triple-a-rating-on-u-s-but-warns-on-social-spending-1444226512>.

<sup>221</sup> Comprehensive Growth Strategy: European Union (Brisbane) October 2014. Access: 1 March 2015. [http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_european\\_union.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_european_union.pdf)

<sup>222</sup> Annual Growth Survey 2015, European Commission (Brussels) 28 November 2014. Access: 1 March 2015. [http://ec.europa.eu/europe2020/pdf/2015/ags2015\\_en.pdf](http://ec.europa.eu/europe2020/pdf/2015/ags2015_en.pdf)

<sup>223</sup> EU Launches Investment Offensive to Boost Jobs and Growth, European Commission (Strasbourg) 26 November 2014. Access: 1 March 2015. [http://europa.eu/rapid/press-release\\_IP-14-2128\\_en.htm](http://europa.eu/rapid/press-release_IP-14-2128_en.htm)

voted in favour of by the European Parliament plenary on 24 June 2015.<sup>224</sup> This move should contribute to an increased efficiency of public expenditure.

On 18 February 2015 the commission signalled its commitment to fighting tax avoidance and aggressive tax planning. The College of Commissioners outlined possible ways to make taxation more fair and transparent. On 18 March 2015, the European Commission introduced the Tax Transparency Package — a proposal to exchange tax ruling information between Member States automatically.<sup>225</sup> It was also the first step towards their corporate tax avoidance agenda. On 17 June 2015 the European Commission presented their Action Plan to reform corporate taxation in order to “tackle tax avoidance, secure sustainable revenues and strengthen the Single Market for business.”<sup>226</sup> These tax reforms should help to increase tax revenues for the member states.

The commission continues to assess the draft budgetary plans of EU member states in order to identify those that are at risk of non-compliance with the Stability Growth Pact. The 2015 Draft Budgetary Plan summarizes the draft budgets that governments submit to national parliaments and provides policy advice to those states. Through the draft budgetary plans the commission is trying to improve economic policy coordination within the EU.<sup>227</sup> Non-compliance requires a country’s deficit to be above 3% of GDP or for it to have a general government debt more than 60% of GDP, while not declining at a satisfactory pace.<sup>228</sup> The most recent assessment, on 13 May 2015, identified eight countries (Croatia, Cyprus, France, Greece, Ireland, Portugal and Spain) as having “ongoing excessive deficit procedures,” two countries in consideration of changing previous procedures (the UK and Finland), two countries (Malta and Poland) as broadly compliant and 16 countries as being fully compliant with “no excessive deficit procedure.”<sup>229</sup> It is important to note the movement of Malta and Poland to broadly compliant, as their Excessive Deficit Procedures were closed by the Commission in May. Further is the Commission’s decision to recommend that the UK correct its present excessive deficit by 2016-2017 the latest, as they feel the UK has not taken effective action in response to previous recommendations.<sup>230</sup>

On 13 January 2015 the commission provided further guidance on the use of the Stability and Growth Pact’s flexibility. It recognized the need for rules that are flexible to be applied over time and across countries. The commission is left with some discretion to assess public finances and recommend actions so that countries can have fiscal policies that are more growth-friendly.<sup>231</sup>

On 26 February 2015, the commission presented the economic surveillance package outlining its analysis of members’ fiscal situations and updating its guidance towards fiscal policy for members. On 13 May 2015, the commission released their assessment of member states and their country-specific policy recommendations

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<sup>224</sup> The European Fund for Strategic Investments (EFSI), European Commission (Brussels) Access: 7 October 2015. [http://ec.europa.eu/priorities/jobs-growth-investment/plan/efsi/index\\_en.htm](http://ec.europa.eu/priorities/jobs-growth-investment/plan/efsi/index_en.htm)

<sup>225</sup> Transparency and the fight against tax avoidance, European Commission (Brussels) Access: 7 October 2015. [http://ec.europa.eu/taxation\\_customs/taxation/company\\_tax/transparency/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/company_tax/transparency/index_en.htm)

<sup>226</sup> Commission presents Action Plan for Fair and Efficient Corporate Taxation in the EU, European Commission (Brussels) 17 June 2015. Access: 7 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5188\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5188_en.htm)

<sup>227</sup> 2015 Draft Budgetary Plans: Overall Assessment, European Commission (Brussels) 28 November 2014. Access: 1 March 2015. [http://ec.europa.eu/economy\\_finance/economic\\_governance/sgp/pdf/dbp/2014/communication\\_to\\_euro\\_area\\_member\\_states\\_2014\\_dbp\\_en.pdf](http://ec.europa.eu/economy_finance/economic_governance/sgp/pdf/dbp/2014/communication_to_euro_area_member_states_2014_dbp_en.pdf)

<sup>228</sup> European Semester 2015: Country-Specific Updates, European Commission (Brussels) 26 February 2015. Access: 1 March 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-4511\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-4511_en.htm)

<sup>229</sup> Country-specific recommendations 2015: Further efforts needed to support robust recovery, European Commission (Brussels) 13 May 2015. Access: 7 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-4975\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-15-4975_en.htm?locale=en)

<sup>230</sup> Decisions under the Stability and Growth Pact, European Commission (Brussels) 13 May 2015. Access: 7 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-4971\\_en.htm?locale=en](http://europa.eu/rapid/press-release_MEMO-15-4971_en.htm?locale=en)

<sup>231</sup> Stability and Growth Pact: Commission Issues Guidance to Encourage Structural Reforms and Investment, European Commission (Strasbourg) 13 January 2015. Access: 1 March 2015. [http://europa.eu/rapid/press-release\\_IP-15-3220\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3220_en.htm)

for 2015 and 2016.<sup>232</sup> These recommendations are meant to aid member states in maintaining sound public finances while boosting their economies.

On 9 December 2014 the 2015 EU budget was approved by the council, stating an increase in total payments for tackling the large scale of unpaid bills being offset by additional revenue from areas like fine collection and financial surplus from previous years.<sup>233</sup> Further, the Winter Economic Forecast indicated that the economies of all EU members are expected to grow this year for the first time since 2007, along with a reduction in general government deficits continuing and deficit-to-GDP ratios forecasted to continue falling over the next two years.<sup>234</sup> On 27 May 2015, The Commission proposed a draft 2016 EU budget to focus on the recovery of the European economy through investment measures that stimulate growth, employment and competitiveness.<sup>235</sup>

On 22 June 2015, The Five Presidents released a report outlining short and long term goals to improve the macroeconomic situation in the EU. In the short term they suggested the creation of an advisory European Fiscal Board in order to coordinate and compliment the fiscal councils already existing. In the longer term, they propose a Common Macroeconomic Stabilisation function to better cushion for large macroeconomic shocks which cannot be managed at the national level alone.<sup>236</sup>

The EU has made progress towards implementing fiscal policies consistent with its stated economic growth objectives in government spending and tax reform. Additionally, the debt-to-GDP ratios of members are forecasted to continue to fall. However, these forecasts are based on member states implementing EU fiscal recommendations, which has been inconsistent across those states.

The European Union has made some progress towards implementing the fiscal policy measures stated in its comprehensive growth strategy. Thus, the European Union is awarded a score of 0.

*Analyst: Rebecca Patrick*

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<sup>232</sup> Country-specific recommendations 2015: Further efforts needed to support robust recovery, European Commission (Brussels) 13 May 2015. Access: 7 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-4975\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-15-4975_en.htm?locale=en)

<sup>233</sup> EU Budget 2015 Gets Council Approval, Council of the European Union (Brussels) 9 December 2014. Access: 1 March 2015. [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ecofin/146122.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/146122.pdf)

<sup>234</sup> Winter Economic Forecast: Outlook Improved but Risks Remain, European Commission (Brussels) 5 February 2015. Access: 1 March 2015. [http://europa.eu/rapid/press-release\\_IP-15-4085\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4085_en.htm)

<sup>235</sup> Commission proposes draft EU budget 2016: focus on jobs, growth, migration and global action, European Commission (Brussels) 27 May 2015. Access: 7 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5046\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5046_en.htm)

<sup>236</sup> Five Presidents' Report sets out plan for strengthening Europe's Economics and Monetary Union as of 1 July 2015, European Commission (Brussels) 22 June 2015. Access: 7 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5240\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-15-5240_en.htm?locale=en)

## 2. Macroeconomics: Investment

“We are working to facilitate long-term financing from institutional investors ... particularly for small and medium-sized enterprises.”

*G20 Brisbane Leaders' Communiqué*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina		0	
Australia			+1
Brazil	-1		
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia	-1		
South Africa		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.70	

### Background

At the meeting in Moscow on 15-16 February 2013, the Organisation for Economic Co-operation and Development (OECD) presented a report on the Role of Banks, Equity Markets and Institutional Investors in Long-Term Financing for Growth and Development. The report highlights the importance of long-term finance in satisfying long-term physical investment needs across all sectors and the high potential of institutional investors (such as pension funds and insurance companies).<sup>237</sup> At this meeting, the G20 leaders established a Study Group on Financing for Investment.

At the G20 Saint Petersburg summit in September 2013, the G20 leaders endorsed the G20/OECD High-Level Principles on Long-Term Investment Financing by Institutional Investors. The eight principles are (1) preconditions for long-term investment, (2) development of institutional investors and long-term savings, (3) governance of institutional investors, remuneration and asset management delegation, (4) financial regulation, valuation and tax treatment, (5) financing vehicles and support for long-term investment and collaboration among institutional investors, (6) investment restrictions, (7) information sharing and disclosure, and (8) financial education, awareness and consumer protection. G20 leaders called on the OECD and other interested participants to identify approaches for their implementation by the next summit.

<sup>237</sup> The Role of Banks, Equity Markets and Institutional Investors in Long-Term Financing for Growth and Development, OECD (Paris) 2013. Access: 3 April 2015. <http://www.oecd.org/daf/fin/private-pensions/G20reportLTFinancingForGrowthRussianPresidency2013.pdf>

On 15-16 November 2014, at the Brisbane Summit, the G20 leaders committed to “facilitate long-term financing from institutional investors and to encourage market sources of finance, including transparent securitisation, particularly for small and medium-sized enterprises.” The Report on Effective Approaches to Support Implementation of the G20/OECD High-Level Principles on Long-term Investment Financing by Institutional Investors was presented at the Brisbane Summit. To reflect the high priority placed on this issue by the 2014 G20 Australian presidency, the study group has been upgraded to a Working Group on Investment and Infrastructure.

### Commitment Features

The commitment requires G20 members to take measures to establish conditions that are favourable for institutional investors and to support the long-term financing needs of small and medium-sized enterprises (SMEs). The commitment focuses on improving domestic investment and financing climates, with emphasis on “the voluntary implementation of the G20/OECD High-Level Principles of Long-Term Investment Financing by Institutional Investor.”

Positive actions for creating enabling conditions for institutional investors are outlined in the G20/OECD High Level Principles on Long-Term Investment Financing by Institutional Investors. The report outlines six principles: (1) preconditions for long-term investments, (2) development of institutional investors and long-term savings, (3) governance of institutional investors, remuneration and asset management delegation, (4) financial regulation, valuation and tax treatment, (5) financing vehicles and support for long-term investment and collaboration among institutional investors, and (6) information sharing and disclosure.<sup>238</sup>

Positive actions for supporting the long-term financing needs of small and medium-size enterprises are also outlined in the G20/OECD report. Common effective approaches include designing flexible regulatory regimes governing institutional investors; offering an array of tailored assistance measures (e.g. expert advice, training programs and consulting); providing guarantees on loans to small businesses and/or preferential tax rates for small businesses. Innovative effective approaches include establishing a public investment fund; establishing special vehicles to provide tax concessions for registered venture capital funds; offering exemptions on capital gains on qualified small business; and simplifying the legal framework governing commercial paper.<sup>239</sup>

Thus, to achieve full compliance with this commitment the G20 member must take actions to both improve market and regulatory conditions for institutional investors, including those supporting the long-term financing needs of small and medium-sized enterprises (SMEs).

### Scoring Guidelines

-1	Member takes no steps to facilitate long-term financing from institutional investors.
0	Member takes steps to facilitate long-term financing from institutional investors that do not directly address the financial needs of SMEs.
+1	Member takes steps to facilitate long-term financing from institutional investors, including those that address SMEs financial needs.

*Lead Analyst: Justice M. Durland*

<sup>238</sup> Report on Effective Approaches to Support Implementation of the G20/OECD High-Level Principles on Long-Term Investment Financing by Institutional Investors, OECD (Paris) 2014. Access: 3 April 2015. <https://g20.org/wp-content/uploads/2014/12/7.1%20G20-OECD%20Report%20on%20Effective%20Approaches%20to%20Support%20Implementation%20of%20the%20G20-OECD%20High-Level%20Principles.pdf>

<sup>239</sup> Report on Effective Approaches to Support Implementation of the G20/OECD High-Level Principles on Long-Term Investment Financing by Institutional Investors, OECD (Paris) 2014. Access: 3 April 2015. <https://g20.org/wp-content/uploads/2014/12/7.1%20G20-OECD%20Report%20on%20Effective%20Approaches%20to%20Support%20Implementation%20of%20the%20G20-OECD%20High-Level%20Principles.pdf>



## **Argentina: 0**

Argentina has partially complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 3 September 2014, Argentina's Poverty Reduction Program took steps to strengthen awareness of SME assistance policies.<sup>240</sup> The program primarily targeted employment, rather than access to credit, for SMEs.

On 30 October 2014, Argentina's congress approved a new hydrocarbons law to establish a regulatory framework intended to accelerate investment in the country's shale resources. The law aimed to simplify investment standards and streamline processes for the oil industry.<sup>241</sup>

On 4 February 2015, Argentina took steps to increase foreign investment by signing a package of 22 agreements with Chinese leader Xi Jinping.<sup>242</sup>

On 9 February 2015, Argentina's Central Bank announced that it would gradually increase authorizations handed out to importers for dollar purchases. Few changes have been implemented following previous announcements in 2014 that the government would begin to normalize its currency exchange market.<sup>243</sup>

On 1 June 2015, Argentina announced it would not negotiate with U.S. hedge funds suing over unpaid debt as long as the firms persisted to harass the country.<sup>244</sup>

Argentina has taken limited action to facilitate long-term financing from institutional investors, particularly for SMEs. Thus, Argentina is awarded a score of 0.

*Analyst: Christopher Villegas-Cho*

## **Australia: +1**

Australia has complied its commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 8 October 2014, Australia's Export Finance and Insurance Corporation (Efic) announced that it would refocus on increasing its capacity to finance SMEs seeking to capitalize on global trade opportunities.<sup>245</sup>

On 6 December 2014, Government Affairs and Public Policy released a report entitled "A Deregulation Plan for Australian SMEs." This report contributes to ongoing efforts by the Australian government to make financing for SMEs more accessible.<sup>246</sup>

On 4 February 2015, the NSW government launched Australia's first Social Impact Investment Policy as part of a bold new approach to providing long-term social and economic benefits.<sup>247</sup>

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<sup>240</sup> Employment Plan 2014 Argentina, G20 (Cancún) December 2014. Access: 15 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_argentina-.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_argentina-.pdf)

<sup>241</sup> Why Investors Shouldn't Overlook Argentina's Energy Reforms, Oil Price 30 October 2014. Access: 15 March 2015. <http://oilprice.com/Energy/General/Why-Investors-Shouldnt-Overlook-Argentinas-Energy-Reforms.html>

<sup>242</sup> Argentina Moves Towards Marriage of Convenience with China, IPS News (Buenos Aires) 23 February 2015. Access: 1 March 2015. <http://www.ipsnews.net/2015/02/argentina-moves-towards-marriage-of-convenience-with-china/>

<sup>243</sup> Argentina to Ease currency Controls for Importers- Central Bank, Reuters (Buenos Aires) 9 February 2015. Access: 12 October 2015. <http://www.reuters.com/article/2015/02/09/argentina-imports-idUSL5N0VJ4I520150209>

<sup>244</sup> Argentina says no debt negotiations while 'attacks' continue, Reuters (Buenos Aires) 1 June 2015. Access: 12 October 2015. <http://www.reuters.com/article/2015/06/02/argentina-debt-idUSL1N0YN2R520150602>

<sup>245</sup> Efics Renewed Focus on SMEs to Boost Jobs and Growth, Australian Government (Canberra) 9 October 2014. Access: 15 March 2015. <http://www.efic.gov.au/news-room/latest-news/2014/october/efics-renewed-focus-on-smes-to-boost-jobs-and-growth/>

<sup>246</sup> Deregulation Plan for Australian SMEs, Australian Government Affairs and Public Policy (Canberra) December 2014. Access: 15 March 2015. <http://business.nab.com.au/wp-content/uploads/2014/12/nabs-deregulation-plan-for-australian-smes-december-2014-.pdf>

On 30 April 2015, Australian Treasurer Hon Joe Hockey announced “Approval was given for \$167.4 billion of proposed investment in 2013-14. This represented a 23.4 per cent increase on the \$135.7 billion approved in 2012-13. Foreign investment is critical to the Australian economy. We welcome all foreign investment that is not contrary to our national interests”<sup>248</sup>

On 20 August 2015, Hockey described the foreign investment reform package; “By granting new compliance powers to the Australian Taxation Office (ATO), and additional powers to the Foreign Investment Review Board (FIRB), the Government is ensuring that Australians can have confidence that our foreign investment framework will be effectively enforced. The package delivers a robust and enforceable regulatory framework and provides a predictable and welcoming environment for investors”<sup>249</sup>

Thus, Australia has been awarded a score of +1 for the commitment to facilitate long term financing from institutional investors, particularly for SMEs.

*Analyst: Jose Isla*

### **Brazil: -1**

Brazil has not complied with the commitment to facilitate long term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 17 February 2015, Brazilian Minister of Communication Ricardo Berzoini announced the creation of broadband synergies between the public and private sectors, with the intention to “create an environment where companies can invest larger sums of money and get medium and long-term paybacks.”<sup>250</sup>

On 24 February 2015, Moody’s cut the rating of Petrobras, a semi-public multinational energy corporation, to Ba2, two levels below investment grade. The downgrade reflected concerns over scandals and liquidity pressures. Most large institutional investors are only able to put money into investment grade securities.<sup>251</sup>

On 26 February 2015, the Presidential Palace announced an immediate cut on federal spending until the end of April, including on work projects such as the Belo Monte hydroelectric dam.<sup>252</sup>

On 31 March 2015, Brazilian Finance Minister Joaquim Levy highlighted the importance of long-term investment, stating “If we want to avoid a crisis, we must treat investments as an important issue. If there’s a risk of losing the investment rating, costs will skyrocket for the government and the companies that will no longer be capable of getting [cheaper] credit and [generating jobs].”<sup>253</sup>

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<sup>247</sup> NSW Delivers Australia’s First Social Impact Investment Policy, Media Release, Australian Government (Canberra) 4 February 2015. Access: 15 March 2015. <https://www.nsw.gov.au/media-releases-premier/nsw-delivers-australias-first-social-impact-investment-policy>

<sup>248</sup> Australian treasurer, Hon. Joe Hockey speech on Investment (Sydney) 30th April 2015. Access: October 3<sup>rd</sup>, 2015 <http://jbh.ministers.treasury.gov.au/media-release/032-2015/>

<sup>249</sup> Australian treasurer, Hon. Joe Hockey speech on Investment framework. (Sydney) 20th August 2015. Access: October 3<sup>rd</sup>, 2015 <http://jbh.ministers.treasury.gov.au/speech/026-2015/>

<sup>250</sup> Brazilian government promises major broadband investment, ZD Net 17 February 2015. Access: February 26, 2015. <http://www.zdnet.com/article/brazilian-government-promises-major-broadband-investment/>

<sup>251</sup> Investment atmosphere in Brazil touched by scandal, Bloomberg 24 February 2015. Access: February 26, 2015. <http://www.bloomberg.com/news/articles/2015-02-25/petrobras-downgraded-to-junk-by-moody-s-amid-graft-probe>

<sup>252</sup> Brazil Government Starts Making Cuts, Raise Taxes, Forbes 27 February 2015. Access: 15 March 2015. <http://www.forbes.com/sites/kenrapoza/2015/02/27/brazil-government-starts-making-cuts-raises-taxes/>

<sup>253</sup> Brazilian Finance Minister explains the importance of investment to senate. March 31st 2014. Access: October 3rd 2015. <http://agenciabrasil.ebc.com.br/en/economia/noticia/2015-03/economic-adjustment-aims-ensure-new-growth-cycle-finance-minister-says>

On 5 May 2015, Ambassador José Alfredo Graça Lima, Under-Secretary-General of Brazil's Foreign Ministry, announced that the governments of Brazil and China will sign investment agreements worth \$53.3 billion, with close to \$50 billion is for new projects.<sup>254</sup>

On 10 September 2015, S&P downgraded Brazil to “junk” credit rating. TAG Investimento analyst Andre Leite noted, “If another rating agency also lowers Brazil, then very probably we’re going to see institutional investors obliged to pull their money out.”<sup>255</sup>

Thus, Brazil is awarded –1 for the commitment to improve measures towards long term financing from institutional investors, particularly for SMEs.

*Analyst: Jose Isla*

### **Canada: +1**

Canada has fully complied with the commitment to facilitate long-term investment from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 18 November 2014, Canadian Finance Minister Joe Oliver announced investment in Kensington Venture Fund as the next step in the government of Canada's Venture Capital Action Plan (VCAP). The government of Canada contributed CAD 53 million alongside CAD 107 million from institutional, corporate, and individual investors.<sup>256</sup>

On 22 January 2015, Prime Minister Stephen Harper announced intent to make changes to the Canada Small Business Financing Program to allow more small businesses to apply and to make larger loans available for small business to purchase or improve land or buildings.<sup>257</sup>

On 30 January 2015, Statistics Canada announced that a comprehensive survey on Small and Medium Enterprises would be released in fall 2015. This survey will provide concrete data for identifying the needs of SMES in Canada.<sup>258</sup>

On February 3, 2015, a spokesperson for Canada's Minister of Transport confirmed that the Government was leading a major public-private partnership in the construction in the new \$3.65 billion USD bridge between Windsor and Detroit.<sup>259</sup>

On 6 February 2015, the Government of Canada publicly promoted Canada's stable investment climate for institutional investors. It highlighted that Canada's overall tax on new business investment is the lowest of all G7 members at 17%.<sup>260</sup>

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<sup>254</sup> Brazil and China to sign \$53 billion investment agreement. May 5, 2015. Access: October 3, 2015.

[http://investimentos.mdic.gov.br/noticia/conteudo/sq\\_noticia/581](http://investimentos.mdic.gov.br/noticia/conteudo/sq_noticia/581).

<sup>255</sup> Brazil cut to “junk” credit rating by S&P September 10 2015. Access: October 3 2015. <http://www.bbc.com/news/business-34205558>.

<sup>256</sup> Government of Canada Helps to Create Jobs and Growth With Investment in New Venture Capital Fund of Funds, Department of Finance, Government of Canada (Ottawa) 18 November 2014. Access: 10 March 2015. <http://www.fin.gc.ca/n14/14-163-eng.asp>.

<sup>257</sup> <http://www.pm.gc.ca/eng/news/2015/01/22/pm-announces-improved-access-financing-canadian-small-businesses>

<sup>258</sup> Survey on Financing and Growth of Small and Medium Enterprises, Statistics Canada (Ottawa) 30 January 2015. Access: 28 February 2015. <http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=2941>.

<sup>259</sup> US, Canada will tap private sector funds to build customs plaza, The Wall Street Journal (New York City), 3 February 2015. Access: 28 February 2015. <http://www.wsj.com/articles/u-s-canada-will-tap-private-sector-funds-to-build-customs-plaza-1423014158>.

<sup>260</sup> Why Invest in Canada? The Canadian Trade Commissioner Service (Ottawa) 6 February 2015. Access: 28 February 2015. <http://www.international.gc.ca/investors-investisseurs/avantage-avantage/avantage-avantage.aspx?lang=eng>.

In the 2015-2016 fiscal year, Canada's Small Business Job Credit will take effect. This measure will apply to "EI premiums paid by small businesses" and is "expected to save small employers more than \$550 million over 2015 and 2016."<sup>261</sup>

On 21 April 2015, the Conservative Government released the 2015 budget, which introduced new measures to support SMEs. These measures include reducing taxes further for small businesses; improving access to financing for Canadian small businesses; expanding services of the Business Development Bank of Canada and Export Development Canada to help small and medium-sized enterprises; increasing access to venture capital financing to help innovative, high-growth companies grow and create jobs; providing \$14 million over two years to Futurpreneur Canada in support of young entrepreneurs; and supporting the Action Plan for Women Entrepreneurs to help women business owners succeed.<sup>262</sup>

The 2015 budget also included measures to reduce red tape for SMEs, such as reducing the frequency of remittances for the smallest new employers and launching the planning and preparation required for federal adoption of the Business Number as a Common Business Identifier.<sup>263</sup>

During the compliance period, Canada has taken actions to improve the conditions for institutional investors and to support the long-term financing needs of SMEs. Thus, Canada has been awarded a score of +1.

*Analyst: Elise Belzil*

### **China: +1**

China has fully complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 8 November 2014, President Xi announced the establishment of the Silk Road Fund endowed with USD 40 billion, jointly sponsored by official foreign exchange reserves, China Investment Corporation, the Export-Import Bank of China, and the China Development Bank. The fund will make medium- and long-term investment in the fields of infrastructure, resource development, and industrial and financial cooperation with a focus on providing financing and investment services along the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road.<sup>264</sup>

On 11 December 2014, leaders in China concluded the three-day Central Economic Work Conference.<sup>265</sup> The conference recognized the importance of emerging industries, service industry, and small and micro businesses.<sup>266</sup>

On 23 January 2015, the People's Bank of China (PBC) released the "Notice on Improving the Policy on Credit Policy Supporting Central Bank Lending to Support the Lending to the Agricultural Sector, Rural Areas and Farmers, and Small and Micro Enterprises." The purpose of the notice is to "improve the terms and conditions of agro-supporting and small and micro enterprises supporting central bank lending, to clarify the quantitative and interest rate standards of financial institutions providing agricultural-related and small and micro enterprise loans with funds provided by agro-supporting and small and micro enterprises

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<sup>261</sup> Backgrounder: The Small Business Job Credit, Department of Finance (Ottawa), 11 September 2014. Access: 28 February 2015. [http://www.fin.gc.ca/n14/data/14-120\\_1-eng.asp](http://www.fin.gc.ca/n14/data/14-120_1-eng.asp).

<sup>262</sup> The Budget in Brief 2015 (Ottawa) 21 April 2015. Access: 10 October 2015. <http://www.budget.gc.ca/2015/docs/bb/brief-bref-eng.html>.

<sup>263</sup> The Budget in Brief 2015 (Ottawa) 21 April 2015. Access: 10 October 2015. <http://www.budget.gc.ca/2015/docs/bb/brief-bref-eng.html>.

<sup>264</sup> China to Establish \$40 Billion Silk Road Infrastructure Fund, Reuters (Beijing) 8 November 2014. Access: 4 October 2015. <http://www.reuters.com/article/2014/11/08/us-china-diplomacy-idUSKBN0IS0BQ20141108>.

<sup>265</sup> Highlights of China's Central Economic Work Conference, Xinhua Net News 11 December 2014. Access: 1 March 2014. [http://news.xinhuanet.com/english/china/2014-12/11/c\\_133848763.htm](http://news.xinhuanet.com/english/china/2014-12/11/c_133848763.htm).

<sup>266</sup> 9 Interpretations of China's Central Economic Work Conference in 2014, CCTV.com 12 December 2014. Access: 1 March 2015. <http://english.cntv.cn/2014/12/12/ART11418377771846609.shtml>.

supporting central bank loans, and to enhance assessment and monitoring of the effect of central bank lending.”<sup>267</sup> As a result, the quota of credit policy supporting central bank lending is increased by RMB 30 billion for small and micro enterprise financing.<sup>268</sup>

On 5 February 2015, the PBC announced a decision to cut the renminbi deposit required reserve ratio for financial institutions by 0.5%. In addition, the PBC cut the reserve ratio for city commercial banks and non-country level rural commercial banks that have met the reduction by an additional 0.5% and cut the required reserve ratio for the Agricultural Development Bank of China by 4%, which will—in part—enhance the capacity of financial institutions to support small and micro enterprises.<sup>269</sup>

On 28 February 2015, the PBC cut the loan interest rate and the deposit interest rate to 5.35% and 2.5% respectively.<sup>270</sup> This followed the cuts on 22 November 2014, which reduced RMB benchmark loan interest rate from 6% to 5.6% and cut deposit interest rate for financial institutions from 3% to 2.75%.<sup>271</sup> These interest rate cuts sought to “lower social financing costs and provide a modest monetary environment to facilitate economic restructuring.”<sup>272</sup>

On 29 June 2015, 57 countries signed the articles of agreement for the Asian Infrastructure Investment Bank (AIIB) in Beijing. This multilateral development bank is a China-led initiative to improve infrastructure throughout Asia and is part of the “One Belt, One Road” initiative.<sup>273</sup>

On 23 August 2015, China allowed local government managed pension funds to invest in the stock market for the first time. The State Council’s website states that the pension funds can invest up to 30 per cent of their net assets in domestic stocks, equity funds and balanced funds. Monet-market instruments, asset-backed securities, index futures, bond futures, and major infrastructure projects can also be the target for the investment.<sup>274</sup>

On 1 September 2015, China’s cabinet announced that it would relax requirement for fixed-asset investments, and it would establish a 60 billion yuan national development fund for SMEs.<sup>275</sup>

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<sup>267</sup> The PBC Increases Quota of Credit Policy Supporting Central Bank Lending to Support Agro-Supporting Loans and Lending to Small and Micro Enterprises, International Business Television (Beijing) 28 January 2015. Access: 4 October 2015. <http://en.ibtv.cc/index.php?m=article&a=index&id=10521>.

<sup>268</sup> The PBC Increases Quota of Credit Policy Supporting Central Bank Lending to Support Agro-Supporting Loans and Lending to Small and Micro Enterprises, International Business Television (Beijing) 28 January 2015. Access: 4 October 2015. <http://en.ibtv.cc/index.php?m=article&a=index&id=10521>.

<sup>269</sup> PBC Decides to Cut Required Reserve Ratio for All Financial Institutions and to Provide Targeted Required Reserve Ratio Cut for Selected Institutions, HighBeam Research (Beijing) 5 February 2015. Access: 4 October 2015. <http://www.highbeam.com/doc/1G1-400285882.html>.

<sup>270</sup> China cuts interest rates to lower financing costs, CCTV.com 28 February 2015. Access: 1 March 2015. <http://english.cntv.cn/2015/02/28/ARTI1425122192578487.shtml>.

<sup>271</sup> PBC Decides to Cut RMB Benchmark Loan and Deposit Interest Rates and Expand Interest Rate Floating Range, the People’s Shanghai Housing Provident Fund Website 21 November 2014. Access: 4 October 2015. <http://www.spfmc.com/html/en/news/75901.html>.

<sup>272</sup> China cuts interest rates to lower financing costs, CCTV.com 28 February 2015. Access: 1 March 2015. <http://english.cntv.cn/2015/02/28/ARTI1425122192578487.shtml>.

<sup>273</sup> The Asia Infrastructure Investment Bank, Lexology (Asia-Pacific) 7 October 2015. Access: 10 October 2015. <http://www.lexology.com/library/detail.aspx?g=c80ad5ec-db31-4a5e-891a-ab9a63595bc5>.

<sup>274</sup> China gives pension funds access to stock market, the Globe and Mail (Shanghai) 23 August 2015. Access: 10 October 2015. <http://www.theglobeandmail.com/report-on-business/international-business/asian-pacific-business/china-gives-pension-funds-access-to-stock-market/article26066035/>.

<sup>275</sup> China to relax investment rules and set up development fund for SMEs, South China Morning Post (Beijing) 1 September 2015. Access: 10 October 2015. <http://www.scmp.com/news/china/policies-politics/article/1854506/china-relax-investment-rules-and-set-development-fund>.

On 8 October, the China Insurance Regulatory Commission (CIRC) appointed a senior executive at one of China's leading insurance company to launch a 300 billion yuan fund to facilitate infrastructure development projects including those linked to the "One Belt, One Road" initiatives.<sup>276</sup>

China has taken measures to facilitate long-term financing from institutional investors, particularly for SMEs. Thus, China is awarded a score of +1.

*Analyst: Wenjie (Shirley) Wu*

### **France: +1**

France has fully complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 24 October 2014, the government published a report entitled "Effort Financier de L'État en Faveur des Petites et Moyennes Entreprises" attached to the 2015 Budget Bill. The report commented on the state of SME financing in France.<sup>277</sup>

In January 2015, President Francois Hollande announced a plan to "lower taxes and spur employment." This series of tax cuts for businesses is called the "Responsibility Pact."<sup>278</sup> In the pact, President Hollande promised to "ease payroll taxes by up to €40 billion by 2017 if businesses would hire more workers."<sup>279</sup>

On 19 February 2015, French Prime Minister Manuel Valls pushed through a new pro-business bill through Parliament, by decree. Passing a bill by decree involves "passing it through the lower house, without a vote, using Constitutional Article 49-3." This bill aims to "free up France's stringent labour rules to invigorate hiring and investment."<sup>280</sup> The bill also includes over "200 deregulatory measures."<sup>281</sup>

In May 2015, the Government of France released its National Reform Program and outlined targeted measures to support the long-term financing needs of SMEs. These measures include the "Competitiveness and Employment Tax Credit (CICE)," which along with the "Responsibility Pact" amounts to a "\$40 billion reduction in taxation and labour contributions by 2017."<sup>282</sup>

The Reform Program also outlined measures to "simplify administrative formalities for businesses" by "reducing the time-frame for the issue of planning permission to five months," "simplifying access for SMEs to the 20,000 public tenders organized by the government every year," implementing "100% online administrative procedures, including a single digital ID for all the administrative procedures of individuals," and implementing a "single permit for environmental authorizations."<sup>283</sup>

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<sup>276</sup> Taikang executive 'picked to set up belt and road fund', Caixin Online 8 October 2015. Access: 10 October 2015.

<http://english.caixin.com/2015-10-08/100860775.html>.

<sup>277</sup> Effort Financier de L'état en Faveur des Petites et Moyennes Entreprises, Government of France (Paris) 2015. Access: 15 March 2015.[http://www.performance-publique.budget.gouv.fr/sites/performance\\_publique/files/farandole/ressources/2015/pap/pdf/jaunes/jaune2015\\_PME.pdf](http://www.performance-publique.budget.gouv.fr/sites/performance_publique/files/farandole/ressources/2015/pap/pdf/jaunes/jaune2015_PME.pdf)

<sup>278</sup> Boost for France as jobless figures fall, The Local (Paris) 26 February 2015. Access: 28 February 2015.

<http://www.thelocal.fr/20150226/boost-for-france-as-jobless-figures-fall>.

<sup>279</sup> French Government survives no confidence vote, France 24 (Paris) 20 February 2015. Access: 28 February 2015.

<http://www.france24.com/en/20150219-valls-macron-france-economic-reform-no-confidence-vote-national-assembly/>.

<sup>280</sup> French PM forces pro-business bill through Parliament, France 24 (Paris) 19 February 2015. Access: 28 February 2015.

<http://www.france24.com/en/20150217-france-macron-bill-pro-business/>.

<sup>281</sup> Events throw France's Hollande a lifebuoy, BBC News (Paris) 14 February 2015. Access: 28 February 2015.

<http://www.bbc.com/news/blogs-eu-31461815>.

<sup>282</sup> National Reform Program 2015 (Paris) 1 May 2015. Access: 10 October 2015.

[http://www.gouvernement.fr/sites/default/files/locale/piece-jointe/2015/05/national\\_reform\\_programme\\_2015-france.pdf](http://www.gouvernement.fr/sites/default/files/locale/piece-jointe/2015/05/national_reform_programme_2015-france.pdf).

<sup>283</sup> National Reform Program 2015 (Paris) 1 May 2015. Access: 10 October 2015.

[http://www.gouvernement.fr/sites/default/files/locale/piece-jointe/2015/05/national\\_reform\\_programme\\_2015-france.pdf](http://www.gouvernement.fr/sites/default/files/locale/piece-jointe/2015/05/national_reform_programme_2015-france.pdf).

During the compliance period, France has passed comprehensive legislation to improve the conditions for institutional investors and to support the long-term financing needs of SMEs. Thus, France has been awarded a score of +1.

*Analyst: Elise Belzil*

### **Germany: +1**

Germany has fully complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 11 November 2014, the German government announced reductions to bureaucratic influence for small to medium-sized enterprises in their Annual Financial Report. Initiatives included changes to tax and accounting law; relief for start-ups and young entrepreneurs; and obligations to provide statistics and information.<sup>284</sup>

On 25 November 2014, Germany hosted the first European Family Business Summit, focused on global challenges.<sup>285</sup> The Stability and Growth Pact stressed growth through “sound budgetary management when pro-competitive structural reforms are carried out.”<sup>286</sup>

On 25 November 2014, German Chancellor Angela Merkel referred to funds set aside in the German budget for new investments, specifying EUR 7 billion at the moment with EUR 10 billion euros added by the end of 2018.<sup>287</sup>

On 17 December 2014, Germany proposed 58 projects worth EUR 89 billion euros for infrastructure projects.<sup>288</sup> Germany has consistently referred to investment in digital infrastructure as a form of investment for the operation of small to medium-sized enterprises, emphasizing the importance of the Digital Agenda 2014-2017 as an initiative to further investment opportunities.<sup>289</sup>

On 15 February 2015, the Ministry for Economic Affairs and Energy announced plans to establish funds from public-private partnerships for cross-community construction projects.<sup>290</sup> According to Transport Minister Alexander Dobrindt, “We want a state organisation that can make use of private financing. Public-private construction partnerships are more economic...projects in the magnitude of EUR 15 billion.”<sup>291</sup>

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<sup>284</sup> 2015 Annual Economic Report: Investing in Germany and Europe’s future, Federal Ministry of Economic Affairs and Energy (Berlin) 28 January 2015. Access: 16 February 2015. <http://www.bmwi.de/English/Redaktion/Pdf/jahreswirtschaftsbericht-2015-englische-zusammenfassung,property=pdf,bereich=bmwi2012,sprache=en,rwb=true.pdf>

<sup>285</sup> Investing in Germany, The Federal Government (Berlin) 25 November 2014. Access: 16 February 2015. [http://www.bundesregierung.de/Content/EN/Artikel/2014/11\\_en/2014-11-25-eu-familienunternehmer\\_en.html?nn=709674](http://www.bundesregierung.de/Content/EN/Artikel/2014/11_en/2014-11-25-eu-familienunternehmer_en.html?nn=709674)

<sup>286</sup> Investing in Germany, The Federal Government (Berlin) 25 November 2014. Access: 16 February 2015. [http://www.bundesregierung.de/Content/EN/Artikel/2014/11\\_en/2014-11-25-eu-familienunternehmer\\_en.html?nn=709674](http://www.bundesregierung.de/Content/EN/Artikel/2014/11_en/2014-11-25-eu-familienunternehmer_en.html?nn=709674)

<sup>287</sup> Investing in Germany, The Federal Government (Berlin) 25 November 2014. Access: 16 February 2015. [http://www.bundesregierung.de/Content/EN/Artikel/2014/11\\_en/2014-11-25-eu-familienunternehmer\\_en.html?nn=709674](http://www.bundesregierung.de/Content/EN/Artikel/2014/11_en/2014-11-25-eu-familienunternehmer_en.html?nn=709674)

<sup>288</sup> Investing in Germany, The Federal Government (Berlin) 25 November 2014. Access: 16 February 2015. [http://www.bundesregierung.de/Content/EN/Artikel/2014/11\\_en/2014-11-25-eu-familienunternehmer\\_en.html?nn=709674](http://www.bundesregierung.de/Content/EN/Artikel/2014/11_en/2014-11-25-eu-familienunternehmer_en.html?nn=709674)

<sup>289</sup> 2015 Annual Economic Report: Investing in Germany and Europe’s future, Federal Ministry of Economic Affairs and Energy (Berlin) 28 January 2015. Access: 16 February 2015. <http://www.bmwi.de/English/Redaktion/Pdf/jahreswirtschaftsbericht-2015-englische-zusammenfassung,property=pdf,bereich=bmwi2012,sprache=en,rwb=true.pdf>

<sup>290</sup> Germany eyes part-privatization for infrastructure projects - paper, Euronews (Berlin) 15 February 2015. Access: 16 February 2015. <http://www.euronews.com/business-newswires/2939756-germany-eyes-part-privatisation-for-infrastructure-projects-paper/>

<sup>291</sup> Germany eyes part-privatization for infrastructure projects - paper, Euronews (Berlin) 15 February 2015. Access: 16 February 2015. <http://www.euronews.com/business-newswires/2939756-germany-eyes-part-privatisation-for-infrastructure-projects-paper/>

On 16 March 2015, Chancellor Merkel emphasized the importance of access to capital for new businesses in her speech at the Conference and Exhibition for IT and digital business (CeBIT).<sup>292</sup> She mentioned an upcoming plan to “promote young entrepreneurs with funds from the European Recovery Programme (ERP) Special Fund, the European Investment Fund and the Kreditanstalt für Wiederaufbau.”<sup>293</sup>

On 16 March 2015, the Federal Minister for Economic Affairs and Energy Sigmar Gabriel and Federal Minister of Education and Research Johanna Wanka launched the Industry 4.0 platform.<sup>294</sup> Part of the Industry 4.0 platform, according to Minister Wanka, is “helping small and medium-sized companies make use of the opportunities” by “[improving] the reliability and security of information technology.”<sup>295</sup>

On 11 June 2015, State Secretary in the Federal Ministry for Economic Affairs and Energy Matthias Machnig, together with Deputy CEO of Deutsche Börse Andreas Preuß, announced the Deutsche Börse Venture Network. The programme gives small companies the opportunity to find international investors.<sup>296</sup> This was part of the Ministry of Economic Affairs and Energy’s discussion with financial leaders on how to increase funding for small German companies.<sup>297</sup>

On 1 July 2015, the German government introduced the “one in, one out” rule to the Federal Government’s creation of regulatory rules affecting business compliance costs.<sup>298</sup> In efforts to reduce red tape faced by businesses, each Federal Ministry must remove a rule for every burdensome regulation added.<sup>299</sup>

During the compliance period, Germany has taken actions to facilitate long-term financing from institutional investors, particularly for SMEs. Thus, Germany is awarded a score of +1.

*Analyst: Eimi Harris*

#### **India: +1**

India has complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 28 February 2015, in the Union Budget, the Indian government and the Ministry of Finance have created the “Make in India” initiative; which is allocating INR20,000 to the SME sector (up from the INR10,000 in 2014).<sup>300</sup> The initiative eases regulations so that it is easy for people to invest and become involved in the

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<sup>292</sup> Ten points for the digital future, The Federal Government (Berlin) 16 March 2015. Access: 22 September 2015.

[http://www.bundesregierung.de/Content/EN/Artikel/2015/03\\_en/2015-03-16-cebit-zehn-punkte\\_en.html?nn=709674](http://www.bundesregierung.de/Content/EN/Artikel/2015/03_en/2015-03-16-cebit-zehn-punkte_en.html?nn=709674)

<sup>293</sup> Ten points for the digital future, The Federal Government (Berlin) 16 March 2015. Access: 22 September 2015.

[http://www.bundesregierung.de/Content/EN/Artikel/2015/03\\_en/2015-03-16-cebit-zehn-punkte\\_en.html?nn=709674](http://www.bundesregierung.de/Content/EN/Artikel/2015/03_en/2015-03-16-cebit-zehn-punkte_en.html?nn=709674)

<sup>294</sup> Launch of the Industry 4.0 platform, Federal Ministry for Economic Affairs and Energy (Berlin) 16 March 2015. Access: 23 September 2015. <http://www.bmwi.de/EN/Press/press-releases,did=697920.html>

<sup>295</sup> Launch of the Industry 4.0 platform, Federal Ministry for Economic Affairs and Energy (Berlin) 16 March 2015. Access: 23 September 2015. <http://www.bmwi.de/EN/Press/press-releases,did=697920.html>

<sup>296</sup> Gabriel: Deutsche Börse Venture Network will improve the financing situation of young, fast-growing companies, Federal Ministry for Economic Affairs and Energy (Berlin) 11 June 2015. Access: 23 September 2015.

<http://www.bmwi.de/EN/Press/press-releases,did=716474.html>

<sup>297</sup> Gabriel: Deutsche Börse Venture Network will improve the financing situation of young, fast-growing companies, Federal Ministry for Economic Affairs and Energy (Berlin) 11 June 2015. Access: 23 September 2015.

<http://www.bmwi.de/EN/Press/press-releases,did=716474.html>

<sup>298</sup> Federal Government introduces rules to limit red tape, The Federal Government (Berlin) 17 August 2015. Access: 22 September 2015. [http://www.bundesregierung.de/Content/EN/StatischeSeiten/Buerokratieabbau\\_en/2015-08-17-federal-government-introduces-rules-red-tape.html?nn=709674](http://www.bundesregierung.de/Content/EN/StatischeSeiten/Buerokratieabbau_en/2015-08-17-federal-government-introduces-rules-red-tape.html?nn=709674)

<sup>299</sup> Federal Government introduces rules to limit red tape, The Federal Government (Berlin) 17 July 2015. Access: 22 September 2015. [http://www.bundesregierung.de/Content/EN/StatischeSeiten/Buerokratieabbau\\_en/2015-08-17-federal-government-introduces-rules-red-tape.html?nn=709674](http://www.bundesregierung.de/Content/EN/StatischeSeiten/Buerokratieabbau_en/2015-08-17-federal-government-introduces-rules-red-tape.html?nn=709674)

<sup>300</sup> Government allocates 20,000 Rupees to SMC sector, Money Control (New Delhi) 28 February 2015. Access: 28 February 2015. [http://www.moneycontrol.com/news/economy/union-budget-2015-govt-allocates-rs-20000-cr-to-boost-smes-via-mudra-bank\\_1315834.html](http://www.moneycontrol.com/news/economy/union-budget-2015-govt-allocates-rs-20000-cr-to-boost-smes-via-mudra-bank_1315834.html)



SME industry as well as providing access to cheap credit, use of technology and a stringent policy framework.<sup>301</sup>

On 1 March 2015, the Indian government announced it would set up the Micro Units Development Refinance Agency Bank “to finance the setting up of small and micro units and thereby encourage entrepreneurship among SC/STs [scheduled castes/scheduled tribes] and OBCs [other backward classes].”<sup>302</sup> The bank would have a corpus of INR20,000 and a credit guarantee corpus of INR3,000.

On 10 October 2015, the Department of Industrial Policy and Promotion (DIPP) approved 19 private companies to manufacture a multitude of defence products, “adding to a slew of clearances by the Modi government and strengthening the Make it India initiative.”<sup>304</sup>

India has taken action to facilitate long-term financing particularly for SMEs. Thus, India is awarded a score of +1.

*Analyst: Lukas Weese*

### **Indonesia: +1**

Indonesia has complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 17 November 2014, Indonesian President Joko Widodo announced plans to raise the government-subsidized petrol price by more than 30%. Subsidies for imported fuel currently cost 13% of the government’s budget. Widodo said that savings from cutting the petrol subsidy could be spent on key infrastructure projects such as roads and ports.<sup>303</sup>

On 21 November 2014, President Joko Widodo announced plans to change the body of the Investment Coordinating Board (BKPM) to improve and facilitate services for investors to invest more in Indonesia.<sup>304</sup>

On 7 December 2014, Indonesian President Joko Widodo outlined general plans to lower the country’s investment barriers and streamline the bureaucracy. Widodo said he had directed government officials to investigate, on a case-by-case basis, incentives such as offers of tax holidays to attract investment.<sup>305</sup>

On 15 January 2015, Indonesia’s Investment and Coordinating Board piloted a one-stop business licensing service to reducing administrative burdens and simplifying bureaucratic procedures.<sup>306</sup>

On 30 June 2015, Indonesia Investment Coordinating Board Chairman Franky Sibarani announced plans to simplify the investment application process and create 25 “special economic zones” that will lure investment.<sup>307</sup>

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<sup>301</sup> Micro, Small and Medium Enterprises, Reserve Bank of India (New Delhi) 26 September 2013. Access: 27 February 2015.

<http://www.rbi.org.in/commonman/english/scripts/FAQs.aspx?id=966>

<sup>302</sup> Banking on Mudra for SMEs, The Financial Express (New Delhi) 1 March 2015. Access: 10 March 2015.

<http://indianexpress.com/article/business/budget/banking-on-mudra-for-smes/>

<sup>303</sup> Joko Widodo raises Indonesia’s subsidised petrol price, Financial Times 17 November 2014. Access: 26 February 2015.

<http://www.ft.com/cms/s/0/f8b84820-6e73-11e4-afe5-00144feabdc0.html>

<sup>304</sup> Jokowi Akan Rombak Total BKPM, CNN Indonesia (Jakarta) 21 November 2014. Access: 10 March 2015.

<http://www.cnnindonesia.com/ekonomi/20141121065740-92-12908/jokowi-akan-rombak-total-bkpm/>

<sup>305</sup> Indonesian President Joko Widodo Pledges to Cut Investment Barriers, Wall Street Journal 7 December 2014. Access: 26 February 2015. <http://www.wsj.com/articles/indonesian-leader-joko-widodo-pledges-to-cut-investment-barriers-1417988251#livefyre-comment>

<sup>306</sup> Indonesia Looks to Foreign Investment to Boost Economy, ASEAN Briefing 19 January 2015. Access: 26 February 2015.

<http://www.aseanbriefing.com/news/2015/01/19/indonesia-looks-foreign-investment-boost-economy.html>

<sup>307</sup> Indonesia aims to attract more foreign investment, The China Post 1 July 2015. Access: 9 October 2015.

<http://www.chinapost.com.tw/business/asia/indonesia/2015/07/01/439599/indonesia-aims.htm>

On 9 September 2015, Indonesian President Joko Widodo outlined a set of measures to lure investment. The measures are intended to simplify overlapping industry and trade regulations and streamline the permit process for “strategic projects.”<sup>308</sup>

On 29 September 2015, Indonesian President Joko Widodo announced plans to attract investment by streamlining government regulations through special “industrial economic zones.”<sup>309</sup>

On 1 October 2015, Indonesian President Joko Widodo announced plans to increase bank lending by looking at ways to allow lenders to reduce operational costs. The government also announced plans to impose sanctions and funding cuts on regional governments that have not yet streamlined the business permit application process.<sup>310</sup>

Indonesia has taken measures to facilitate long-term financing from institutional investors, particularly for SMEs. Thus, Indonesia is awarded a score of +1.

*Analyst: James Flynn*

### **Italy: +1**

Italy has complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 14 October 2014, Deutsche Bank Research found that SME financing has increased, especially for micro enterprises.<sup>311</sup> Italy has created financial instruments such as minibonds, which pool together SME bonds and sell them into capital markets.<sup>312</sup>

On 7 January 2015, reports indicated that guaranteed credit and support to innovative small- and medium-sized businesses were going to be the two pillars of the government’s new economic growth plan. The bill will include the new reforms of the state’s SME Guarantee Fund. The reforms included a packet of deregulation and aid for competitive small business, specific regulations about alternative sources of funding, and a review of the rules aimed to attract foreign capital.<sup>313</sup>

On 9 February 2015, the Italian Economy Minister Pier Carlo Padoan called for Europe to take bolder steps in “boosting investment and [taking] policy steps that encourage private sector spending particularly in infrastructure.”<sup>314</sup>

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<sup>308</sup> Indonesia unveils stimulus package to lure investment, Reuters 9 September 2015. Access: 8 October 2015. <http://uk.reuters.com/article/2015/09/09/indonesia-economy-policy-idUKL4N11F2C120150909>

<sup>309</sup> Indonesia rolls out next stimulus phase in effort to lift economy, Financial Times 29 September 2015. Access: 8 October 2015. <http://www.ft.com/cms/s/0/8e7145b8-66a5-11e5-97d0-1456a776a4f5.html>

<sup>310</sup> Indonesia to lower fuel costs, boost bank lending, Bangkok Post 1 October 2015. Access: 8 October 2015. <http://www.bangkokpost.com/news/asean/714832/indonesia-to-lower-fuel-costs-boost-bank-lending>

<sup>311</sup> SME Financing in the Euro Area, Deutsche Bank Research (Frankfurt) 14 October 2014. Access: February 25, 2015. [https://www.dbresearch.com/PROD/DBR\\_INTERNET\\_EN-PROD/PROD000000000344173/SME+financing+in+the+euro+area%3A+New+solutions+to+an+old+problem.PDF](https://www.dbresearch.com/PROD/DBR_INTERNET_EN-PROD/PROD000000000344173/SME+financing+in+the+euro+area%3A+New+solutions+to+an+old+problem.PDF)

<sup>312</sup> Italian SMEs bypass banks with securitization product, Reuters (New York) 9 July 2014. Access: February 25, 2015. <http://www.reuters.com/article/2014/07/09/idUSL6NOPJ47920140709>

<sup>313</sup> A preview of the new “industrial compact” for SMEs, Italy 24 (Rome) 7 January 2015. Access: 15 March 2015. <http://www.italy24.ilsole24ore.com/art/government-policies/2015-01-06/cabinet-ready-to-introduce-new-guaranteed-credit-to-support-smes-growth--125620.php?uid=ABC9kQZC>

<sup>314</sup> Italy's Padoan says Europe should be bolder in boosting investments, Reuters Canada 12 February 2015. Access: 15 March 2015. <http://ca.reuters.com/article/topNews/idCAKBNOLD0TE20150209>

<sup>5</sup> Italian government backtracks loyalty shares, Campden FB 12 February 2015. Access: 15 March 2015. <http://www.campdenfb.com/article/italian-government-back-tracks-loyalty-shares>

<sup>6</sup> SMEs in Italy Benefit from EU-Guaranteed Loans, European Commission 1 June 2015. Access: October 10, 2015. <http://ec.europa.eu/research/index.cfm?pg=newsalert&year=2015&na=na-010615>

On 12 February 2015, the Italian government amended a measure that allowed listed companies to introduce “loyalty shares.” The amendment stated that companies must have a two-thirds majority to introduce the mechanism, the result being that minority investors are more likely to get a say. This is a positive sign for institutional investors.<sup>315</sup>

On 1 June 2015, Italy announced that it will allow banks to enter loan agreements with SMEs for a total of 220 million euros over the next two years<sup>6</sup>. SMEs in Italy will have “easier access to risk capital thanks to a new EU-backed loan guarantee facility under the Horizon 2020 Programmes.”

Italy has taken action to facilitate long-term financing from institutional investors, particularly for SMEs. Thus, Italy is awarded a score of +1.

*Analyst: Lukas Weese*

### **Japan: +1**

Japan has fully complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 31 October 2014, the Government Pension Investment Fund (GPIF) announced policy changes designed to boost domestic investment and improve returns. Specifically, the GPIF reduced the basic asset allocation target for domestic bonds from 60% to 35% and increased the domestic stocks allocation from 12% to 25%. In addition, the allocation to foreign bonds and foreign stocks has increased to 15% and 25% respectively.<sup>316</sup>

On 9 January 2015, the Prime Minister’s cabinet endorsed a JPY 3.12 trillion package to revive domestic demand. Of this package, JPY 247.1 billion will be used to support farmers, small firms and transport companies.<sup>317</sup>

On 4 February 2015, the Ministry of Economy, Trade and Industry (METI) developed guidelines for small and medium-sized service businesses to improve the productivity. The guidelines outline eight approaches for value-creation and innovation, as well as two approaches for improving efficiency. In addition, SMEs that follow these guidelines are eligible for financial support from METI.<sup>318</sup>

On 28 September 2015, Prime Minister Shinzo Abe instructed the government-affiliate Organization for Small & Medium Enterprises and Regional Innovation to launch an SME investment fund. This fund would pool up to 10 billion yen from companies including foreign ones to provide capital to domestic businesses aiming at expanding overseas market.<sup>319</sup>

Japan has taken steps to support long-term financing from institution investors by reforming the GPIF and particularly for SMEs through numerous initiatives. Thus, Japan is awarded a score of +1.

*Analyst: Wenjie (Shirley) Wu*

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<sup>315</sup> Italian government backtracks loyalty shares, Campden FB 12 February 2015. Access: 15 March 2015. <http://www.campdenfb.com/article/italian-government-back-tracks-loyalty-shares>.

<sup>316</sup> Japan’s pension fund cutting local bonds to buy equities, BloombergBusiness 31 October 2014. Access: 10 October 2015. <http://www.bloomberg.com/news/articles/2014-10-31/japan-s-pension-fund-cutting-local-bonds-to-buy-equities>.

<sup>317</sup> Cabinet rubber stamps JPY 3.12 trillion extra budget, the Japan Times (Tokyo) 10 January 2015. Access: 1 March 2015. [http://www.japantimes.co.jp/news/2015/01/10/business/economy-business/cabinet-rubber-stamps-%C2%A53-12-trillion-extra-budget/#.VPPHf\\_nF9sJ](http://www.japantimes.co.jp/news/2015/01/10/business/economy-business/cabinet-rubber-stamps-%C2%A53-12-trillion-extra-budget/#.VPPHf_nF9sJ).

<sup>318</sup> METI has Developed Guidelines for Small and Medium-sized Service Businesses to Improve the Productivity, Ministry of Economy, Trade and Industry (Tokyo) 4 February 2015. Access: 1 March 2015. [http://www.meti.go.jp/english/press/2015/0204\\_01.html](http://www.meti.go.jp/english/press/2015/0204_01.html).

<sup>319</sup> Abe pledges aid for investment in Japan’s small manufacturers, Nikkei Asian Review (New York) 29 September 2015. Access: 10 October 2015. <http://asia.nikkei.com/Politics-Economy/Policy-Politics/Abe-pledges-aid-for-investment-in-Japan-s-small-manufacturers>.

## **Korea: +1**

Korea has fully complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 17 November 2014, the Financial Supervisory Service (FSS) announced a new lending model for SMEs based on long-term relationships, beginning on 24 November 2014. The model “involves extending long-term loans, making equity investment and offering consulting services based on the general assessment of qualitative information” related to SMEs’ operations by banks, and would be pushed for adoption by banks by the FSS.<sup>320</sup>

On 22 December 2014, the Ministry of Finance unveiled its strategic policy plans for 2015 centred on structural reforms to improve Korea’s economy. These included policies to permit creation of large investment funds; reform financial regulation; reform foreign exchange rules; strengthen shareholder rights and raise dividend payments; establish a KRW30 trillion investment scheme and expand research and development tax breaks for SMEs; reduce unfair trading practices that discourage foreign investment; and build SME competitiveness through incentives and tax benefits.<sup>321</sup>

On 28 December 2014, the government announced removal of “114 administrative rules cited by local companies for hindering businesses,” with all changes to be completed within the first half of 2015 in order to spur business development.<sup>322</sup>

On 4 January 2015, the government announced it would provide a two-year extension for the existing tax deduction for companies purchasing industrial land or newly establishing or expanding industrial plants in order to encourage companies to expand and spur investment.<sup>323</sup>

On 7 January 2015, President Park Geun-hye reaffirmed the government’s commitment to reform Korea’s past export-oriented economic model based on large conglomerates. In addition to public sector reforms and policies targeting innovation, the government aims to target SMEs to boost growth and domestic demand, “[pledging] particular support to five integral services sectors—namely health and medical care, tourism, finance, education and software.”<sup>324</sup>

On 19 January 2015, the government announced it would invest KRW100 trillion in new growth industries, providing technology financing through the establishment of ‘finance zones’ for creative economy innovation centres to support innovative start-ups and SMEs nationwide.<sup>325</sup>

On 28 January 2015, the government-run Korean Development Bank (KDB) announced plans to extend KRW63 trillion to domestic companies in 2015 to foster investment and to support the government’s stimulus drive and economic policies. KRW34.9 trillion will support SMEs, with an additional KRW10.5

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<sup>320</sup> Relationship-Based Lending to SMEs, Financial Supervisory Service (Seoul) 17 November 2014. Access: 28 February 2015. <http://english.fss.or.kr/fss/en/media/release/view.jsp?bbsid=1289277491315&category=null&idx=1416187369095&num=914&color=green>.

<sup>321</sup> 2015 economic policy - gist, Yonhap News Agency (Seoul) 22 December 2014. Access: 28 February 2015. <http://english.yonhapnews.co.kr/business/2014/12/19/17/0502000000AEN20141219000900320F.html>

<sup>322</sup> Gov't to ax red tape hampering businesses, Invest Korea (Seoul) 31 December 2014. Access: 28 February 2015. [http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060101&no=608300001&url\\_info=bbs\\_read.jsp&bno=412310003&sort\\_num=1643&l\\_unit=90202&m\\_unit=&s\\_unit=](http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060101&no=608300001&url_info=bbs_read.jsp&bno=412310003&sort_num=1643&l_unit=90202&m_unit=&s_unit=)

<sup>323</sup> 2-Yr Extension for Tax Deduction on Industrial Complexes, Invest Korea (Seoul) 15 January 2015. Access: 28 February 2015. [http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060101&no=608300001&url\\_info=bbs\\_read.jsp&bno=501150007&sort\\_num=1655&l\\_unit=90202&m\\_unit=&s\\_unit=](http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060101&no=608300001&url_info=bbs_read.jsp&bno=501150007&sort_num=1655&l_unit=90202&m_unit=&s_unit=)

<sup>324</sup> Government emphasizes role of private sector in GDP growth, Economist Intelligence Unit (London) 14 January 2015. Access: 28 February 2015. <http://country.eiu.com/article.aspx?articleid=721424056&Country=South%20Korea&topic=Economy>.

<sup>325</sup> Govt. Invests KRW 100 Tn in New Growth Industries, Invest Korea (Seoul) 19 January 2015. Access: 28 February 2015. [http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060101&no=608300001&url\\_info=bbs\\_read.jsp&bno=501190002&sort\\_num=1658&l\\_unit=90202&m\\_unit=&s\\_unit=](http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060101&no=608300001&url_info=bbs_read.jsp&bno=501190002&sort_num=1658&l_unit=90202&m_unit=&s_unit=)

trillion of the total planned to support financing of venture firms and start-ups. In addition, KDB aims to invest KRW15 trillion to spur investment in (long-term) major infrastructure projects, as well as technology companies “with high growth potential.”<sup>326</sup>

On 17 March 2015, following a national trade and investment promotion meeting, the government announced a number of measures to promote investment. These include attracting service sector investment by creation by taking advantage of an existing earmarked KRW3 trillion fund, establishing a target to generate KRW24 trillion investment in manufacturing by 2017 supported by policies including a KRW30 billion investment fund to be established later that year, and growing the safety goods industry by policies including upgrading safety rules to conform to international standards and spending KRW12.4 trillion to support the nascent industry.<sup>327</sup>

On 6 May 2015, the government released its Foreign Investment Regulatory Reforms Plan, aimed to harmonize Korean foreign direct investment regulations with international standards and remove obstacles to foreign investment.<sup>328</sup>

On 27 July 2015, the Ministry of Trade, Industry, and Energy opened a regulatory information portal for foreign investment, to provide information on regulations and regulatory reform in certain sectors and submit policy suggestions.<sup>329</sup>

Korea has made efforts to facilitate long-term financing by improving market and regulatory conditions for institutional investors and spurring investment opportunities, particularly for SMEs. Thus, Korea is awarded a score of +1.

*Analyst: Adam Barrett*

### **Mexico: +1**

Mexico has fully complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 25 February 2015, the parliamentary group in the Congress of Deputies presented a draft resolution to the debate on the State of the Nation that urges the government to continue to improve and diversify funding channels for enterprises, especially for SMEs.<sup>330</sup>

On 14 May 2015 the Government of Mexico announced plans to push forward land reform to strengthen the rights of private companies involved in negotiations with rural landholders in an effort to spur investment

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<sup>326</sup> State-run lender KDB eyes 63 tln won in financing for local firms this year, Yonhap News Agency (Seoul) 28 January 2015. Access: 27 February 2015. <http://english.yonhapnews.co.kr/news/2015/01/28/63/0200000000AEN20150128005100320F.html>

<sup>327</sup> Outline of policy measures from trade-investment promotion meeting, Invest Korea (Seoul) 20 March 2015. Access: 10 October 2015. [http://investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060101&no=608300001&url\\_info=bbs\\_read.jsp&bno=503200005&sort\\_num=1709&l\\_unit=90202&m\\_unit=&s\\_unit=](http://investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060101&no=608300001&url_info=bbs_read.jsp&bno=503200005&sort_num=1709&l_unit=90202&m_unit=&s_unit=)

<sup>328</sup> Overview of foreign investment regulatory reform plan, Invest Korea (Seoul) 26 June 2015. Access: 10 October 2015. [http://investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=1020601&no=608300002&url\\_info=bbs\\_read.jsp&bno=50626001&sort\\_num=173&l\\_unit=90202&m\\_unit=&s\\_unit=](http://investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=1020601&no=608300002&url_info=bbs_read.jsp&bno=50626001&sort_num=173&l_unit=90202&m_unit=&s_unit=)

<sup>329</sup> Regulatory information portal for foreign investment to open July 27, Invest Korea (Seoul) 21 July 2015. Access: 10 October 2015.

[http://investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=1020601&no=608300002&url\\_info=bbs\\_read.jsp&bno=50721002&sort\\_num=178&l\\_unit=90202&m\\_unit=&s\\_unit=](http://investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=1020601&no=608300002&url_info=bbs_read.jsp&bno=50721002&sort_num=178&l_unit=90202&m_unit=&s_unit=)

<sup>330</sup> Debate nación. el pp pide al gobierno mejorar la financiación a pymes y hacer más flexible el acceso al crédito 15 February 2015. Access: 15 March 2015. <http://www.eleconomista.es/economia/noticias/6506473/02/15/Debate-nacion-el-pp-pide-al-gobierno-mejorar-la-financiacion-a-pymes-y-hacer-mas-flexible-el-acceso-al-credito.html#.Kku8mYOiWImY7eF>

both from domestic and international sources.<sup>331</sup> Seen as a means of offering “legal certainty” to economic players in the region, the move has the potential to influence shifts in agriculture and natural resource investments.

On 2 June 2015, Mexico proceeded with breaking up its energy monopolies, auctioning off oil exploration areas to foreign investors.<sup>332</sup> The unprecedented is set to open up the Mexican energy industry foreign investment at unprecedented rates. With more than two dozen companies set to compete for these rights, bidders include companies such as ExxonMobil, Chevron, and Pemex.

On 26 August 2015, the Mexican government announced its intention to launch a new low-tax investment vehicle aimed at tapping foreign markets to fund energy infrastructure development.<sup>333</sup> Similar to the American “Master Limited Partnerships” and modeled after Mexico’s real estate investment trusts, the plan is set to be announced sometime in September 2016.

On 15 September 2015, Fitch Ratings highlighted some of the hurdles currently facing further expansion of SME lending in Mexico.<sup>334</sup> While significant growth has been made in the past few years, lower growth rates are expected for 2016 due to a combination of shifts in government budgeting and slowing SME loan demand.

On 21 September 2015, Canada-based Caisse de depot announced its partnership with Mexican institutional investors in infrastructure projects throughout the country, marking the first of such partnerships between Mexican financial institutions and a large international pension fund manager.<sup>335</sup>

Mexico has taken measures to facilitate long-term financing from institutional investors, particularly for SMEs. Thus, Mexico is awarded a score of +1.

*Analyst: Christopher Villegas-Cho*

## **Russia: +1**

Russia has fully complied with the commitment on investment.

On 25 March 2015, Russian Prime Minister Dmitry Medvedev ordered to introduce a draft law on special tax regimes for small business to the State Duma. The law is aimed at stimulating SME development by reducing financial and administrative costs through establishing special tax regimes at the level of regions and municipalities.<sup>336</sup>

On 28 March 2015, Dmitry Medvedev signed an executive order on allocation of subsidies to the regions to support small and medium business in 2015. Subsidies of RUB16.9 billion will be granted to the subjects of the Russian Federation to facilitate the creation of new and support of existing innovative SMEs.<sup>337</sup>

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<sup>331</sup> Mexico Plans Land Reform to Boost Investment, Reuters (Mexico City) 14 May 2015. Access: 12 October 2015.

<http://www.reuters.com/article/2015/05/14/mexico-reforms-idUSL1NOY301420150514>

<sup>332</sup> Energy reform: will Mexico’s newest revolution boost renewables-or just fossil fuels?, the Guardian (Mexico City) 2 June 2015. Access: 12 October 2015. <http://www.theguardian.com/sustainable-business/2015/jun/02/mexico-oil-companies-reforms-gas-hydrocarbon>

<sup>333</sup> Mexico to unveil energy investment vehicle in September, Reuters (Mexico City) 26 August 2015. Access: 12 October 2015. <http://www.reuters.com/article/2015/08/26/mexico-energy-idUSL1N1102Q220150826>

<sup>334</sup> Mexico’s SME Lending Faces Hurdles in Sustaining Growth, Fitch (New York) 15 September 2015. Access: 12 October 2015. <https://www.fitchratings.com/site/fitch-home/pressrelease?id=990817>

<sup>335</sup> Caisse investing \$1.43 billion on Mexico infrastructure projects, Financial Post (Montreal) 21 September 2015. Access: 12 October 2015. <http://business.financialpost.com/news/fp-street/caisse-investing-1-43-billion-on-mexico-infrastructure-projects>

<sup>336</sup> A draft law on special tax regimes for small business was introduced to the State Duma, Federal Web Portal for Small and Medium Sized Enterprises 27 March 2015. Access date: 14 May 2015. <http://en.smb.gov.ru/sme/news/260.html>.

<sup>337</sup> Government of the Russian Federation allocated nearly 17 billion rubles to support small business, Federal Web Portal for Small and Medium Sized Enterprises 3 April 2015. Access date: 14 May 2015. <http://en.smb.gov.ru/sme/news/262.html>.

On 28 April 2015, Russian President Vladimir Putin instructed the Government to draft an executive order on the creation of a single institution responsible for the development of SMEs in Russia on the basis of the Agency for Credit Guarantees and Russian Bank for Small and Medium Business Support. The new institution will “provide financial, legal, methodological and other support to small and medium-sized businesses.”<sup>338</sup>

On 13 October 2015, Russian Ministry of Economic Development drafted SME Development Strategy up to 2030. The draft Strategy was developed in accordance with the President’s instructions of April 2015. Implementation of the strategy is expected to contribute to 2.5 times increase of SMEs turnover compared to 2014, twofold increase in labour productivity in SMEs sector compared to 2014 and other ambitious goals through, inter alia, improving access to and increasing the volume of SME finance.<sup>339</sup>

During the compliance period Russia has taken steps to facilitate long-term financing from institutional investors that address SMEs financial needs. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepon*

### **Saudi Arabia: –1**

Saudi Arabia has not complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 25 February 2015, Bloomberg reported lending under Saudi Arabia’s SME Loan Guarantee Program, known as Kafalah, plunged 76% to SAR572 million last year as banks tightened rules (according to data from the Saudi Industrial Development Fund). Al-Hazmi, co-founder of Riyadhbased Supply & Logistics Solutions stated that “banks are not lending to any start-ups without providing annual financial statements audited by licensed entities in Saudi Arabia.” The current arrangement makes it difficult for small and medium enterprises to receive public financing.<sup>340</sup>

On 4 May 2015, The Wall Street Journal reported that Saudi Arabia laid down final rules for the opening of its \$590 billion stock market to foreigners.<sup>341</sup> This will allow only large institutions to invest, making it more difficult for smaller domestic institutions to invest in Saudi Arabia’s economy.

Saudi Arabia has not taken action to facilitate long-term financing from institutional investors, particularly for SMEs. Thus, Saudi Arabia is awarded a score of –1.

*Analyst: Mason Nowak*

### **South Africa: 0**

South Africa has partially complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 4 November 2014, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) released the 12th report on G20 policy and investment-related measures. This report covered the period between 16 May 2014 and 15 October 2014.

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<sup>338</sup> Instructions following State Council meeting, President of Russia 28 April 2015. Access date: 14 May 2015.

<http://en.kremlin.ru/events/state-council/49354>.

<sup>339</sup> Russian Ministry of Economic Development drafted SME Development Strategy in the Russian Federation until 2030, Federal Web Portal for Small and Medium Sized Enterprises 22 October 2015. Access date: 22 October 2015.

<http://en.smb.gov.ru/sme/news/?action=show&id=315>.

<sup>340</sup> Saudi Banks Pull Welcome Mat From Startups Seeking Loans, Bloomberg, 25 February 2015. Access: 28 February 2015.

<http://www.bloomberg.com/news/articles/2015-02-26/saudi-banks-pull-welcome-mat-for-smesseeking-loans-arab-credit>.

<sup>341</sup> Saudi Arabia Issues Rules for Foreign Investing in Stocks, The Wall Street Journal, 4 May 2015. Access: 1 October 2015.

<http://www.wsj.com/articles/saudi-arabia-issues-rules-for-foreign-investing-in-stocks-1430755791?mg=id-wsj>.

South Africa did not report investment policy measures related or unrelated to foreign direct investment during this period.<sup>342</sup>

On 10 February 2015, Mineral Resource Minister Ngoako Ramatlhodi announced that South Africa is committed to expanding its mining industry. “South Africa is ready for investment,” Ramatlhodi told the conference. “We are leaving no stone unturned in providing a stable environment for investment.”<sup>343</sup>

On 13 February 2015, President Jacob Zuma delivered the State of the Nation Address. Zuma said, “To prevent corruption and promote ethical governance, in December I signed into law the Public Administration and Management Act which among others prohibits public servants from doing business with the State.” Zuma said government has in place seven anti-corruption institutions and 17 pieces of legislation that are intended to combat corruption.<sup>344</sup>

On 25 February 2015, South African Finance Minister Nhlanhla Nene told Parliament during his 2015 budget speech that a new tax regime has been proposed for businesses with a turnover below ZAR1 million a year. Qualifying businesses with a turnover of less than ZAR335,000 a year will pay no tax. The maximum tax rate has also been reduced from 6% to 3%.<sup>345</sup>

South Africa has taken actions to facilitate long-term financing from institutional investors, but not particularly for SMEs. Thus, South Africa is awarded a score of 0.

*Analyst: Mason Nowak*

### **Turkey: +1**

Turkey has complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 15-16 December 2014, Turkey hosted the European Business Angels Investment Forum, organized by the European Trade Association for Business Angels, Seed Funds and Early Stage Market Players (EBAN).<sup>346</sup> The forum brings together SMEs, private institutions and government bodies to discuss SMEs’ access to funds.

On 30 January 2015, Prime Minister Ahmet Davutoğlu announced initiatives to support SMEs, including the provision of TRY150,000 to each business to help expand overseas. Additionally, the Turkish SME Development Agency (KOSGEB) will increase incentives for research and development for SMEs by 50%.<sup>347</sup>

On 8 April 2015, President of Turkey’s Small and Medium Enterprises Development Organization Recep Bicer signed a Memorandum of Understanding with the Organization of Iran Small Industries and Industrial Townships. The Memorandum asserted Iran and Turkey would increase their level of trade to \$30 billion per

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<sup>342</sup> UNCTAD-OCED Twelfth Report on G20 Investment Measures, United Nations Conference on Trade and Development (Geneva) 4 November 2014, Access Date: 20 February 2015. [http://unctad.org/en/PublicationsLibrary/unctad\\_oecd2014d12\\_en.pdf](http://unctad.org/en/PublicationsLibrary/unctad_oecd2014d12_en.pdf)

<sup>343</sup> South Africa is ready for investment, says Ramatlhodi, South Africa Info (Cape Town) 10 February 2015. Access: 20 February 2015. <http://www.southafrica.info/news/mining-indaba-100215.htm#.VPILUUI-A6U>

<sup>344</sup> We will move forward, Zuma tells South Africa, South Africa Info (Cape Town) 13 February 2015. Access: 20 February 2015. <http://www.southafrica.info/news/sona-130215.htm#.VP1bpkl-A6U#ixzz3T4TeKqdH>

<sup>345</sup> Budget 2015: People’s Guide, National Treasury (Cape Town) 25 February 2015. Access: 26 February 2015. <http://www.treasury.gov.za/documents/national%20budget/2015/guides/2015%20People's%20Guide%20-%20English.pdf>

<sup>346</sup> European Business Angels Investment Forum to be held in Turkey this year, Daily Sabah (Istanbul) 15 December 2014. Access: 28 February 2015. <http://www.dailysabah.com/money/2014/12/15/european-business-angels-investment-forum-to-be-held-in-turkey-this-year>

<sup>347</sup> Government issues five pieces of good news to SMEs, Daily Sabah (Istanbul) 30 January 2015. Access: 28 February 2015. <http://www.dailysabah.com/money/2015/01/30/govt-issues-five-pieces-of-good-news-to-smes>



year so economic cooperation could “open the space for presence of Turkish economic activists” and promote entrepreneurial exchange.<sup>348</sup>

On 27 April 2015, Istanbul hosted the World Association Investment Promotion Agencies (WAIPA) Conference on Foreign Direct Investments. The Conference had goals to coordinate global investment strategies with “renewed focus on infrastructure and SME.”<sup>349</sup>

On 27 May 2015, Deputy Prime Minister Ali Babacan announced the launch of the World SME Forum (WSF) in Istanbul. Created with the Union of Chambers and Commodity Exchanges of Turkey, the International Chamber of Commerce, and the World Chambers Federation, the WSF is meant to coordinate G20 members in their compliance to commitments to support SMEs in the global economy.<sup>350</sup>

On 30 June 2015, the European Bank for Reconstruction and Development (EBRD) announced it would partner with Turkey’s Odeabank, loaning 60 million euros specifically for lending to Turkish SMEs.<sup>351</sup>

On 3-5 September 2015, Turkey hosted the B20 Summit, a platform for members of the G20 to focus on global business communities. The Summit produced the “B20 SMEs & Entrepreneurship Taskforce Policy Paper” with five recommendations to support SME activities in members. Specifically, the Policy Paper referenced actions to improve SMEs’ “access to finance.”<sup>352</sup>

During the compliance period, Turkey took actions to facilitate long-term financing particularly for SMEs. Thus, Turkey is awarded a score of +1.

*Analyst: Eimi Harris*

### **United Kingdom: +1**

The United Kingdom has fully complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 2 December 2014, the Bank of England and Her Majesty’s Treasury jointly announced a one-year extension for the Funding for Lending Scheme, which is designed to reduce banks’ and building societies’ funding costs and incentivise lending to SMEs. The scheme provides inexpensive funding to banks that lend to SMEs by allowing participants to draw GBP 5 of funding for every GBP 1 of net lending to SMEs.<sup>353</sup>

On 3 December 2014, HM Treasury unveiled the Autumn Statement, a comprehensive statement of the implementation of existing economic policies and an outline of planned policies, and the National

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<sup>348</sup> Iran, Turkey sign MoU for expansion of economic, commercial cooperation, Islamic Republic News Agency (Tehran), 8 April 2015. Access: 6 October 2015. <http://www.irna.ir/en/News/81564405/>

<sup>349</sup> G20 - WAIPA Conference on Foreign Direct Investments in Istanbul, The Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Istanbul) 27 April 2015. Access: 6 October 2015. <http://www.invest.gov.tr/en-US/infocenter/pressrelease/Documents/27-04-2015-ISPAT-WAIPA-G20.pdf>

<sup>350</sup> World SME Forum, International Chamber of Commerce (Istanbul) 27 May 2015. Access: 6 October 2015.

<http://www.iccwbo.org/News/Articles/2015/Turkish-government-launches-World-SME-Forum-as-part-of-its-G20-strategy/>

<sup>351</sup> EBRD partners with Odeabank to finance small businesses in Turkey, European Bank for Reconstruction and Development, 30 June 2015. Access: 6 October 2015. <http://www.ebrd.com/news/2015/ebrd-partners-with-odeabank-to-finance-small-businesses-in-turkey.html>

<sup>352</sup> B20 SMEs & Entrepreneurship Taskforce Policy Paper (Ankar) September 2015. Access: 6 October 2015.

[http://b20turkey.org/policy-papers/b20turkey\\_sme.pdf](http://b20turkey.org/policy-papers/b20turkey_sme.pdf)

<sup>353</sup> Funding for Lending Scheme: Bank of England and HM Treasury announce extension, HM Treasury (London) 2 December 2014. Access: 27 February 2015. <https://www.gov.uk/government/news/funding-for-lending-scheme-bank-of-england-and-hm-treasury-announce-extension>

Infrastructure Plan 2014, which indicated planned policies to work with the private sector on long-term infrastructure investment.<sup>354</sup>

On 10 February 2015, Prime Minister David Cameron announced the “Help to Grow” pilot scheme by the British Business Bank. The GBP 100 million scheme aims to allow fast-growing SMEs realize their potential by providing growth financing through private sector delivery partners.<sup>355</sup>

On 12 February 2015, the Infrastructure Act became law. The Act includes various provisions targeting infrastructure investment in the UK, including the creation of Highways England, a government-owned company for roadway development with long-term funding, and programs to give local people the right to buy a stake in renewable energy projects, and reducing regulation for nationally significant infrastructure projects to boost investment.

On 18 February 2015, Trade Minister Lord Livingston announced that the government would sign five-year contracts with locally based providers to deliver export support to businesses. This is to enable more businesses to export, including SMEs.<sup>356</sup>

On 26 February 2015, the Public Procurement Regulations 2015 came into force as law, enacting policies making government procurement more transparent and accessible, particularly for SMEs.<sup>357,358</sup>

On 24 March 2015, the British Business Bank published expressions of interest documents that allowed interested credit reference agencies and finance platforms to apply to be designated to receive credit data from banks in order to improve competition in finance markets for smaller businesses and assist alternative finance providers in providing financing to smaller businesses as part of the Treasury’s flagship policies on SME credit data and referral platforms, which were legislated for in the SBEE Act.<sup>359</sup>

On 26 March 2015, the British Business Bank announced the ENABLE Guarantees programme, designed to encourage participating banks to extend greater lending to small business by reducing the capital requirements for such loans by these banks.<sup>360</sup>

On 27 March 2015, the Small Business, Enterprise and Employment (SBEE) Act became law.<sup>361</sup> The Act includes provisions aimed at improving access to finance by SMEs, including amongst other policies a requirement for key banks to share credit data with credit reference agencies and finance platforms (to

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<sup>354</sup> Autumn Statement: documents, HM Treasury (London) 3 December 2014. Access: 27 February 2015.

<https://www.gov.uk/government/publications/autumn-statement-documents>

<sup>355</sup> Prime Minister announces British Business Bank ‘HELP TO GROW’ scheme, British Business Bank (London) 10 February 2015. Access: 27 February 2015. <http://british-business-bank.co.uk/prime-minister-announces-british-business-bank-help-to-grow-scheme/>

<sup>356</sup> Long term export support confirmed for small and medium sized firms, UK Trade & Investment (London) 18 February 2015. Access: 27 February 2015. <https://www.gov.uk/government/news/long-term-export-support-confirmed-for-small-and-medium-sized-firms>

<sup>357</sup> Government spends £11.4 billion with SMEs, Cabinet Office (London) 25 February 2015. Access: 27 February 2015. <https://www.gov.uk/government/news/government-spends-114-billion-with-smes>

<sup>358</sup> Procurement Policy Note 03/15: reforms to make public procurement more accessible to SMEs, Cabinet Office (London) 18 February 2015. Access: 27 February 2015. <https://www.gov.uk/government/publications/procurement-policy-note-0315-reforms-to-make-public-procurement-more-accessible-to-smes>

<sup>359</sup> Budget 2015 features British Business Bank ‘Help to Grow’ growth loans and small business referrals, British Business Bank (London) 26 March 2015. Access: 10 October 2015. <http://british-business-bank.co.uk/budget-2015-provides-more-details-of-british-business-bank-programmes-to-help-smaller-businesses/>

<sup>360</sup> British Business Bank rolls out ENABLE Guarantees Programme to boost small business, British Business Bank () 26 March 2015. Access: 10 October 2015. <http://british-business-bank.co.uk/british-business-bank-rolls-out-enable-guarantees-programme-to-boost-small-business/>

<sup>361</sup> Small business, enterprise and employment act, HM Treasury (London) 27 March 2015. Access: 10 October 2015. <https://www.gov.uk/government/collections/small-business-enterprise-and-employment-bill>

support the “Help to Grow” program), and a requirement for key banks to direct SMEs rejecting for financing to alternative finance providers.<sup>362</sup>

On 10 July 2015, Secretary of State for Business Sajid Javid announced “Fixing the Foundations: Creating a More Prosperous Nation,”<sup>363</sup> a comprehensive plan which includes policies to incentivize long-term investment such as raising the Annual Investment Allowance to GBP 200 000 as of January 2016, and engaging with large institutional investors on proposals to support companies investing for long-term growth,<sup>364</sup> as first announced in the 2015 Summer Budget by Chancellor of the Exchequer George Osborne.<sup>365</sup>

On 16 July 2015, Chancellor of the Exchequer George Osborne announced that GBP 6 billion of UK Guarantees would be made available to co-finance investment in SMEs and infrastructure alongside investment in these areas by the European Investment Bank (EIB). In conjunction with this, the Chancellor announced increased bilateral engagement with the EIB and the signing of a Memorandum of Understanding between the EIB and the UK Government, and another Memorandum of Understanding between the British Business Bank and the European Investment Fund including key provisions on collaborating to support high-potentials SMEs.<sup>366</sup>

On 27 August 2015, Minister for the Cabinet Office Matt Hancock announced the Government’s intent to increase its procurement from SMEs target to one third of central government spending by 2020.<sup>367</sup>

The UK has made efforts to facilitate long-term financing, particularly for SMEs, by improving market and regulatory conditions for institutional investors. Thus, the UK is awarded a score of +1.

*Analyst: Adam Barrett*

#### **United States: +1**

The United States has fully complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 16 January 2015, the Obama administration announced an expansion of the Build America Investment Initiative to increase long-term infrastructure investment in the US. The expansion includes the creation of a new Water Finance Center at the Environmental Protection Agency; a new Rural Opportunity Investment Initiative run through the Department of Agriculture; the creation of Qualified Public Infrastructure Bonds

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<sup>362</sup> Small business, enterprise and employment act: Access to finance fact sheet, HM Treasury (London), 27 March 2015. Date Accessed: 10 October 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/417322/bis\\_15\\_272\\_SBEE\\_Act\\_\\_Access\\_to\\_Finance\\_fact\\_sheet.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/417322/bis_15_272_SBEE_Act__Access_to_Finance_fact_sheet.pdf)

<sup>363</sup> Productivity plan launched, HM Treasury (London) 10 July 2015. Access: 10 October 2015.

<https://www.gov.uk/government/news/productivity-plan-launched>

<sup>364</sup> Fixing the foundations: Creating a more prosperous union, HM Treasury (London) 10 July 2015. Access: 10 October 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/443898/Productivity\\_Plan\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443898/Productivity_Plan_web.pdf)

<sup>365</sup> Summer Budget 2015, HM Treasury (London), 8 July 2015. Date Accessed: 10 October 2015.

<https://www.gov.uk/government/publications/summer-budget-2015/summer-budget-2015>

<sup>366</sup> Chancellor unveils more than GBP 6 billion of support for UK SMEs and infrastructure projects to unlock EU financing, HM Treasury (London) 16 July 2015. Access: 10 October 2015. <https://www.gov.uk/government/news/chancellor-unveils-more-than-6-billion-of-support-for-uk-smes-and-infrastructure-projects-to-unlock-eu-financing>

<sup>367</sup> Big opportunities for small firms: Government set to spend GBP 1 in every GBP 3 with small businesses, Cabinet Office (London) 27 August 2015. Access: 10 October 2015. <https://www.gov.uk/government/news/big-opportunities-for-small-firms-government-set-to-spend-1-in-every-3-with-small-businesses>

to leverage private capital; the creation of various infrastructure projects by the Department of Transportation; and steps to attract investment through the SelectUSA investment program.<sup>368</sup>

On 2 February 2015, the Department of the Treasury released its Tax Revenue Proposals for Fiscal Year 2016, which included various provisions aimed at simplifying the Tax Code and reducing evasion; providing tax relief and simplification for small businesses; providing incentives in areas such as manufacturing and research; providing incentives for investment in infrastructure; and improving and streamlining tax administration.<sup>369</sup>

On 3 February 2015, the SBA expanded its American Supplier Initiative, announcing ‘matchmaking events’ to provide small businesses with tools and resources to allow them to connect with federal and commercial supply chain opportunities. The initiative aims to address four areas in which SMEs often need help to become suppliers in the private sector: “access to mentorship and counselling services, increased market and revenue opportunities, ready sources of capital to fund their growth, and a highly skilled workforce.”<sup>370</sup>

On 11 February 2015, the SBA launched the Leveraging Information and Networks to Access Capital initiative to pair SMEs with appropriate, interested private sector lenders using a free online ‘matchmaking’ system.<sup>371</sup>

On 23 February 2015 and 25 February 2015, SBA Administrator Maria Contreras-Sweet concluded Memorandums of Understanding with both the National Association of Federal Credit Unions and the National Credit Union Administration to expand lending and access to capital for SMEs by expanding SBA small dollar loans and increasing awareness of such loan programs available through credit unions.<sup>372,373,374</sup>

On 24 February 2015, the National Institute of Standards and Technology of the Department of Commerce awarded new cooperative agreements to ten non-profit universities and organizations to manage new Hollings Manufacturing Extension Partnerships (MEP) centres. MEP centres operate as public-private partnerships, channelling federal funding to small and mid-size manufacturers to support growth and innovation, and helping firms “create and retain jobs, increase profits, and save time and money.” This follows the announcement by NIDS in August 2014 to provide awards in these ten states as “the first step in a multi-year effort to update MEP’s funding structure to better match resources with needs.”<sup>375</sup>

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<sup>368</sup> FACT SHEET: Increasing Investment in U.S. Roads, Ports and Drinking Water Systems Through Innovative Financing, White House Office of the Press Secretary (Washington) 16 January 2015. Access: 27 February 2015. <http://www.whitehouse.gov/the-press-office/2015/01/16/fact-sheet-increasing-investment-us-roads-ports-and-drinking-water-systems>

<sup>369</sup> FACT SHEET: Administration’s FY2016 Budget Tax Proposals, Department of the Treasury (Washington) 2 February 2015. Access: 27 February 2015. <http://www.treasury.gov/press-center/press-releases/Pages/jl9754.aspx>

<sup>370</sup> SBA Announces Expansion of American Supplier Initiative with Matchmaking Events to be held throughout 2015, Small Business Administration - Department of Commerce (Washington) 3 February 2015. Access: 27 February 2015. <https://www.sba.gov/content/sba-announces-expansion-american-supplier-initiative-matchmaking-events-be-held-throughout>

<sup>371</sup> SBA Launches Online Matchmaking for Small Business Loans, Small Business Administration - Department of Commerce (Washington) 11 February 2015. Access: 26 February 2015. <https://www.sba.gov/blogs/sba-launches-online-matchmaking-small-business-loans>

<sup>372</sup> SBA and NAFCU Partner to Help Entrepreneurs Gain Access to Capital, Small Business Administration - Department of Commerce (Washington) 23 February 2015. Access: 27 February 2015. <https://www.sba.gov/content/sba-and-nafcu-partner-help-entrepreneurs-gain-access-capital>

<sup>373</sup> SBA Partners with NCUA to Expand Small Business Lending Through Credit Unions, Small Business Administration - Department of Commerce (Washington) 23 February 2015. Access: 27 February 2015. <https://www.sba.gov/content/sba-partners-ncua-expand-small-business-lending-through-credit-unions>

<sup>374</sup> Small Business Administration and National Association of Federal Credit Unions join forces to solve the entrepreneurial credit crunch, Small Business Administration – Department of Commerce (Washington) 25 February 2015. Access: <https://www.sba.gov/content/small-business-administration-and-national-association-federal-credit-unions-join-forces>

<sup>375</sup> Commerce’s NIST Awards \$26 Million to Support Manufacturing in 10 States, Department of Commerce (Washington) 24 February 2015. Access: 27 February 2015. <http://www.commerce.gov/blog/2015/02/24/commerces-nist-awards-26-million-support-manufacturing-10-states>

On 23 to 24 March 2015, the Department of Commerce hosted the SelectUSA Investment Summit to highlight tools and opportunities for investment in the United States. During the Summit, Commerce Secretary Penny Pritzker announced the creation of a federal advisory committee to solicit input on strategies for attracting investment to the United States. During the Summit, the Obama Administration additionally announced its plan to expand the SelectUSA program and announced its intent to create new partnerships with state economic development agencies to improve coordination, inform the SelectUSA program, and promote high standards in investment promotion.<sup>376</sup>

On 16 June 2015, the Obama administration hosted the Clean Energy Investment Summit, which highlighted USD 4 billion in commitments by long-term investors, including institutional investors, in clean energy, as well as executive actions to encourage private sector investments in clean energy innovation, in particular Small Business Administration for private investment funds seeking long-term capital and investment particularly in capital-intensive clean energy technology.<sup>377</sup>

On 28 September 2015, the Treasury Department reported that more than USD 1.2 billion had been deployed nationally through the State Small Business Credit Initiative (SSBCI) to support local economic development and private sector lending to small businesses. While the SSBCI program is slated to close in 2017, President Obama requested an extension of the program with an additional USD 1.5 billion in funding in the Fiscal Year 2016 budget.<sup>378</sup>

The U.S. has maintained its past commitments to programs for facilitating long-term investment, particularly for SMEs, such as the State Small Business Credit Initiative (SSBCI) which extends federal funds to programs that leverage private lending to help finance creditworthy, underfunded small businesses and manufacturers.<sup>379</sup>

The U.S. is awarded a score of +1 for actions taken to facilitate long-term investment from institutional investors, particularly for SMEs.

*Analyst: Adam Barrett*

### **European Union: +1**

The European Union has complied with the commitment to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises (SMEs).

On 25 November 2014, the European Commission unveiled the mechanism for its EUR 315 billion investment plan, the Investment Plan for Europe, which is set to launch in September 2015. A EUR 21 billion European Fund for Strategic Investments fund is projected to generate EUR 240 billion for long-term

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<sup>376</sup> SelectUSA investment summit concludes with renewed focus on reinvesting in America, creating jobs at home, Department of Commerce (Washington) 24 March 2015. Access: 10 October 2015. <https://www.commerce.gov/news/press-releases/2015/03/selectusa-investment-summit-concludes-renewed-focus-reinvesting-america>; President Obama to announce new steps to attract foreign investors and create jobs through the continued expansion of the SelectUSA program, Office of the Press Secretary (Washington) 23 March 2015. Access: 10 October 2015. <https://www.whitehouse.gov/the-press-office/2015/03/23/fact-sheet-president-obama-announce-new-steps-attract-foreign-investors>

<sup>377</sup> Obama Administration Announces More Than \$4 Billion in Private Sector Commitments and Executive Actions to Scale up Investment in Clean Energy Innovation, Office of the Press Secretary (Washington) 16 June 2015. Access: 10 October 2015. <https://www.whitehouse.gov/the-press-office/2015/06/16/fact-sheet-obama-administration-announces-more-4-billion-private-sector>

<sup>378</sup> Report: More than USD 1.2 billion issued for small businesses, Department of the Treasury (Washington) 28 September 2015. Access: 10 October 2015. <http://www.treasury.gov/press-center/press-releases/Pages/jl0185.aspx>

<sup>379</sup> State Small Business Credit Initiative (SSBCI), Department of the Treasury (Washington) 5 November 2014. Access: 27 February 2015. <http://www.treasury.gov/resource-center/sb-programs/Pages/ssbci.aspx>

investments and EUR 75 billion for small and medium enterprises between 2015 and 2017.<sup>380</sup> The fund, which will unlock private and public investment, will provide financing for higher risk strategic projects. The project also includes plans for an assistance program to help direct investment and a roadmap that will remove regulatory bottlenecks and financial barriers.<sup>381</sup>

On 18 December 2014, the European Council emphasized calls for a new European Fund for Strategic Investments (EFSI) in the EIB Group with the aim to mobilize EU315 billion in new investments between 2015 and 2017.<sup>382</sup>

On 17 February 2015, the Board of Governors of the European Investment Bank decided to allow SMEs across Europe to benefit from the first funds from the EFSI. In addition, the EIB Board of Governors will allow for the pre-financing of SME projects linked to the Investment Plan for Europe before the summer, which will cover the risk of transactions with intermediaries providing additional finance to SMEs and small mid-caps until the main EFSI is in place.<sup>383</sup>

On 18 February 2015, the European Commission launched the creation of a single market for capital its 28 members, thereby removing barriers to cross-border investments, facilitating financing for SMEs, and encouraging investment from around the world. The European Commission stated in a press release, “the Capital Markets Union aims to break down the barriers that are blocking cross-border investments in the EU and preventing businesses from getting access to finance.”<sup>384</sup>

On 9 June 2015, the European Commission announced plans to improve access to funding for SMEs by streamlining regulatory access to five European Structural and Investment Funds.<sup>385</sup>

On 30 September 2015, the European Commission launched the Capital Markets Union Action Plan in a bid to boost investment across the 28 EU Member States. The plan is intended to diversify financing for SMEs and start-ups by enhancing access to alternative sources of finance, like venture capital and crowdfunding. The plan will also improve access to capital by improving the free flow of capital across EU State borders.<sup>386</sup>

The European Union has taken measures to facilitate long-term financing from institutional investors, particularly for small and medium-sized enterprises. Thus, the European Union is awarded a score of +1.

*Analyst: James Flynn*

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<sup>380</sup> Juncker's €315bn investment plan unveiled: fifteenfold leverage and solidarity for the south, European Commission (Brussels) November 26 2014. Access: 26 February 2015. <http://www.euractiv.com/sections/eu-priorities-2020/junckers-eu315bn-investment-plan-unveiled-fifteenfold-leverage-and>

<sup>381</sup> EU launches Investment Offensive to boost jobs and growth, European Commission (Brussels) 26 November 2014. Access: 26 February 2015. [http://europa.eu/rapid/press-release\\_IP-14-2128\\_en.htm](http://europa.eu/rapid/press-release_IP-14-2128_en.htm)

<sup>382</sup> European Council Cover Note, European Council (Brussels) 18 December 2014. Access: 10 March 2015. <http://data.consilium.europa.eu/doc/document/ST-237-2014-INIT/en/pdf>

<sup>383</sup> Investment Plan: Green light for SME financing before the summer, European Commission (Brussels) 17 February 2015. Access: 10 March 2015. [http://europa.eu/rapid/press-release\\_IP-15-4441\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4441_en.htm)

<sup>384</sup> Unlocking Funding for Europe's Growth – European Commission consults on Capital Markets Union, European Commission 18 February 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-4433\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4433_en.htm)

<sup>385</sup> Commission acts to simplify access to European Structural and Investment Funds, European Commission (Brussels) 9 June 2015. Access: 9 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5130\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5130_en.htm)

<sup>386</sup> Capital Markets Union: an Action Plan to boost business funding and investment financing, European Commission (Brussels) 30 September 2015. Access: 9 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5731\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5731_en.htm)

### 3. Macroeconomics: Exchange Rates

2014-136: We reiterate our commitment to move more rapidly toward more market-determined exchange rate systems and exchange rate flexibility to reflect underlying fundamentals, and avoid persistent exchange rate misalignments.

*G20 Brisbane Action Plan*

#### Assessment

Country	No Compliance	Work in Progress	Full Compliance
Argentina	-1		
Australia			+1
Brazil	-1		
Canada			+1
China			+1
France		N/A	
Germany		N/A	
India			+1
Indonesia			+1
Italy		N/A	
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia	-1		
South Africa	-1		
Turkey	-1		
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.41	

#### Background

The issue of exchange rates flexibility has been on the G20 agenda since the establishment of the forum, and commitments to move toward more market-determined exchange rate systems have been reiterated at almost each G20 summit.

At the 2009 Pittsburgh Summit, G20 leaders committed under the G20 Framework for Strong, Sustainable, and Balanced Growth to “undertake monetary policies consistent with price stability in the context of market oriented exchange rates that reflect underlying economic fundamentals.”<sup>387</sup> At the 2010 Toronto Summit leaders decided to further enhance exchange rate flexibility, particularly in emerging markets, and mentioned that “market-oriented exchange rates that reflect underlying economic fundamentals contribute to global economic stability.”<sup>388</sup> At the 2010 Seoul Summit, G20 leaders agreed to the Seoul Action Plan, which provided for a move towards more market-determined exchange rates.<sup>389</sup> At the 2011 Cannes Summit, G20 leaders considered exchange rate volatility as “a risk to growth and financial stability” and renewed their Seoul

<sup>387</sup> G20 Leaders Statement: The Pittsburgh Summit, G20 Information Centre (Toronto) 25 September 2009. Access: 19 January 2015. <http://www.g20.utoronto.ca/2009/2009communique0925.html>.

<sup>388</sup> The G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Access: 19 January 2015. <http://www.g20.utoronto.ca/2010/to-communique.html>.

<sup>389</sup> The G20 Seoul Summit Leaders Declaration, G20 Information Centre (Toronto) 12 November 2010. Access: 19 January 2015. <http://www.g20.utoronto.ca/2010/g20seoul.html>.

Summit commitment to avoid persistent exchange rate misalignments and to refrain from competitive devaluation.<sup>390</sup> At the 2012 Los Cabos Summit, G20 leaders reiterated their exchange rates commitment and welcomed the commitment by China to “allow market forces to play a larger role in determining movements in the Renminbi (RMB ), continue to reform its exchange rate regime, and to increase the transparency of its exchange rate policy.”<sup>391</sup> In St Petersburg, the commitment was renewed in virtually the same form.<sup>392</sup>

### Commitment Features

This commitment requires G20 members to allow the value of their currencies to be determined by market forces. At the same time, commitments on exchange rates flexibility in the G20 documents always go along with promises to refrain from competitive devaluation and not to target exchange rates for competitive purposes. Refraining from competitive devaluation is one of the aspects of flexible exchange rate regime.

Market-determined exchange rate or a floating exchange rate is an exchange rate that is determined by market forces with minimal government or central bank interference affecting the value of the currency. In a pure float there is no government or central bank intervention at all in the foreign exchange market, leaving the value of the currency subject entirely to market forces.<sup>393</sup>

Competitive devaluation, or currency war, is a policy involving measures taken by national governments to decrease the value of their currencies in order to increase exports, boost growth and domestic employment, or avoid deflation.<sup>394</sup> Thus, competitive devaluation can be considered as an action aimed against the market-determined exchange rate goal. Given the focus on competitive devaluation G20 leaders have made in their previous communiqués, special attention should be paid to the assessment of members’ actions in this area.

The commitment calls for actions to ensure the formation of market-determined exchange rate systems. G20 members should achieve this goal through refraining from interference with the price of their currencies, including attempts to use exchange rates for competitive purposes (competitive devaluation).

### Scoring Guidelines

-1	Member does not make progress in moving toward a more market-determined exchange rate
0	Member makes some progress in moving toward a more market-determined exchange rate and exchange rate flexibility, but fails to refrain from competitive devaluation of its currency.
+1	Member makes progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency.

### Argentina: -1

Argentina has not complied with the commitment on macroeconomic policy.

No Argentinean measures to move toward a more market-determined exchange rate and exchange rate flexibility have been registered during the compliance period.

In December 2014, the Central Bank of Argentina published a document comprising its primary objectives for 2015. The document states that the Central Bank will keep making interventions into the foreign

<sup>390</sup> Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access: 19 January 2015.

<http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>.

<sup>391</sup> G20 Leaders Los Cabos Declaration, G20 Information Centre (Toronto) 19 June 2012. Access: 19 January 2015.

<http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

<sup>392</sup> 2013 St Petersburg G20 Leaders' Declaration, G20 Information Centre (Toronto) 6 September 2013. Access: 19 January 2015.

<http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

<sup>393</sup> Floating exchange rate, NASDAQ. Access: 19 January 2015. <http://www.nasdaq.com/investing/glossary/f/floating-exchange-rate>.

<sup>394</sup> Currency Wars Evolve With Goal of Avoiding Deflation, Bloomberg 22 October 2014. Access: 19 January 2015.

<http://www.bloomberg.com/news/2014-10-22/currency-wars-evolve-with-goal-of-avoiding-deflation.html>.



exchange market, therefore preventing Argentinean economy from being affected by exchange rate shocks (that are extremely possible due to high volatility of the Argentinean peso to the US dollar).<sup>395</sup>

On 25 February 2015, the Central Bank of Argentina reported that the Argentinean peso will maintain its downward trend against the dollar under the Bank's control to prevent unwanted oscillations. It was also mentioned, that the government continues to control the foreign-exchange market by limiting imports and authorizing all currency purchases.<sup>396</sup> The governmental regulation of currency markets is demonstrated by a case in court against an exporter that did not pass the currency from exports to the government in accordance with the law.<sup>397</sup>

No actions taken by Argentinean government has have been registered during the compliance cycle. Thus, it is awarded a score of -1.

*Analyst: Anton Markov*

### **Australia: +1**

Australia has fully complied with the macroeconomic policy commitment.

Australian dollar exchange rate has been determined by market forces since 12 December 1983, when the Australian Government floated the national currency.<sup>398</sup>

No information on direct government or reserve bank intervention affecting the exchange rate of Australian dollar has been registered during the monitoring period.

During the compliance period Australia has refrained from competitive devaluation of its currency and its exchange rate is market determined. Thus, it has been awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Brazil: -1**

Brazil has not complied with the commitment on macroeconomic policy.

Brazil has failed to take measures to move toward a more market-determined exchange rate and exchange rate flexibility.

During the compliance period the Brazilian real weakened by 51% and 42% against the USD and the Euro respectively.<sup>399</sup>

The government tries to prevent the real from market-determined fluctuations caused by economic difficulties in the county and the US monetary policies. For instance, on the 9 March Brazil sold the equivalent of USD 98.3 million of currency swaps as part of a plan to offer as much as USD 100 million a day

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<sup>395</sup> Objetivos y planes respecto del desarrollo de la política monetaria, financiera, crediticia y cambiaria para el año 2015, Banco Central de la República Argentina. December, 2014. Access: 7 April 2015.

[http://www.bcra.gov.ar/pdfs/polmon/ObjetivosBCRA\\_2015.pdf](http://www.bcra.gov.ar/pdfs/polmon/ObjetivosBCRA_2015.pdf).

<sup>396</sup> Peso argentino seguirá tendencia bajista regulada por Banco Central: presidente banco, Thomson Reuters Argentina 25 February 2015. Access: 7 April 2015. <http://ar.reuters.com/article/topNews/idARL1N0VZ2LS20150225>.

<sup>397</sup> Fallo a favor de la AFIP: la justicia condena a un exportador que no ingresó divisas, El Diario de la AFIP 17 November 2014. Access: 7 April 2015. <http://www.dialogofiscal.gob.ar/judiciales/exportadorDivisas.aspx>.

<sup>398</sup> Australia's prime ministers timeline, National Archives of Australia. Access 18 May 2015.

<http://primeministers.naa.gov.au/timeline/results.aspx?type=pm&pm=Robert%20Hawke>.

<sup>399</sup> Banco Central do Brazil. Access: 22 October 2015. <http://www4.bcb.gov.br/pec/taxas/port/ptaxnpesq.asp?id=txcotacao>

until at least March 31 in order to support the real and limit import price increases. It rolled over contracts worth USD 356.2 million.<sup>400</sup>

On the 24 March, Brazilian Central bank President Alexandre Tombini told lawmakers that the sale of swaps supporting the currency fulfilled policy makers' objectives, while adding that extending the maturities of existing hedges is appropriate in the short and medium term.<sup>401</sup>

No facts of Brazilian actions aimed at competitive devaluation of its currency have been registered during the compliance period.

No Brazil's progress in moving toward a more market-determined exchange rate has been registered during the compliance cycle. Thus, it is awarded a score of -1.

*Analyst: Sergey Burok*

### **Canada: +1**

Canada has fully complied with the commitment on macroeconomic policy.

September 1998 was the last time when the Bank of Canada intervened in foreign exchange markets to affect the movements in the Canadian dollar exchange rate.<sup>402</sup>

During the compliance period Canada has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **China: +1**

China has fully complied with the commitment on macroeconomic policy.

Since the beginning of the monitoring period to 22 April 2015 the yuan exchange rate against the euro rose by 16%<sup>403</sup>, and the yuan rate against the dollar fell by 1,2%<sup>404</sup>.

On 6 January 2015, at the press conference of the China State Administration of Foreign Exchange (SAFE) on policies during the fourth quarter of 2014, director of the Comprehensive Department at the SAFE Wang Yungui mentioned that the People's Bank of China and the SAFE will continue to promote the marketization reform of the RMB exchange rate formation mechanism. The SAFE will allow the market to play a more crucial role in the RMB exchange rate formation mechanism, enhance monitoring of cross-border capital flows, and develop the foreign exchange market to gradually achieve a basic equilibrium in the balance of

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<sup>400</sup> Brazil Real Leads Global Declines as Court Blocks Rousseff Probe, Bloomberg 9 March 2015. Access: 1 April 2015.

<http://www.bloomberg.com/news/articles/2015-03-09/brazil-real-drops-to-10-year-low-as-court-blocks-rousseff-probe>

<sup>401</sup> Brazil Scales Back Currency Support as Real Sinks to 12-Year Low, Bloomberg 24 March 2015. Access: 1 April 2015.

<http://www.bloomberg.com/news/articles/2015-03-24/brazil-s-tombini-says-in-no-hurry-to-reduce-currency-swap-volume>

<sup>402</sup> Intervention in the Foreign Exchange Market, Bank of Canada 2012. Access Date: 12 May 2015.

[http://www.bankofcanada.ca/wp-content/uploads/2010/11/intervention\\_foreign\\_exchange.pdf](http://www.bankofcanada.ca/wp-content/uploads/2010/11/intervention_foreign_exchange.pdf)

<sup>403</sup> <http://ikurs.org/CNY-EUR.html>

<sup>404</sup> Historical Rates for the Chinese Yuan Renminbi, Board of Governors of the Federal Reserve System 20 April 2015. Access: 22 April 2015. [http://www.federalreserve.gov/releases/h10/hist/dat00\\_ch.htm](http://www.federalreserve.gov/releases/h10/hist/dat00_ch.htm)

payments and create a favorable environment for the development of China's foreign-related economy and finance.<sup>405</sup>

On 9 January 2015, China's central bank declared that "it will continue with its prudent monetary policies in 2015 with better coordination of tight and loose monetary measures and proper fine-tuning." It will use various tools to maintain the reasonably rich liquidity in the bank system, support the real economy and facilitate structural adjustment. Financial reforms will be boosted, including reforms on interest rates, the yuan exchange rate formation system and foreign exchange management.<sup>406</sup>

On 5 March 2015, Premier Li Keqiang delivered the government work report during the opening meeting of the third session of China's 12th National People's Congress at the Great Hall of the People in Beijing. He said that China would continue to implement proactive fiscal policy and prudent monetary policy in 2015, while noting policy flexibility to sustain economic growth. The nation will also keep the RMB exchange rate at an appropriate and balanced level and allow it to float more freely<sup>407</sup>, while keeping it basically stable at an appropriate, balanced level. China will also allow the pricing of more debt products of financial institutions to be market-based and improve the central bank's framework of adjusting interest rates.<sup>408</sup>

On 24 July 2015, the State Council released a policy document, which indicated that the flexibility of the Renminbi exchange rate would be enhanced to keep it stable and at an adaptive and balanced level.<sup>409</sup>

On 11 August 2015, People's Bank of China published the statement on improving the quotation of the middle exchange rate of RMB against the U.S. dollar. This was described as an important step of the market-oriented reform of the RMB exchange rate formation mechanism enabling the RMB exchange rate to operate according to the more market-oriented rules in the future.<sup>410</sup>

On 9 September 2015, Premier Li Keqiang at the Summer Davos Forum in Dalian stated that the government of China had no intention to boost exports by devaluing the yuan. He said that lately many currencies have slipped sharply against the US dollar. It's the international market trend that led China to make a minor adjustment in the central parity system.<sup>411</sup> Li Keqiang also stressed that China improves the quotation regime of the RMB central parity in order to make the exchange rate more market-oriented. There is no basis for continued depreciation of the RMB, and the rate will be kept basically stable at a reasonable and balanced level.<sup>412</sup>

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<sup>405</sup> Transcript of the SAFE Press Conference for Quarter Four of 2014, the State Administration of Foreign Exchange 6 January 2015. Access: 21 April 2015. [http://www.safe.gov.cn/wps/portal/!ut/p/c5/04\\_SB8K8xLLM9MSSzPy8xBz9CP0os3gPZxdnX293QwP30FAnA8\\_AEBc3C1NjI3czl\\_1wkA48Kgw8gY4gKOBvp9Hfm6qkfF2dpqjo6liABQXMys!/dl3/d3/L2dJQSEvUUt3QS9ZQnZ3LzZfSENEQ01LRzEwT085RTBJNkE1U1NDRzNMtDQ!/?WCM\\_GLOBAL\\_CONTEXT=/wps/wcm/connect/safe\\_web\\_store/state+administration+of+foreign+exchange/safe+news/80e8378046d55a66a2d9a2df84a4806f](http://www.safe.gov.cn/wps/portal/!ut/p/c5/04_SB8K8xLLM9MSSzPy8xBz9CP0os3gPZxdnX293QwP30FAnA8_AEBc3C1NjI3czl_1wkA48Kgw8gY4gKOBvp9Hfm6qkfF2dpqjo6liABQXMys!/dl3/d3/L2dJQSEvUUt3QS9ZQnZ3LzZfSENEQ01LRzEwT085RTBJNkE1U1NDRzNMtDQ!/?WCM_GLOBAL_CONTEXT=/wps/wcm/connect/safe_web_store/state+administration+of+foreign+exchange/safe+news/80e8378046d55a66a2d9a2df84a4806f)

<sup>406</sup> China's central bank vows prudent policies in 2015, the State Council of the People's Republic of China 9 January 2015. Access: 21 April 2015. [http://english.gov.cn/news/top\\_news/2015/01/10/content\\_281475037038521.htm](http://english.gov.cn/news/top_news/2015/01/10/content_281475037038521.htm)

<sup>407</sup> Highlights of government work report, the State Council of the People's Republic of China 5 March 2015. Access: 21 April 2015. [http://english.gov.cn/premier/news/2015/03/05/content\\_281475066011469.htm](http://english.gov.cn/premier/news/2015/03/05/content_281475066011469.htm)

<sup>408</sup> Full text: Report on China's economic, social development plan, the National People's Congress of the People's Republic of China 5 March 2015. Access: 21 April 2015. [http://www.npc.gov.cn/englishnpc/Special\\_12\\_3/2015-03/19/content\\_1930758.htm](http://www.npc.gov.cn/englishnpc/Special_12_3/2015-03/19/content_1930758.htm)

<sup>409</sup> Yuan given more flexibility to boost exports, the State Council of the People's Republic of China 25 July 2015. Access: 21 October 2015. [http://english.gov.cn/policies/policy\\_watch/2015/07/25/content\\_281475153899563.htm](http://english.gov.cn/policies/policy_watch/2015/07/25/content_281475153899563.htm)

<sup>410</sup> Official from the Department of Foreign Investment Administration of the MOFCOM Comments on the Influence of Improving the Quotation of the Middle Exchange Rate of RMB against the U.S. Dollar, Ministry of Commerce of China 17 August 2015. Access: 21 October 2015. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201508/20150801093104.shtml>

<sup>411</sup> Transcript of Premier's meeting with Chinese and foreign business representatives at Summer Davos, the State Council of the People's Republic of China 10 September 2015. Access: 21 October 2015. [http://english.gov.cn/premier/speeches/2015/09/10/content\\_281475186726322.htm](http://english.gov.cn/premier/speeches/2015/09/10/content_281475186726322.htm)

<sup>412</sup> Li Keqiang Holds Dialogue with Domestic and Foreign Entrepreneur Representatives Attending Summer Davos Forum, Ministry of Foreign Affairs of China 10 September 2015. Access: 21 October 2015. [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1296316.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1296316.shtml)

On 22 September 2015, Chinese President Xi Jinping at the welcoming dinner hosted by local governments and friendly organizations in the United States stated that China would stick to the purpose of the reform to have the exchange rate decided by market supply and demand and allow the RMB to float both ways, and this position would not be changed by the recent fluctuation in the stock market or the foreign exchange market.<sup>413</sup>

During the compliance period China has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency. Thus, it has been awarded a score of +1.

*Analyst: Svetlana Nikitina*

### **France: Not Applicable**

France's exchange rate policy is determined at the supranational level by the European Central Bank. Thus, the national government has no jurisdiction to affect the exchange rate of the euro, and France's compliance with this commitment cannot be assessed.

*Analyst: Vitaly Nagornov*

### **Germany: Not applicable**

Germany's exchange rate policy is determined at the supranational level by the European Central Bank. Thus, the national government has no jurisdiction to affect the exchange rate of the euro, and Germany's compliance with this commitment cannot be assessed.

*Analyst: Sergei Titov*

### **India: +1**

India has fully complied with the commitment on macroeconomic policy.

During the period under review the exchange rate of the rupee to the US dollar increased by 6.28% and the rate to the euro fell by 5.53% (as of 11 October 2015).<sup>414</sup>

India has taken measures to move toward a more market-determined exchange rate and exchange rate flexibility.

On 3 February 2015, Reserve Bank of India (RBI) Governor Raghuram G. Rajan stated that India doesn't take actions aimed at targeting the particular exchange rate, and RBI interventions are aimed solely at reducing volatility.<sup>415</sup>

On 27 February 2015, RBI Executive Director Shri G. Mahalingam at the India Treasury Summit in Mumbai announced that during the last (for that moment) two decades the INR exchange rate was determined by the market forces. He also noticed that Indian strategy of exchange rate management comprised the regulation of capital flows without targeting the exchange rate at any level. Besides, the director emphasized the recent relative sustainability of the rupee, which he explained by continuous foreign institutional investors inflows, a

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<sup>413</sup> Full text of President Xi Jinping's speech on China-U.S. relations in Seattle, Ministry of Agriculture of China 24 September 2015. Access: 21 October 2015. [http://english.agri.gov.cn/news/dqnf/201509/t20150924\\_26553.htm](http://english.agri.gov.cn/news/dqnf/201509/t20150924_26553.htm)

<sup>414</sup> Reference Rate Archive, Reserve Bank of India. Access: 11 October 2015. <http://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>.

<sup>415</sup> Edited Transcript of Reserve Bank of India's Post Policy Conference Call with Media, Reserve Bank of India 3 February 2015. Access: 7 April 2015. [http://rbi.org.in/scripts/bs\\_viewcontent.aspx?id=2964](http://rbi.org.in/scripts/bs_viewcontent.aspx?id=2964).

reduction in current account deficit, political stability, India's forex reserves increase, improvement in macro-economic indicators and other factors, which are not governmental actions.<sup>416</sup>

No facts of Indian actions aimed at competitive devaluation of the national currency have been registered during the compliance period.

India has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency. Thus, it is awarded a score of +1.

*Analyst: Anastasiia Matiukhina*

### **Indonesia: +1**

Indonesia has fully complied with the commitment on macroeconomic policy.

Indonesia has moved toward a more market-determined exchange rate and exchange rate flexibility.

According to the central bank of Indonesia, the rupiah depreciated against the US dollar in 2014 but appreciated against the currencies of other leading trading partners. Rupiah depreciation against the USD in the fourth quarter of 2014 is explained by the USD "appreciation against nearly all global currencies after the release of improved US economic data as well as the planned hike to the Fed Fund Rate."<sup>417</sup> The trend of the rupiah depreciation continued in 2015. Indonesian central bank implemented measures to keep the rupiah stable, including market interventions as well as purchasing government bonds in the secondary market. However, Bank Indonesia applied market interventions to address uncertainty in the market, which could trigger macro and financial system instability. Keeping the stability of the rupiah at the exchange rate that is in line with its fundamental will remain one of the central bank's objectives in future.<sup>418</sup>

Indonesia has refrained from competitive devaluation of its currency.

Indonesia has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **Italy: Not applicable**

Italy's exchange rate policy is determined at the supranational level by the European Central Bank. Thus, the national government has no jurisdiction to affect the exchange rate of the euro, and Italy's compliance with this commitment cannot be assessed.

*Analyst: Andrei Sakharov*

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<sup>416</sup> Some Thoughts on Forex Markets in India (Keynote address delivered by Shri G. Mahalingam, Executive Director, Reserve Bank of India on February 25, 2015 at the India Treasury Summit in Mumbai), Reserve Bank of India 27 February 2015. Access: 7 April 2015. [http://www.rbi.org.in/scripts/BS\\_SpeechesView.aspx?Id=943](http://www.rbi.org.in/scripts/BS_SpeechesView.aspx?Id=943).

<sup>417</sup> Monetary Policy Review - January 2015, Central Bank of Indonesia 27 January 2015. Access date: 17 April 2015. <http://www.bi.go.id/en/publikasi/kebijakan-moneter/tinjauan/Pages/Monetary-Policy-Review-January-2015.aspx>.

<sup>418</sup> Monetary Policy Review - March 2015, Central Bank of Indonesia 31 March 2015. Access date: 17 April 2015. <http://www.bi.go.id/en/publikasi/kebijakan-moneter/tinjauan/Pages/Monetary-Policy-Review---March-2015.aspx>.

**Japan: +1**

Japan introduced a free floating exchange rate system in February 1973.<sup>419</sup> No facts of Japan's central bank interventions aimed at the exchange rates of the national currency have been registered during the compliance period.

Japan has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

**Korea: +1**

Korea has fully complied with the commitment on macroeconomic policy.

Korea has taken measures to move toward a more market-determined exchange rate and exchange rate flexibility.

According to the Bank of Korea, since December 1997 the country's exchange rate system has been based on the free-floating won.<sup>420</sup>

No facts of Korean actions towards competitive devaluation of its currency have been registered during the compliance period.

On average, the KRW has strengthened against the USD and JPY during the compliance period. Temporary drops in the KRW exchange rate are explained by the general strengthening of the US currency against other currencies and changes in expectations of the market participants, rather than any actions taken by the central bank.<sup>421</sup>

Korea has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepon*

**Mexico: +1**

Mexico has fully complied with the commitment on macroeconomic policy.

Since 1994 exchange rate in Mexico is determined by market forces (floating exchange rate/free float regime) in accordance with the Foreign Exchange Commission's decision.<sup>422</sup>

On 21 April 2015, Deputy Governor of the Bank of Mexico Manuel Sánchez informed that "Mexico uses a floating exchange rate regime. The policy emphasis has been on the creation of deep spot and forward foreign exchange (FX) markets, as well as on enhancing the liquidity of the domestic bond market. Mexico's currency market is the most liquid among those of all emerging economies... in cases of extraordinary market

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<sup>419</sup> Floating Exchange Rates: The Lessons of Recent Experience. Société Universitaire Européenne de Recherches Financières. BRILL, 1976

<sup>420</sup> Exchange Rate System, Bank of Korea. Access date: 1 June 2015. <http://www.bok.or.kr/broadcast.action?menuNavild=690>.

<sup>421</sup> Foreign Exchange Market Trends(2015.Q2), Bank of Korea 27 July 2015. Access date: 21 October 2015. [http://www.bok.or.kr/down.search?file\\_path=/attach/eng/634/2015/07/1437986658419.pdf&file\\_name=FX+Market+Trends%282015.Q2%29.pdf](http://www.bok.or.kr/down.search?file_path=/attach/eng/634/2015/07/1437986658419.pdf&file_name=FX+Market+Trends%282015.Q2%29.pdf).

<sup>422</sup> FOREIGN EXCHANGE MARKET (EXCHANGE RATES), Bank of Mexico. Date of assess: 23 February 2015. <http://www.banxico.org.mx/portal-mercado-cambiarior/foreign-exchange-markets--exc.html>.

volatility and particularly amid low liquidity, the country [Mexico] sometimes uses marginal rule-based FX intervention, mostly as a way to send a signal of confidence to market participants.<sup>423</sup>

Since the Brisbane Summit the exchange rate between the US dollar and the Mexican peso changed insignificantly: from 13.5445 (as of 18 November 2014) to 16.8162 (as of 2 October 2015).<sup>424</sup> The euro-peso exchange rate also changed: from 16.9523 (as of 18 November 2014) to 18.7702 (as of 2 October 2015).<sup>425</sup> The Mexican peso has depreciated against the US dollar at the average rate of other emerging economies.<sup>426</sup>

In December 2014 and March 2015 in the context of continued international financial markets volatility Mexican Exchange Commission (Comisión de Cambios) adopted the additional preventive measures aimed at providing liquidity to foreign exchange market. On 8 December 2014, Bank of Mexico announced everyday USD 200 million proposal at lowest exchange rate at public sales.<sup>427</sup> On 11 March 2015, Bank of Mexico announced an everyday USD 52 million proposal without minimum price at public sales. On 30 July 2015, it announced an everyday USD 200 million proposal at lowest exchange rate at public sales for the period from July 31, 2015 to September 30, 2015.<sup>428</sup> On 28 September 2015, this measure was extended up to November 30, 2015.<sup>429</sup> However, these measures were aimed at providing liquidity rather than influencing the exchange rate.<sup>430</sup>

During the compliance period Mexico has refrained from competitive devaluation of its currency and its exchange rate is largely market-determined. Thus, it has been awarded a score of +1.

*Analyst: Elizaveta Safonkina*

## **Russia: +1**

Russia has fully complied with the commitment on macroeconomic policy.

Russia has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility.

On 10 November 2014, Russian central bank abolished the exchange rate policy mechanism through cancelling the permissible range of the dual-currency basket ruble values (the so-called operational band) and regular interventions on and outside the borders of this band. The new approach did not provide for

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<sup>423</sup> Understanding macroprudential instruments and their impact. 21 April 2015. Date of assess: 26 April 2015.

<http://www.banxico.org.mx/publicaciones-y-discursos/discursos-y-presentaciones/discursos/%7BBBFFC8CF-878C-DB90-16EC-D9A45554060A%7D.pdf>.

<sup>424</sup> Exchange rates and auctions historical information, Bank of Mexico. Date of assess: 21 October 2015.

<http://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=CF373&sector=6&locale=en>.

<sup>425</sup> Tipos de cambio respecto a otras divisas. Euro, Bank of Mexico. Date of assess: 21 October 2015.

<http://www.banxico.org.mx/tipcamb/otrasDivAction.do?idioma=sp>.

<sup>426</sup> The Mexican economy: the need for differentiation, 2 October 2015. Bank of Mexico. Date of assess: 21 October 2015.

<http://www.banxico.org.mx/publicaciones-y-discursos/discursos-y-presentaciones/presentaciones/%7B1C381AD5-FBAA-15A1-C056-46ABC8407A52%7D.pdf>

<sup>427</sup> La Comisión de Cambios adopta medidas preventivas para proveer liquidez al mercado cambiario en caso necesario. Date of assess: 5 April 2015. <http://www.banxico.org.mx/informacion-para-la-prensa/comunicados/politica-cambiaria/comision-de-cambios/%7B3356C133-B2B2-2A30-AE8F-ECFCCE139288%7D.pdf>.

<sup>428</sup> La Comisión de Cambios refuerza las medidas preventivas para proveer liquidez al mercado cambiario. Date of assess: 22 September 2015. <http://www.banxico.org.mx/informacion-para-la-prensa/comunicados/politica-cambiaria/comision-de-cambios/%7B43867211-75CF-0FA5-7958-0AE8848BC56F%7D.pdf>.

<sup>429</sup> La Comisión de Cambios extiende las medidas preventivas para proveer liquidez al mercado cambiario. Date of assess: 22 September 2015. <http://www.banxico.org.mx/informacion-para-la-prensa/comunicados/politica-cambiaria/comision-de-cambios/%7BCEB92764-AA59-621D-9A0A-7B969B6C51CA%7D.pdf>.

<sup>430</sup> La Comisión de Cambios adopta medidas preventivas adicionales para proveer liquidez al mercado cambiario. Date of assess: 5 April 2015. <http://www.banxico.org.mx/informacion-para-la-prensa/comunicados/politica-cambiaria/comision-de-cambios/%7BF0793066-927C-5B11-5180-E6905D18B4B1%7D.pdf>.

complete abandonment of foreign exchange interventions, which still can be implemented in case of financial stability threats. However, the ruble exchange rate is now determined mainly by market forces.<sup>431</sup>

Russia has refrained from competitive devaluation of its currency.

Despite the depreciation of the ruble against major foreign currencies, data on the central bank currency interventions shows that the amount of foreign currency sold during the compliance period exceeds that purchased, implying that the activities of the central bank were generally aimed at supporting the ruble exchange rate.<sup>432</sup> For instance, in May 2015, in order to replenish international reserves the Central Bank of Russia took a decision to conduct foreign currency purchases in the domestic foreign exchange market from May 13. It was emphasized that ‘these operations do not seek to maintain the ruble exchange rate at a certain level and will be conducted in such a way that the impact on the ruble exchange rate dynamics is minimized’.<sup>433</sup>

During the compliance period Russia has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency. Thus, it has been awarded a score of +1.

*Analysts: Andrey Shelepov and Mark Rakmangulov*

### **Saudi Arabia: –1**

Saudi Arabia has not complied with the commitment on macroeconomic policy.

The Saudi riyal exchange rate has remained pegged to the USD at a fixed rate since mid-1986.<sup>434</sup>

On 25 August 2015, deputy governor for research and international affairs at the Saudi Arabian Monetary Agency Ahmed al-Kholifi declared that the country remains committed to keeping the riyal pegged to the USD despite the drop in oil prices.<sup>435</sup>

No Saudi Arabian progress in moving toward a more market-determined exchange rate has been registered during the compliance cycle. Thus, it is awarded a score of –1.

*Analyst: Andrey Shelepov*

### **South Africa: –1**

South Africa has failed to comply with the commitment on macroeconomic policy.

From 16 November 2014 to 1 October 2015 South African rand’s exchange rate to the US dollar decreased by about 22%.<sup>436</sup>

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<sup>431</sup> On parameters of Bank of Russia exchange rate policy, Bank of Russia 10 November 2014. Access Date: 15 June 2015. [http://cbr.ru/eng/press/PR.aspx?file=10112014\\_122958eng\\_dkp2014-11-10T12\\_26\\_04.htm](http://cbr.ru/eng/press/PR.aspx?file=10112014_122958eng_dkp2014-11-10T12_26_04.htm).

<sup>432</sup> Data on the Bank of Russia currency interventions (monthly), Bank of Russia June 2015. Access Date: 15 June 2015. [http://cbr.ru/eng/hd\\_base/default.aspx?prtid=valint&pid=idkp\\_br&sid=ITM\\_40998](http://cbr.ru/eng/hd_base/default.aspx?prtid=valint&pid=idkp_br&sid=ITM_40998).

<sup>433</sup> Monetary Policy Report No.2 June 2015, Russian Central Bank. [http://www.cbr.ru/eng/publ/ddcp/2015\\_02\\_ddcp\\_e.pdf](http://www.cbr.ru/eng/publ/ddcp/2015_02_ddcp_e.pdf).

<sup>434</sup> Speech by His Excellency the Governor of SAMA to the Workshop on: "Economic Policies and Prominent Challenges Facing the Saudi Economy to Achieve Sustainable Development", Saudi Arabian Monetary Agency 8 February 2015. Access date: 18 May 2015. <http://www.sama.gov.sa/en-US/News/Pages/News20150208.aspx>.

<sup>435</sup> Saudi Arabia Remains Committed to Dollar Peg, The Wall Street Journal 25 August 2015. Access date: 21 October 2015. <http://www.wsj.com/articles/saudi-arabia-remains-committed-to-dollar-peg-1440525056>.

<sup>436</sup> USD /ZAR exchange rate. Yahoo Finance.

[http://finance.yahoo.com/echarts?s=ZAR%3DX+Interactive#{\"customRangeStart\":1416085200,\"customRangeEnd\":1443646800,\"range\": \"custom\", \"allowChartStacking\": true}](http://finance.yahoo.com/echarts?s=ZAR%3DX+Interactive#{\).



No specific actions aimed at stimulating the rand exchange rate flexibility have been registered during the compliance period.

South Africa has failed to make any concrete progress in moving toward a more market-determined exchange rate and exchange rate flexibility. Thus it has been awarded a score of -1.

*Analyst: Lyudmila Tarasenko*

### **Turkey: -1**

Turkey has not complied with the commitment on macroeconomic policy.

No facts illustrating Turkish move toward a more market-determined exchange rate and exchange rate flexibility have been registered during the compliance period.

The central bank of Turkey is responsible for taking necessary measures in order to protect the value of the lira and establish the exchange rate regime determining its parity against gold and foreign currencies jointly with the Government. According to the central bank, under the current monetary policy it executes spot and forward purchase and sale of foreign currencies, foreign exchange swaps and other derivatives transactions in order to determine the value of the TRY against foreign currencies.

Turkey has used its exchange rate devaluation for competitive purposes.

In the period of 16 November 2014 — 19 October 2015, the indicative exchange rate<sup>437</sup> of the TRY to the USD increased from 2.24 to 2.89.<sup>438</sup> The rate to the EUR in the same period changed from 2.79 to 3.28, reflecting the TRY depreciation.<sup>439</sup>

On 4 February 2015, Turkish economy minister Nihat Zeybekci declared that TRY devaluation should be considered before deciding in favour of a tight monetary policy. He mentioned that “a competitive currency rate is positive for exports as well as for the Turkish economy as a whole” and many countries have already allowed their currencies to lose value in order boost their exports and stimulate the economy.<sup>440</sup>

No Turkey’s progress in moving toward a more market-determined exchange rate has been registered during the compliance cycle. Thus, it is awarded a score of -1.

*Analyst: Nadezhda Sporysheva*

### **United Kingdom: +1**

The United Kingdom has fully complied with the commitment on macroeconomic policy.

The UK has taken measures to move toward a more market-determined exchange rate and exchange rate flexibility.

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<sup>437</sup> Determining the Indicative Exchange Rates, Central Bank of Turkey. Access: 27 April 2015.

<http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/MARKETS/Foreign+Exchange+and+Banknotes+Markets/Determining+the+Indicative+Exchange+Rates>.

<sup>438</sup> Exchange Rates (Daily), Central Bank of Turkey. Access: 21 October 2015.

<http://evds.tcmb.gov.tr/fame/webfactory/evdpw/rpt/46713.html>.

<sup>439</sup> Exchange Rates (Daily), Central Bank of Turkey. Access: 21 October 2015.

<http://evds.tcmb.gov.tr/fame/webfactory/evdpw/rpt/46199.html>.

<sup>440</sup> Turkish Economy Minister: Weaker lira might be beneficial, Anadolu Agency 4 February 2015. Access: 27 April 2015.

<http://www.aa.com.tr/en/economy/460705--turkish-economy-minister-weaker-lira-might-be-beneficial>.

According to the Bank of England, it has conducted no interventions for the purposes of influencing the GBP exchange rate since 1992.<sup>441</sup>

No facts of UK's actions towards competitive devaluation of its currency have been registered during the compliance period.

Since 17 November 2014 till 20 October 2015, the effective exchange rate index of the GBP (2005=100) has increased from 86.4 to 91.74 showing the strengthening of the GBP against the basket of other currencies.<sup>442</sup>

The UK has made progress in moving toward a more market-determined exchange rate and exchange rate flexibility, including through refraining from competitive devaluation of its currency. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **United States: +1**

The United States has fully complied with the commitment on macroeconomic policy.

The United States dollar exchange rate is market-determined; the U.S. Treasury and the Federal Reserve do not target any particular level for the exchange rate.<sup>443</sup>

During the period under review the US Federal Open Market Committee reported of no interventions in foreign currencies for the Federal Reserve System's account.<sup>444,445,446447448449</sup>

No new quantitative easing programs have been announced during the compliance period; the last quantitative easing (QE3) was ended in 2014.

The United States has refrained from influencing exchange rates, including from competitive devaluation of its currency. Thus, it has been awarded a score of +1.

*Analyst: Tatiana Lanshina*

### **European Union: +1**

The European Union has fully complied with the commitment on macroeconomic policy.

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<sup>441</sup> Statistical Release. UK official holdings of international reserves. March 2015, UK Government 2 April 2015. Access date: 17 April 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/420567/Reserves\\_Statistical\\_Release\\_March\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/420567/Reserves_Statistical_Release_March_2015.pdf).

<sup>442</sup> Effective exchange rate index, Sterling (Jan 2005=100), Bank of England. Access date: 21 October 2015. <http://www.bankofengland.co.uk/boeapps/iadb/fromshowcolumns.asp?Travel=NixIRxSUx&FromSeries=1&ToSeries=50&DAT=RN&G&FD=16&FM=Nov&FY=2014&TD=21&TM=Oct&TY=2015&VFD=Y&html.x=17&html.y=13&CSVF=TT&C=IIN&Filter=N>.

<sup>443</sup> How does the foreign exchange value of the dollar relate to Federal Reserve policy? Board of Governors of the Federal Reserve System. Access: 22 April 2015. [http://www.federalreserve.gov/faqs/economy\\_12763.htm](http://www.federalreserve.gov/faqs/economy_12763.htm).

<sup>444</sup> Minutes of the Federal Open Market Committee, Board of Governors of the Federal Reserve System 16-17 December 2014. Access: 5 May 2015. <http://www.federalreserve.gov/monetarypolicy/fomcminutes20141217.htm>.

<sup>445</sup> Minutes of the Federal Open Market Committee, Board of Governors of the Federal Reserve System 27-28 January 2015. Access: 5 May 2015. <http://www.federalreserve.gov/monetarypolicy/fomcminutes20150128.htm>.

<sup>446</sup> Minutes of the Federal Open Market Committee, Board of Governors of the Federal Reserve System 17-18 March 2015. Access: 5 May 2015. <http://www.federalreserve.gov/monetarypolicy/fomcminutes20150318.htm>.

<sup>447</sup> Minutes of the Federal Open Market Committee, Board of Governors of the Federal Reserve System 28-29 April 2015. Access: 1 October 2015. <http://www.federalreserve.gov/monetarypolicy/fomcminutes20150429.htm>.

<sup>448</sup> Minutes of the Federal Open Market Committee, Board of Governors of the Federal Reserve System 16-17 June 2015. Access: 1 October 2015. <http://www.federalreserve.gov/monetarypolicy/fomcminutes20150617.htm>.

<sup>449</sup> Minutes of the Federal Open Market Committee, Board of Governors of the Federal Reserve System 28-29 July 2015. Access: 1 October 2015. <http://www.federalreserve.gov/monetarypolicy/fomcminutes20150729.htm>.

The EU monitors the euro exchange rate. On 28 November 2014, the European Commission stated that when the three-year average is considered, the real effective exchange rate has depreciated in most EU countries, but has remained within the indicative thresholds in each of them.<sup>450</sup>

On 22 January 2015, the European Central Bank (ECB) announced an expanded stimulus program amounting to EUR 60 billion a month in asset purchases in an effort to revive the eurozone's economy. As a result, the euro weakened to 11-year lows.<sup>451</sup>

On 2 January 2015, ECB President Mario Draghi answered the question whether ECB was encouraging euro depreciation to bring down the price of European exports. He said that ECB was not regulating the exchange rate though it is important for price stability and growth. He explained that weaker than expected recovery and higher than expected unemployment contributed to a weak exchange rate.<sup>452</sup>

On 17 April 2015, talking about negative inflation in the euro area Draghi said that the ECB would continue to closely monitor the risks to the inflation outlook and, in this context, the Governing Council will focus in particular on the exchange rate among other issues.<sup>453</sup>

On 4 May 2015, Vice-President of the ECB Vítor Constâncio did not confirm that the depreciation of euro is the result of currency wars and said that exchange rates reflect the economic situation in the world.<sup>454</sup>

On 10 June 2015, Member of the Executive Board of the ECB Benoît Cœuré stated in that the ECB does not seek to influence the euro's exchange rate and that the depreciation of the euro was just the result of the differences in positions in the economic cycle and monetary policies of the EU and the US.<sup>455</sup>

On 8 July 2015, in the report on "The international role of the euro" the ECB concluded that the euro's nominal effective exchange rate depreciated by 10% in the 12 months to May 2015. The influence of this depreciation on the euro's international use was analyzed in the report, and no signs of competitive devaluation of the currency can be found there.<sup>456</sup>

The EU maintains a market-determined exchange rate and exchange rate flexibility; and depreciation of the euro is not considered to be aimed at competitive devaluation. Thus, the EU has been awarded a score of +1.

*Analyst: Andrey Shelepov*

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<sup>450</sup> Report from the Commission to the European Parliament, the Council, the European Central Bank and the European Economic and Social Committee, European Commission 28 November 2014. Access: 18 April 2015.

[http://ec.europa.eu/europe2020/pdf/2015/amr2015\\_en.pdf](http://ec.europa.eu/europe2020/pdf/2015/amr2015_en.pdf)

<sup>451</sup> Aggressive ECB Stimulus Ushers In New Era for Europe, The Wall Street Journal 22 January 2015. Access: 18 April 2015.

<http://www.wsj.com/articles/ecb-announces-stimulus-plan-1421931011>

<sup>452</sup> Interview with Mario Draghi, President of the ECB, European Central Bank 2 January 2015. Access: 18 April 2015.

[https://www.ecb.europa.eu/press/inter/date/2015/html/sp150102\\_1.en.html](https://www.ecb.europa.eu/press/inter/date/2015/html/sp150102_1.en.html)

<sup>453</sup> Statement by Mario Draghi, President of the ECB, prepared for the thirty-first meeting of the International Monetary and Financial Committee, European Central Bank 17 April 2015. Access: 18 April 2015.

<https://www.ecb.europa.eu/press/key/date/2015/html/sp150417.en.html>

<sup>454</sup> Interview with Vítor Constâncio, Vice-President of the ECB, conducted by Marcel de Boer and Saskia Jonker, European Central Bank 29 April 2015. Access: 10 October 2015. <http://www.ecb.europa.eu/press/inter/date/2015/html/sp150504.en.html>

<sup>455</sup> Interview with Benoît Cœuré, Member of the Executive Board of the ECB, conducted by Marie Dancer, La Croix, European Central Bank 10 June 2015. Access: 10 October 2015. <http://www.ecb.europa.eu/press/inter/date/2015/html/sp150610.en.html>

<sup>456</sup> Diverging monetary policy cycles impact international use of the euro, European Central Bank 8 July 2015. Access: 10 October 2015. <http://www.ecb.europa.eu/press/pr/date/2015/html/pr150708.en.html>

## 4. Trade

“We commit to implement all elements of the Bali package.”

*G20 Brisbane Leaders' Communiqué*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia			+1
Brazil		0	
Canada			+1
China		0	
France			+1
Germany			+1
India		0	
Indonesia		0	
Italy	-1		
Japan			+1
Korea		0	
Mexico		0	
Russia		0	
Saudi Arabia	-1		
South Africa			+1
Turkey	-1		
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.25	

### Background

Since the Washington Summit of 2008, G20 countries have consistently committed to reducing barriers to international trade in the form of protectionist measures, burdensome administrative procedures, investment restrictions, and non-tariff measures regarding imports. Generally, this commitment has been considered a long-term goal for a healthy global economy and a means towards economic recovery following the global financial crisis.<sup>457</sup>

With the resumption of the World Trade Organization's Doha Development Round of trade talks at the Bali Ministerial Conference in December 2013, the trade commitment is taking on a more positive character. It now encompasses specific and uniformly agreed-upon policy measures. At the recent Brisbane Summit, G20 states committed to implementing all elements of the Bali package in an effort to facilitate global trade.<sup>458</sup>

### Commitment Features

G20 members must implement the Bali package in full. The package includes a series of measures focused on trade facilitation and adopted at the World Trade Organization's Bali Ministerial Conference on 7 December 2013.

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<sup>457</sup> 2014 G20 Brisbane Summit Communiqué, 16 November 2014. Access: 31 January 2014.

<http://www.g20.utoronto.ca/2014/2014-1116-communication.html>

<sup>458</sup> 2013 St. Petersburg G20 Summit Final Compliance Report, 15 November 2014. Access: 31 January 2014.

<http://www.g20.utoronto.ca/compliance/2013stpetersburg-final/index.html>

The package consists of policy measures focused explicitly on trade facilitation, as well as miscellaneous policy measures directed at reducing tariffs, subsidies and burdensome administrative procedures vis a vis specific industries or nations.<sup>459</sup>

G20 members' compliance with the commitment is gauged against national implementation of a selection of specific and identifiable policy commitments contained in the Agreement on Trade Facilitation.<sup>460</sup>

The sub-articles selected to be evaluated for this commitment have been chosen according to two criteria: 1) they lend themselves to monitoring and 2) they constitute steps that member states can take proactively, as opposed to in reaction to a certain event.

As the Bali package was agreed upon in December 2013, some G20 members continued to implement measures during the 2014 Brisbane compliance cycle. In such cases, the G20 member is awarded full compliance.

## **Article 1: Publication and Availability of Information**

### 1. Publication

1.1. Each Member shall promptly publish the following information in a non-discriminatory and easily accessible manner in order to enable governments, traders and other interested parties to become acquainted with them:

- a. Importation, exportation and transit procedures (including port, airport, and other entry-point procedures) and required forms and documents;
- b. Applied rates of duties and taxes of any kind imposed on or in connection with importation or exportation;
- c. Fees and charges imposed by or for governmental agencies on or in connection with importation, exportation or transit;
- d. Rules for the classification or valuation of products for customs purposes;
- e. Laws, regulations and administrative rulings of general application relating to rules of origin;
- f. Import, export or transit restrictions or prohibitions;
- g. Penalty provisions against breaches of import, export or transit formalities;
- h. Appeal procedures;
- i. Agreements or parts thereof with any country or countries relating to importation, exportation or transit;
- j. Procedures relating to the administration of tariff quotas.

### 2. Information Available Through Internet

2.1. Each Member shall make available, and update to the extent possible and as appropriate, the following through the internet:

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Commission consults on Capital Markets Union, European Commission (Brussels) 18 February 2015. Access: 26 February 2015. [http://europa.eu/rapid/press-release\\_IP-15-4433\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4433_en.htm)

<sup>459</sup> Ministerial Conference Ninth Session, Bali, 3-6 December 2013, Ministerial Declaration and Decisions, World Trade Organization (Geneva) 11 December 2013. Access: 1 February 2015.

<sup>460</sup> <http://naega.org/wp-content/uploads/2012/05/WTO-Bali-Action-Item.pdf>

- a. A description of its importation, exportation and transit procedures, including appeal procedures, that informs governments, traders and other interested parties of the practical steps needed to import and export, and for transit;
- b. The forms and documents required for importation into, exportation from, or transit through the territory of that Member;
- c. Contact information on enquiry points.

**Article 3: Advance Rulings**

- 6. Each member shall publish, at a minimum:
  - a. the requirements for the application for an advance ruling, including the information to be provided and the format;
  - b. the time period by which it will issue an advance ruling; and
  - c. the length of time for which the advance ruling is valid.

**Article 7: Release and Clearance of Goods**

- 1. Pre-arrival processing
  - 1.1. Each Member shall adopt or maintain procedures allowing for the submission of import documentation and other required information, including manifests, in order to begin processing prior to the arrival of goods with a view to expediting the release of goods upon arrival.
  - 1.2. Members shall, as appropriate, provide for advance lodging of documents in electronic format for pre-arrival processing of such documents.

- 2. Electronic payment

Each Member shall, to the extent practicable, adopt or maintain procedures allowing the option of electronic payment for duties, taxes, fees and charges collected by customs incurred upon importation and exportation.

**Article 10: Formalities Connected with Importation and Exportation and Transit**

- 5. Pre-shipment inspection
  - 5.1. Members shall not require the use of pre-shipment inspections in relation to tariff classification and customs valuation.
- 6. Use of Customs Brokers
  - 6.1. Without prejudice to the important policy concerns of some Members that currently maintain a special role for customs brokers, from the entry into force of this agreement Members shall not introduce the mandatory use of customs brokers.

**Scoring Guidelines**

-1	G20 member fails to implement and/or maintain measures under any of the articles listed in the guidelines.
0	G20 member implements and/or maintains some measures under each of the articles listed in the guidelines, or implements all measures but not in their totality.
+1	G20 member implements and/or maintains all of the measures under the articles listed in the guidelines in their totality.

*Lead Analyst: Hayden Rodenkirche*

## **Argentina: -1**

Argentina has failed to comply with the trade-facilitation measures of the Bali package.

Argentina fails to fulfil the requirements under Article 1: Publication and Availability of Information under the Bali package.

On 22 August 2014, a World Trade Organization Dispute Settlement Panel ruled against Argentina since it did not provide laws and regulations relating to importation guidelines such as asserting the limits of imports' value and volume; these trade-related requirements were not found in any form of law regulation or other written measures.<sup>461</sup> Thus, these “unwritten” measures failed to enable governments, traders and other interested parties with publication of consistent information in regards to importation.

On 15 January 2015, the Appellate Body of the World Trade Organization ruled against Argentina and upheld the above decision relating to trade-related requirements and the Advance Sworn Import Declaration.<sup>462</sup>

As of 30 September 2015, no conclusive evidence is available from the Government of Argentina verifying they have implemented any further measure to comply with Article 1.

Argentina successfully fulfils the requirements under Article 3: Advance Rulings. The Federal Administration of Public Revenue provides online information on the requirements for the application for an advance ruling.<sup>463</sup> Hence, Argentina complies with Article 3 of the Bali Package.

Argentina also fulfils the requirements under Article 7: Release and Clearance of Goods. The Directorate General of Taxes maintains various customs procedures in order to allow submission of import documentation.<sup>464</sup>

Argentina fails to fulfil the requirements under Article 10: Formalities Connected with Importation and Exportation and Transit.

On February 12 2015, the Argentine Foreign Minister Héctor Timerman admitted there were trade disagreements between Argentina and Brazil — two members of Mercosur. Argentina failed to alleviate import restrictions to Brazil, resulting in a decline of imports.<sup>465</sup> Hence, Argentina did not adhere to section 5.1 of Article 10, which demands omitting pre-shipment inspections.

Although Argentina has implemented some of the measures under the articles listed in the Bali package, it does not adhere to section 5.1 of Article 10. Thus, Argentina has been awarded a score of -1.

*Analyst: Daniel Valls*

## **Australia: +1**

Australia has fully complied with the trade facilitation measures of the Bali Package.

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<sup>461</sup> WTO Panel Rules Against Argentina Regarding Certain Measures Affecting the Importation of Goods, Mayer Brown 10 September 2014. Access: 20 April 2015 <https://www.mayerbrown.com/WTO-Panel-Rules-Against-Argentina-Regarding-Certain-Measures-Affecting-the-Importation-of-Goods-09-10-2014/>

<sup>462</sup> WTO Appellate Body Rules Against Argentine Import Requirements, Mayer Brown 20 January 2015. Access: 4 October 2015 <https://www.mayerbrown.com/WTO-Appellate-Body-Rules-Against-Argentine-Import-Requirements-01-20-2015/>

<sup>463</sup> Tax Information, AFIP (Buenos Aires) Access: 4 October 2015 <http://www.afip.gob.ar/english/taxInformation.asp#d>

<sup>464</sup> Import Customs Procedures In Argentina, Santander Trade, September 2015. Access: 4 October 2015. <https://en.santandertrade.com/international-shipments/argentina/customs-procedures>

<sup>465</sup> Argentina and Brazil admit trade disagreements between Mercosur main partners, MercoPress (Montevideo) 12 February 2015. Access: 9 March 2015 <http://en.mercopress.com/2015/02/12/argentina-and-brazil-admit-trade-disagreements-between-mercosur-main-partners>

Australia fulfills the requirements under Article 1: Publication and Availability of Information under the Bali package. Australia publishes information regarding importation, exportation and transit procedures along with required forms and documents. Australia also publishes the applied rates of duties, taxes and fees imposed on imports, exports or transit. Rules for the classification or valuation of products for customs purposes are also provided, including the procedures relating to the administration of tariffs. Australia provides various laws, regulations and administrative rulings relating to rules of origin as well as agreements with countries relating to trade.<sup>466</sup> Australia also provides resources on restricted or prohibited items for export and import. If trade conditions are not met, Australia provides penalty provisions. Australia also provides contact information to enquiry points for questions regarding trade procedures, duties, rules and appeals. Australia outlines procedures for the administration of tariff quotas.<sup>467</sup> All of this information is available on the Internet, fulfilling the requirement second requirement under Article 1: Publication and Availability of Information. This includes contact information for enquiry points and the necessary forms needed for trade within Australia.

Australia provides information on advance rulings including the requirements for application, the time period it takes to provide the ruling and the length of time a ruling is valid in accordance with Article 3: Advanced Rulings.<sup>468</sup> Australia also fulfills the requirements for Article 7: Release and Clearance of Goods to allow for pre-arrival processing of goods into Australia, including providing for lodging of documents in electronic format. The option for electronic payment of debit or credit is also available at some border crossings.

Finally, under Article 10: Formalities connected with importation and exportation and transit, shipment inspection in relation to tariff classification and custom valuation is not required and the use of customs brokers is optional, not mandatory.<sup>469</sup>

Australia has implemented or maintained all the measures in the Bali Package under the articles one, seven and ten. Thus, Australia is awarded a score of +1.

*Analyst: Anna Hobenadel*

## **Brazil: 0**

Brazil has partially complied with the trade facilitation or miscellaneous measures of the Bali package.

On 31 October 2014, the Brazilian government stated that implementing trade-facilitation measures is one of the country's main priorities. This is evident through the government's new project to create an online framework with documents containing all trade procedures and the launch of the Siscomex system Drawback Isenção Web, which provides trade mechanisms to be applied to online documents.<sup>470</sup>

Brazil continued implementing some measures of the Bali package, which it had begun before the current compliance period, but it failed to comply with the minimum six measures of the Bali package. Thus, Brazil is awarded a score of 0.

*Analyst: Arturo Sparks*

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<sup>466</sup> Bellmann, Christophe. The Bali Agreement: Implications for Development and the WTO. (Geneva) 2 May 2015. Date of Access: 7 October 2015. <http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

<sup>467</sup> Bellmann, Christophe. The Bali Agreement: Implications for Development and the WTO. (Geneva) 2 May 2015. Date of Access: 7 October 2015. <http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

<sup>468</sup> Bellmann, Christophe. The Bali Agreement: Implications for Development and the WTO. (Geneva) 2 May 2015. Date of Access: 7 October 2015. <http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

<sup>469</sup> Bellmann, Christophe. The Bali Agreement: Implications for Development and the WTO. (Geneva) 2 May 2015. Date of Access: 7 October 2015. <http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

<sup>470</sup> Governo Reforça Compromisso Com Facilitação Comercial, Portal Brasil (Sao Paulo) 31 October 2014. Access: 1 March 2015 <http://www.brasil.gov.br/economia-e-emprego/2014/10/governo-reforca-compromisso-com-facilitacao-comercial>



## Canada: +1

Canada has fully complied with the trade facilitation measures of the Bali Package.

Canada fulfills the requirements under Article 1: Publication and Availability of Information under the Bali package. Canada publishes information regarding importation, exportation and transit procedures along with required forms and documents.<sup>471</sup> Canada also publishes the applied rates of duties, taxes and fees imposed on imports, exports or transit.<sup>472</sup> Rules for the classification or valuation of products for customs purposes are also provided, including the procedures relating to the administration of tariffs.<sup>473</sup> Canada provides various laws, regulations and administrative rulings relating to rules of origin as well as agreements with countries relating to trade.<sup>474</sup> Canada also provides resources on restricted or prohibited items for export and import.<sup>475</sup> If trade conditions are not met, Canada provides penalty provisions.<sup>476</sup> Canada also provides contact information to enquiry points for questions regarding trade procedures, duties, rules and appeals.<sup>477</sup> Canada outlines procedures for the administration of tariff quotas.<sup>478</sup> All of this information is available on the Internet, fulfilling the requirement second requirement under Article 1: Publication and Availability of Information. This includes contact information for enquiry points and the necessary forms needed for trade within Canada.<sup>479</sup>

Canada provides information on advance rulings including the requirements for application, the time period it takes to provide the ruling and the length of time a ruling is valid in accordance with Article 3: Advanced Rulings.<sup>480</sup> Canada also fulfills the requirements for Article 7: Release and Clearance of Goods to allow for pre-arrival processing of goods into Canada, including providing for lodging of documents in electronic format.<sup>481</sup> The option for electronic payment of debit or credit is also available at some border crossings.<sup>482</sup>

Finally, under Article 10: Formalities connected with importation and exportation and transit, shipment inspection in relation to tariff classification and custom valuation is not required and the use of customs brokers is optional, not mandatory.<sup>483</sup>

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<sup>471</sup> Canada Border Services Agency, Government of Canada (Ottawa) 24 February 2015. Access: 28 February 2015.

<http://www.cbsa-asfc.gc.ca/menu-eng.html#>

<sup>472</sup> Step-by-Step Guide to Importing Commercial Goods into Canada, Canada Border Services Agency (Ottawa) 1 October 2014. Access 27 February 2015. <http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

<sup>473</sup> Chapter-by-Chapter Customs Tariff, Canada Border Services Agency (Ottawa) 1 October 2014. Access 4 March 2015. <http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2014/html/tblmod-04-eng.html>

<sup>474</sup> D11: General Tariff Information, Canada Border Services Agency (Ottawa) 15 October 2014. Access 4 March 2015. <http://www.cbsa-asfc.gc.ca/publications/dm-md/d11-eng.html>

<sup>475</sup> Prohibited or Restricted Goods, Canada Border Services Agency (Ottawa) 28 July 2008. Access 3 March 2015. <http://www.cbsa-asfc.gc.ca/security-secure/prohib-eng.html>

<sup>476</sup> Master Penalty Document, Canada Border Services Agency (Ottawa) 28 March 2014. Access 3 March 2015. <http://www.cbsa-asfc.gc.ca/trade-commerce/am/am-rm-eng.html>

<sup>477</sup> Canada's Notification Authority and Enquiry Point, Department of Foreign Affairs, Trade and Development in Canada (Ottawa) 31 March 2014. Access 28 February 2015. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/wto-omc/enquiry.aspx?lang=eng>

<sup>478</sup> Tariff Rate Quotas, Canada Border Services Agency (Ottawa) 28 January 2010. Access 7 March 2015. <http://www.cbsa-asfc.gc.ca/publications/dm-md/d10/d10-18-1-eng.html>

<sup>479</sup> Forms, Canada Border Services Agency (Ottawa) 9 February 2015. Access 7 March 2015. <http://www.cbsa-asfc.gc.ca/publications/forms-formulaires/menu-eng.html>

<sup>480</sup> Advance Rulings for Tariff Classification, Canada Border Services Agency (Ottawa) 2 February 2015. Access 5 March 2015. <http://www.cbsa-asfc.gc.ca/import/ar-da/menu-eng.html#b3>

<sup>481</sup> Other Service Systems: Pre-Arrival Review System, Canada Border Services (Ottawa) 27 July 2009. Access 5 March 2015. <http://www.cbsa-asfc.gc.ca/import/services-eng.html>

<sup>482</sup> Step-by-Step Guide to Importing Commercial Goods into Canada, Canada Border Services Agency (Ottawa) 1 October 2014. Access 27 February 2015. <http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

<sup>483</sup> Step-by-Step Guide to Importing Commercial Goods into Canada, Canada Border Services Agency (Ottawa) 1 October 2014. Access 27 February 2015. <http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

Canada has implemented or maintained all the measures in the Bali Package under the articles one, seven and ten. Thus, Canada is awarded a score of +1.

*Analyst: Anna Hobenadel*

## **China: 0**

China has partially complied with its commitment to implement the Bali package.

China publishes its “laws, regulations, and progressively, all procedures concerning the protection, including enforcement, of intellectual property rights” on the website of the Ministry of Commerce, relevant departmental websites, including State Administration for Industry & Commerce, and State Intellectual Property office.<sup>484</sup>

The website of the China Legislative Information Network System publishes trade-related laws and regulations of the Central government, and has made available all draft administrative regulations for public comments since 2008.<sup>485</sup>

China Customs, as required by relevant Chinese laws, transparently publishes advance customs rulings on its website.<sup>486</sup>

In September, 2013, the Free Trade Zone (FTZ) of Shanghai published a “smart” Inspection & Release system with its Entry-Exit Inspection and Quarantine Bureau, which allows customers to “inquire information of the whole logistics process of import good.” The FTZ of Shanghai, since March, 2014, has allowed corporations to submit digital copies of documents to the customs department to submit goods.<sup>487</sup> Lu Xiangqing, the deputy director of customs for the Shanghai Waigaoqiao Free Trade Zone, noted that “nearly 3,400 declaration applications are reviewed daily from the 6,000 enterprises in the Waigaoqiao FTZ, and increase of more than 2,000 businesses” since the establishment of the pilot Free Trade Zone in September 2013.<sup>488</sup> However, similar efforts in other regions within China have not been found.

In May 2014, China co-submitted the “Proposal on Establishing a Capacity Building Plan to Improve Supply Chain Performance” in the Committee on Trade and Investment in the APEC 2014 summit, which emphasizes the mitigation of pre-arrival processing.<sup>489</sup>

China continues to require pre-shipment inspection for, “imports of waste raw materials and used machinery and electrical products” and “imports of certain commodities related to national security.” This has remain unchanged since 2010.<sup>490</sup>

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<sup>484</sup> “Implementation of APEC’s Area-Specific Transparency Standards” Asia-Pacific Economic Cooperation (Singapore). Access: 15 March 2015. <http://www.apec.org/Groups/Committee-on-Trade-and-Investment/APEC-Transparency-Standards.aspx>

<sup>485</sup> “Report of the Meeting Held on 5 December 2008” World Trade Organization: Council for Trade in Services (Geneva) 12 December 2008. Access: 7 March 2015. [http://www.jmcti.org/2000round/China/TRM/2008/s\\_c\\_m\\_92.pdf](http://www.jmcti.org/2000round/China/TRM/2008/s_c_m_92.pdf)

“Trade Policy Review: Report by the Secretariat on China” World Trade Organization; Trade Policy Review Body (Geneva) 27 May 2014. Access: 6 March 2015. [https://www.wto.org/english/tratop\\_e/tpr\\_e/s300\\_e.pdf](https://www.wto.org/english/tratop_e/tpr_e/s300_e.pdf)

“Government Report: Trade Policy Regime: Framework And Objectives” World Trade Organization by China, June 2012. Access: 6 March 2015. [https://www.wto.org/english/tratop\\_e/tpr\\_e/tp364\\_e.htm](https://www.wto.org/english/tratop_e/tpr_e/tp364_e.htm)

<sup>486</sup> “Implementation of APEC’s Area-Specific Transparency Standards” Asia-Pacific Economic Cooperation, 2007. Access: 15 March 2015. <http://www.apec.org/Groups/Committee-on-Trade-and-Investment/APEC-Transparency-Standards.aspx>

<sup>487</sup> “Smart System Boosts Trade Facilitation in FTZ” China (Shanghai) Pilot Free Trade Zone, 23 December, 2014. Access: 16 March 2015. <http://en.shftz.gov.cn/News-Information/News-update/379.shtml>

<sup>488</sup> “Shanghai FTZ Reviews Paperless Declarations” Ministry of Commerce People’s Republic of China (Beijing) 6 April 2014. Access: 8 March 2015. <http://english.mofcom.gov.cn/article/counselorsreport/europereport/201404/20140400541447.shtml>

<sup>489</sup> “APEC Capacity Building Plan to Improve Supply Chain Performance” APEC Meeting Documents (Quingdao) 14 May 2014. Access: 14 March, 2015. [http://mddb.apec.org/Documents/2014/SOM/SOM2/14\\_som2\\_049anx07.pdf](http://mddb.apec.org/Documents/2014/SOM/SOM2/14_som2_049anx07.pdf)

<sup>490</sup> “Government Report: Trade Policies And Practices By Measure” World Trade Organization (Geneva) 12 June 2014. Access: 11 March, 2015. [https://www.wto.org/english/tratop\\_e/tpr\\_e/tp364\\_e.htm](https://www.wto.org/english/tratop_e/tpr_e/tp364_e.htm)

China does not require the use of customs brokers, in keeping with the trade-facilitation measures of the Bali package.

China implements and maintains several of the measures contained in the Bali package, which it began implementing before the current compliance period. But it has not implemented the minimum six measures as required for full compliance. Also, China adheres to both 5.1 and 6.1 of Article 10. Thus, China is awarded the score of 0.

*Analyst: Jasper Lim*

### **France: + 1**

France has implemented and maintained all of the measures under the articles listed in the guidelines in their totality.

France fulfills the requirements under Article 1: Publication and Availability of Information under the Bali package. On 1 January 2015, France updated its Code des douanes. It includes transparent and electronic published resources containing all information relating to trade procedures, duties, rules, and administrative measures, appeal procedures etc.<sup>491</sup> France's Code des douanes also includes common customs procedures and uniform documentation requirements for the release and clearance of goods throughout its territory.<sup>492</sup> France has maintained enquiry points on its customs website.<sup>493</sup> Enquiry points are also available by phone, email or Twitter.<sup>494</sup> All of this information is available on the Internet fulfilling the second requirement under Article 1: Publication and Availability of Information.<sup>495</sup>

France fulfills the requirements under Article 3: Advance Rulings as a member of the European Union. The European Union provides information on advance rulings including the requirements for the application, the time period by which it will issue an advance ruling and the length of time for which the advance ruling is valid.<sup>496</sup>

France fulfills the requirements under Article 7: Release and Clearance of Goods. It has maintained procedures allowing for the submission of import documentation and other required information in order to begin processing prior to the arrival of goods with a view to expediting the release of goods upon arrival. On 1 January 2013, France established an option of electronic payment for transactions exceeding EUR 5,000.<sup>497</sup>

France fulfills the requirements under Article 10: Formalities Connected With Importation and Exportation and Transit. France does not require pre-shipment inspections in relation to tariff classification and customs valuation<sup>498</sup> and it has refrained from requiring the use of customs brokers.<sup>499</sup>

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<sup>491</sup> Code Des Douanes, Ministry of the Economy and Finance (Paris) 1 January 2015. Access: 18 February 2015.

<http://www.legifrance.gouv.fr/affichCode.do?cidTexte=LEGITEXT000006071570&dateTexte=20150222>

<sup>492</sup> Code Des Douanes, Ministry of the Economy and Finance (Paris) 1 January 2015. Access: 18 February 2015.

<http://www.legifrance.gouv.fr/affichCode.do?cidTexte=LEGITEXT000006071570&dateTexte=20150222>

<sup>493</sup> Douanes et Droits Indirects, Ministry of the Economy and Finance (Paris). Access: 19 February 2015.

<http://www.douane.gouv.fr/accueil>

<sup>494</sup> Infos Douane Service, Ministry of the Economy and Finance (Paris) 27 March 2014. Access: 18 February 2015.

<http://www.legifrance.gouv.fr/affichCode.do?cidTexte=LEGITEXT000006071570&dateTexte=20150222>

<sup>495</sup> Code Des Douanes, Ministry of the Economy and Finance (Paris) 1 January 2015. Access: 18 February 2015.

<http://www.legifrance.gouv.fr/affichCode.do?cidTexte=LEGITEXT000006071570&dateTexte=20150222>

<sup>496</sup> Renseignement tarifaire contraignant, European Commission (Brussels) 10 April 2015. Access: 30 April 2015

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/tariff\\_aspects/classification\\_goods/index\\_fr.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/classification_goods/index_fr.htm)

<sup>497</sup> French Customs Revenues Up In 2012, Tax-News (Brussels) 7 March 2013. Access: 19 February 2015. [http://www.tax-news.com/news/French\\_Customs\\_Revenues\\_Up\\_In\\_2012\\_\\_\\_\\_60036.html](http://www.tax-news.com/news/French_Customs_Revenues_Up_In_2012____60036.html)

<sup>498</sup> Généralités, Ministry of the Economy and Finance (Paris) 1 January 2015. Access: 20 February 2015.

<http://www.legifrance.gouv.fr/affichCode.do?idSectionTA=LEGISCTA000006138833&cidTexte=LEGITEXT000006071570&dateTexte=20150223>

Thus, France has been awarded a score of +1 for implementing and maintaining all of the measures under the articles listed in the guidelines in their totality. France also adheres to both 5.1 and 6.1 of Article 10.

*Analyst: Hélène Emorine*

### **Germany: +1**

Germany has fully complied with its commitment in implementing trade-facilitation and tariff reduction measures consistent with the articles listed in the guidelines including those listed in Article 10.

On Article 1, as of 30 September 2015, Germany has published the information in an accessible manner. Information concerning importation, exportation, transit procedures, and required forms and documents is present.<sup>500</sup> Applied rates of duties, taxes and fees imposed on imports, exports or transit have also been provided. All the information necessary for publication under Article 1 is present online under the headings of private individuals, businesses, travelers' allowances, etc., thus fulfilling the second part of Article 1.<sup>501</sup>

On Article 3, as of 30 September 2015, information regarding advanced rulings for tariff classification concerning is published. As a member of the European Union, movement of goods in Germany is already unrestricted in principle.<sup>502</sup>

On Article 7, as of 30 September 2015 the pre-arrival processing of goods and the lodging of documents in electronic format are allowed. The option for payment electronically is permitted.<sup>503</sup>

On Article 10, as of 30 September 2015 pre-shipment inspections in relation to tariff classification and customs valuation, and the use of custom brokers are not mandatory.<sup>504</sup>

In recent months, the German government announced on 2 December 2014, a pledge of EUR 1 million to the World Trade Organization's Doha Development Agenda Global Trust Fund for 2014 to assist developing and least-developed countries to strengthen their trading capacities and participate in the Doha Round more effectively.<sup>505</sup> On 9 February 2015, German Chancellor Angela Merkel said at a joint news conference in Washington that it was in Germany's interest to reach a European free trade agreement with the United States, and that Germany would ensure negotiations are pursued.<sup>506</sup> Germany has since expressed support for a new investment program to restart growth in Europe, adding that further structural reforms and free trade accords must be accompanied with the US and Canada.<sup>507</sup>

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<sup>499</sup> Droit de Communication Particulier à l'Administration Des Douanes, Ministry of the Economy and Finance (Paris) 25 December 2007. Access: 19 February 2015.

[http://www.legifrance.gouv.fr/affichCodeArticle.do;jsessionid=AE9066B6A887302A59211EAF6DA85D66.tpdila16v\\_3?idArticle=LEGIARTI000018036050&cidTexte=LEGITEXT000006071570&categorieLien=id&dateTexte=20150223](http://www.legifrance.gouv.fr/affichCodeArticle.do;jsessionid=AE9066B6A887302A59211EAF6DA85D66.tpdila16v_3?idArticle=LEGIARTI000018036050&cidTexte=LEGITEXT000006071570&categorieLien=id&dateTexte=20150223)

<sup>500</sup> Zoll, German Federal Ministry of Finance (Berlin). Access: 22 April 2015. [http://www.zoll.de/EN/Home/home\\_node.html](http://www.zoll.de/EN/Home/home_node.html)

<sup>501</sup> Duties and taxes, German Federal Ministry of Finance (Berlin). Access: 22 April 2015.

[http://www.zoll.de/EN/Businesses/Movement-of-goods/Import/Duties-and-taxes/duties-and-taxes\\_node.html](http://www.zoll.de/EN/Businesses/Movement-of-goods/Import/Duties-and-taxes/duties-and-taxes_node.html)

<sup>502</sup> Customs Tariff, German Federal Ministry of Finance (Berlin). Access: 22 April 2015. <http://www.zoll.de/EN/Businesses/Movement-of-goods/Import/Duties-and-taxes/Normal-customs-clearance/Customs-Tariff/customs-tariff.html>

<sup>503</sup> Lodging the entry summary declaration and notification of arrival, German Federal Ministry of Finance (Berlin). Access: 22 April 2015. [http://www.zoll.de/EN/Businesses/Movement-of-goods/Import/Duties-and-taxes/Entry-summary-declaration/Lodging-the-entry-summary-declaration-and-notification-of-arrival/lodging-the-entry-summary-declaration-and-notification-of-arrival\\_node.html](http://www.zoll.de/EN/Businesses/Movement-of-goods/Import/Duties-and-taxes/Entry-summary-declaration/Lodging-the-entry-summary-declaration-and-notification-of-arrival/lodging-the-entry-summary-declaration-and-notification-of-arrival_node.html)

<sup>504</sup> Procedures, German Federal Ministry of Finance (Berlin). Access: 22 April 2015.

[http://www.zoll.de/EN/Businesses/Movement-of-goods/Import/Procedures/procedures\\_node.html](http://www.zoll.de/EN/Businesses/Movement-of-goods/Import/Procedures/procedures_node.html)

<sup>505</sup> Germany pledges EUR 1 million to help developing countries participate in Doha Round, World Trade Organization (Geneva) 2 December 2014. Access: 6 March 2015. [https://www.wto.org/english/news\\_e/pres14\\_e/pr730\\_e.htm](https://www.wto.org/english/news_e/pres14_e/pr730_e.htm)

<sup>506</sup> Germany's Merkel says wants European trade agreement with U.S., Reuters (New York) 9 February 2015. Access: 6 March 2015. <http://www.reuters.com/article/2015/02/09/europe-trade-merkel-idUSW1N0P002820150209>

<sup>507</sup> Merkel calls for reforms at EIB conference, Deutsche Welle (Berlin) 2 March 2015. Access: 7 March 2015.

<http://www.dw.de/merkel-calls-for-reforms-at-eib-conference/a-18289640>

Germany has implemented or maintained all the measures pertaining to the Bali package as listed under the articles in the guidelines, and for encouraging free trade agreements with North America. Thus, Germany has been awarded a score of +1

*Analyst: John Koester*

## **India: 0**

India has partially complied with the trade facilitation or miscellaneous measures of the Bali package.

On 14 November 2014, India reached an agreement with the United States on food stock holdings for reducing trade costs by approximately 10% for developed countries and 14% for developing countries. This allows for an easier access to the Indian market while having into consideration food security issues.<sup>508</sup>

On 26 January 2015, India informed the Dispute Settlement Body of the World Trade Organization (WTO) that it would appeal to the Appellate Body issues of law and legal interpretation in the panel report that was issued by the United States on March 2012. It contained a complain that India's import prohibition on other countries' agricultural products was inconsistent with international standards of trade.<sup>509</sup>

On 28 February 2015, Prime Minister Narendra Modi provided a budget for the following year in order to boost the economy. This led to an increase on tariffs of natural gas. Moreover, Finance Minister Arun Jaitley delayed the implementation of the General Anti-Avoidance Rules (GAAR) — preventing companies from avoiding taxes — to April 2017.<sup>510</sup>

In April 2015, the Foreign Trade Policy of India unveiled the efforts of the Government of India for greater trade facilitation and enhancing the ease of doing business. One of the major objectives of the new policy is to move towards paperless working in 24x7 environment. The government has reduced the number of mandatory documents required for exports and imports to three, which is comparable with international benchmarks. Now, a facility has been created to upload documents in exporter/importer profile and the exporters will not be required to submit documents repeatedly.<sup>511</sup>

As of 30 September 2015, India has published all information pertaining to customs rules and regulations on the CBEC website as required by the Bali package.<sup>512</sup>

As of 30 September 2015, India has established an online portal called ICEGATE which stands for the Indian Customs Electronic Commerce/Electronic Data interchange (EC/EDI) Gateway and e-payment of customs duties and payments. ICEGATE is a portal that provides e-filing services to the trade and cargo carriers and other clients of Customs Department. Through this facility a host of services are offered, including electronic filing of the Bill of Entry( import goods declaration), Shipping Bills (export goods declaration) and related electronic messages between Customs and the Trading Partners using communication facilities (email, web upload and ftp) using the communication protocols commonly used on the internet.<sup>513</sup>

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<sup>508</sup> Global Trade Deal Coming Soon After U.S.-India Agree, Bloomberg (New York) 14 November 2014. Access: 1 March 2015. <http://www.bloomberg.com/news/articles/2014-11-14/global-trade-deal-coming-soon-after-u-s-india-agree-wto-says>

<sup>509</sup> Dispute Settlement: Dispute DS430 India — Measures Concerning the Importation of Certain Agricultural Products from the United States, World Trade Organization (Geneva) 6 February 2015. Access: 1 March of 2015. [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds430\\_e.htm#top](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds430_e.htm#top)

<sup>510</sup> Modi's Pro-Growth Budget Keeps India's Subsidies Untouched, Bloomberg (New Delhi) 28 February 2015. Access: 1 March 2015. <http://www.bloomberg.com/news/articles/2015-02-28/modi-diverges-from-india-budget-deficit-path-to-boost-growth>

<sup>511</sup> Highlights Of The Foreign Trade Policy 2015-2020, Ministry of Commerce and Industry(Dehli). Accessed: 11 November 2015. <http://dgft.gov.in/exim/2000/highlight2015.pdf>

<sup>512</sup> Central Board of Excise and Customs, Ministry of Finance (Dehli). Accessed: 11 November 2015. <http://www.cbec.gov.in>.

<sup>513</sup> About ICEGATE, Central Board of Excise and Customer, Ministry of Finance (Dehli). Accessed: 11 November 2015. [https://www.icegate.gov.in/about\\_icegate.html](https://www.icegate.gov.in/about_icegate.html).

As of 30 September 2015, India has implemented regulation related to customs brokers via the customs broker licensing regulations.<sup>514</sup> Although India has taken action to implement some of the trade-facilitation measures or miscellaneous measures of the Bali package, it failed to comply with all the above requirements of the Bali package. Thus, India obtains a score of 0.

*Analyst: Arturo Sparks*

### **Indonesia: 0**

Indonesia has partially complied with the effort to implement or maintain the measures under each of the articles listed in the guidelines.

On Article 1, as of 30 September 2015, Indonesia has partially published required information related to the guidelines online.<sup>515</sup> Procedures relating to importation, exportation, transit are available. Indonesia outlines applied rates of duties and taxes, other fees, classification guidelines, and restrictions. Penalty provisions against breaches of trade formalities, appeal procedures, and international agreements are not posted, or are inaccessible. Information is limited as to exclude required forms and documents, and limited translation into other languages and third-party websites.<sup>516</sup> For most specialized information contacting the customs office is required.

On Article 3, as of 30 September 2015 customs clearance procedure for entry prior to clearance and tariff classification declaration is available on the Mission of Indonesia to the European Communities Website. Indonesia has partially implemented Article 7, but only limited information is available on the procedure for the release of goods.<sup>517</sup>

On Article 7, no conclusive evidence is available from the Government of Indonesia verifying it has implemented any measure to comply.

On Article 10, as of 30 September 2015 there is a lack of information published and limited translation. Information that is provided concerns itself only with the duration of custom formalities for importation of goods.

In recent months, Indonesia has encouraged world leaders for the implementation of the trade agreement, as a basis to settle the Doha Round of negotiations, and made strides to improve customs procedures to improve foreign relations.<sup>518</sup>

Indonesia has partially complied with the trade-facilitation agreement commitment in maintaining some of the measures, but failing to address current trade restriction policies and measures during the compliance-monitoring period. Thus, Indonesia is awarded a score of 0.

*Analyst: John Koester*

### **Italy: -1**

Italy has failed to comply with its commitment to implement the trade facilitation measures of the Bali Package.

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<sup>514</sup> Customs Broker Licensing Regulations, Central Board of Excise and Customer, Ministry of Finance (Dehli), Accessed: 11 November 2015. <http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/formatted-htmls/cs-brokers-licensing-regu2013>.

<sup>515</sup> Beacukai, Indonesia Customs (Jakarta). Access: 22 April 2015. <http://www.beacukai.go.id/wwwbcgoid/index.html>

<sup>516</sup> Customs Clearance Procedure, Mission of Indonesia to the European Communities (Brussels). Access: 22 April 2015. <http://www.indonesianmissioneu.org/website/page20379569520030919378945.asp#3>

<sup>517</sup> Customs Clearance Procedure, Mission of Indonesia to the European Communities (Brussels). Access: 22 April 2015. <http://www.indonesianmissioneu.org/website/page20379569520030919378945.asp#3>

<sup>518</sup> RI calls for immediate implementation of Bali package, Jakarta Post (Jakarta) 25 January 2015. Access: 7 March 2015. <http://www.thejakartapost.com/news/2015/01/25/ri-calls-immediate-implementation-bali-package.html>

On Article 1, Italy has largely failed to publish clearance times, import and export procedures, duties and taxes as well as appeal procedures in a consistent and easily-accessible manner.<sup>519</sup> According to the OECD's Trade Facilitation Indicator, Italy's performance in the area of information availability falls below best practises.<sup>520</sup>

As a member of the European Union, Italy fulfills the requirements of Article 3: Advance Rulings. All European Union countries provide information on advance tariff classification, including application requirements, the timelines for obtaining a decision and the length of time for which the ruling is valid. Information concerning tariff classification is available following the submission of a Binding Tariff Information application, which is available on the Italian customs website.<sup>521</sup>

Italy has not published any information concerning the submission of import documents prior to arrival or electronic payments. As such, it is not possible to determine if Italy has complied with Article 7 of the Bali Package.

Italy has largely failed to publish information about formalities connected with imports, exports and transit. As such, it is not possible to determine if Italy has complied with Article 10 of the Bali Package.

Overall, it is difficult to determine the extent of Italy's commitment to the Bali package due to a lack of publicly available information. Given that Italy has published very little concerning its trade policies and procedures, there is not enough information to demonstrate compliance with this commitment. Thus, Italy is awarded a score of -1.

*Analyst: Emma Best*

## **Japan: +1**

Japan has fully complied with the trade facilitation measures of the Bali Package.

Japan fulfilled many of the requirements under Article 1: Publications and Availability of Information, but not in their totality. Japan has established transparent and electronic resources containing information relating to trade procedure, required forms and documents.<sup>522</sup> Japan has made available the applied rates of duties, taxes, fees and charges for in accordance with import or export.<sup>523</sup> Japan also provides rules for classification or valuation of products for customs purposes, including special agreements with countries regarding trade.<sup>524</sup> Japan outlines the laws, regulation and administrative rulings related to rules of origin for trade.<sup>525</sup> Japan provides a list of import, export or transit restrictions.<sup>526</sup> Japan has not provided penalty provisions against breaches of import or export formalities. Japan has not created an administrative authority for any person with a customs issue. Japan is reliant upon the conditions set out by the Economic Partnership Agreements

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<sup>519</sup> OECD Trade Facilitation Indicators—Italy, OECD: Better Policies for Better Lives, April 2014, Access: October 1 2015. <http://www.oecd.org/italy/italy-oecd-trade-facilitation-indicators-april-2014.pdf>.

<sup>520</sup> Compare your country: Trade Facilitation Indicators, Organization for Economic Co-operation and Development (Paris) June 2015. Access: 1 October 2015 <http://compareyourcountry.org/trade-facilitation>.

<sup>521</sup> Binding Tariff Information, Italian Customs and Monopolies Agency (Rome) Access: 11 October 2015. <http://www.agenziadoganemonopoli.gov.it/wps/wcm/connect/400e5e8044233c83b18fb94e7aaa0be0/BTI-20120704-EN.pdf?MOD=AJPERES&CACHEID=400e5e8044233c83b18fb94e7aaa0be0>.

<sup>522</sup> Trade Control Policy Overview, Ministry of Economy, Trade and Industry (Tokyo) 27 February 2015. Access 28 February 2015. [http://www.meti.go.jp/english/policy/external\\_economy/trade\\_control/index.html](http://www.meti.go.jp/english/policy/external_economy/trade_control/index.html)

<sup>523</sup> Outline of Tariff and Duty Rates System, Japan Customs (Tokyo) 2 January 2015. Access 28 February 2015. <http://www.customs.go.jp/english/summary/tariff.htm>

<sup>524</sup> Japan Custom Tariff Schedule, Japan Tariff Association (Tokyo) 15 January 2015. Access 8 March 2015. <http://www.kanzei.or.jp/english/statistical/tariff/top/index/e>

<sup>525</sup> Outline of Rules of Origin for GSP Scheme in Japan, Japan Customs (Tokyo) 8 January 2014. Access 7 March 2015. [http://www.customs.go.jp/english/origin/rules\\_of\\_origin\\_gsp.pdf](http://www.customs.go.jp/english/origin/rules_of_origin_gsp.pdf)

<sup>526</sup> 2001 Articles Prohibited from Importation, Japan Customs (Tokyo) 5 January 2012. Access 6 March 2015. [http://www.customs.go.jp/english/c-answer\\_e/kinseihin/2001\\_e.htm](http://www.customs.go.jp/english/c-answer_e/kinseihin/2001_e.htm)

to settle disputes between states and the Japan Commercial Arbitration Association for commercial disputes.<sup>527,528</sup> Japan has some procedures relating to the administration of tariff quotas.<sup>529</sup> All of this information is available on the Internet, including the forms and documents required for import, export and transit. Japan also provides contact information for enquiry points.<sup>530</sup>

Japan has fulfilled the requirements of Article 7: Release and Clearance of Goods. Japan also maintained procedures allowing for the submission of import documentation to begin processing prior to the arrival of goods to expedite their release on arrival.<sup>531</sup> This includes the advance lodging of documents in electronic format for pre-arrival processing. Electronic payment is available for duties, taxes, fees and charges.<sup>532</sup>

Finally, under Article 10: Formalities Connected with Importation and Exportation and Transit, Japan does not require the use of customs brokers or pre-shipment inspections in relation to tariff classification and customs valuation.<sup>533</sup>

Japan has implemented or maintained all the measures in the Bali Package under articles one, seven and ten. Thus, Japan is awarded a score of +1.

*Analyst: Anna Hobenadel*

## **Korea: 0**

Korea has partially complied with its commitment to implement and/or maintain all of the measures under the articles listed in the guidelines.

As of 4 October 2015, Korea fulfills the requirements under Article 1: Publication and Availability of Information under the Bali package. The Korea Customs Service (KCS) agency has importation, exportation, and transit procedures published on their website, along with the required documentation and forms.<sup>534,535,536</sup> The customs website also has a search engine that allows for the search of all applicable import, export, and transit rates and duties, along with the fees and charges imposed by or for governmental agencies, including the distinctions between countries.<sup>537</sup> Korea also provides the rules for the classification or valuation of products for customs purposes,<sup>538</sup> as well as laws, regulations, and administrative rulings of general

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<sup>527</sup> Settlement of Disputes Between States, Improvement of the Business Environment, Ministry of Economy, Trade and Industry (Tokyo) 23 September 2012. Access 28 February 2015.

[http://www.meti.go.jp/english/report/downloadfiles/2012WTO/03\\_08.pdf](http://www.meti.go.jp/english/report/downloadfiles/2012WTO/03_08.pdf)

<sup>528</sup> Japan Commercial Arbitration Association International Commercial Mediation Rules, Japan Commercial Arbitration Association (Tokyo) 1 January 2009. Access 26 February 2015. <http://www.jcaa.or.jp/e/mediation/docs/rules.pdf>

<sup>529</sup> Tariff Quota, Japan Customs (Tokyo) 4 January 2012. Access 8 March 2015.

<http://www.customs.go.jp/tokyo/english/yubin/kanwari.htm>

<sup>530</sup> Inquiry, Japan Customs (Tokyo) 6 January 2013. Access 8 March 2015. [http://www.customs.go.jp/question\\_e.htm](http://www.customs.go.jp/question_e.htm)

<sup>531</sup> Outline of Tariff and Duty Rates System, Japan Customs (Tokyo) 2 January 2015. Access 28 February 2015.

<http://www.customs.go.jp/english/summary/tariff.htm>

<sup>532</sup> Outline of Tariff and Duty Rates System, Japan Customs (Tokyo) 2 January 2015. Access 28 February 2015.

<http://www.customs.go.jp/english/summary/tariff.htm>

<sup>533</sup> Details of Japan Customs Valuation System, Japan Customs (Tokyo) 5 January 2015. Access 28 February 2015.

[http://www.customs.go.jp/english/summary/value\\_details.htm](http://www.customs.go.jp/english/summary/value_details.htm)

<sup>534</sup> Import Customs System, Korea Customs Service (Deajeon). Access: 8 March 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001332&layoutMenuNo=21051](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001332&layoutMenuNo=21051)

<sup>535</sup> Flow chart of the export customs, Korea Customs Service (Deajeon). Access: 8 March 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001337&layoutMenuNo=21057](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001337&layoutMenuNo=21057)

<sup>536</sup> Customs Declaration Form, Korea Customs Service (Deajeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001321&layoutMenuNo=21034](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001321&layoutMenuNo=21034)

<sup>537</sup> KCS Tariff D/B(Inquiry), Korea Customs Service (Deajeon). Access: 10 April 2015.

<http://english.customs.go.kr/kcshome/tariff/CustomsTariffList.do?layoutMenuNo=21025>

<sup>538</sup> The Method of Deciding Taxable Value, Korea Customs Service (Deajeon). Date of Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001343&layoutMenuNo=21065](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001343&layoutMenuNo=21065)



application regarding the rules of origin,<sup>539</sup> including the procedure of how to prove the origin.<sup>540</sup> Korea provides information of restricted or prohibited items for exports and imports along with the penalty provisions for the associated formality breaches.<sup>541,542,543,544</sup> Korea also provides the detailed procedure of its customs appeals process on its Customs Act.<sup>545</sup> The KCS publishes its free trade agreements along with the associated tariff quota administrations when applicable.<sup>546,547</sup> All of this information is available on the internet, including the availability of a question-and-answer section that accepts inquiries from the general public on the KCS website.<sup>548</sup>

As of 4 October 2015, Korea maintains its advance rulings information availability measures as presented on the KCS website in accordance to Article 3: Advanced Rulings of the Bali Package.<sup>549</sup>

On an April 2014 report by the Organisation for Economic Co-operation and Co-operation (OECD), Korea was shown to have trade facilitator indicators that were significantly better than the OECD average in the areas of appeal procedures, simplification and harmonization of documents, automation, border agency cooperation (internal and external) and was on par with the average for information availability, advance rulings, streamlining of procedures and governance and impartiality. Korea's performance on the involvement of the trade community, fees, and charges showed to be below average. Among the suggested improvements proposed by the OECD were an increase in fees transparency and an increase in the percentage of import and export documents submitted to customs that would benefit from pre-arrival processing, as recommended on Article 7: Release and Clearance of Goods of the Bali Package.<sup>550</sup> As of 4 October 2015, the KCS outlines the methods of electronic payment of tax and tariff fees on their agency website in accordance with Article 7.<sup>551</sup>

As of 4 October 2015, Korea has not made any alterations on its decision of not requiring the use of customs brokers for cargo processing and paperwork, as well as not requiring the use of pre-shipment inspections in

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<sup>539</sup> Labeling System of Country of Origin, Korea Customs Service (Deajeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001342&layoutMenuNo=21063](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001342&layoutMenuNo=21063)

<sup>540</sup> Procedures for Proving the Origin, Korea Customs Service (Deajeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001324&layoutMenuNo=21040](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001324&layoutMenuNo=21040)

<sup>541</sup> Checking the conditions of import and export, Korea Customs Service (Deajeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001340&layoutMenuNo=21061](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001340&layoutMenuNo=21061)

<sup>542</sup> Protection of Intellectual Property, Korea Customs Service (Deajeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001341&layoutMenuNo=21062](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001341&layoutMenuNo=21062)

<sup>543</sup> Drug crime, Korea Customs Service (Deajeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001346&layoutMenuNo=21070](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001346&layoutMenuNo=21070)

<sup>544</sup> Security Hazard Articles, Korea Customs Service (Deajeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001351&layoutMenuNo=21075](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001351&layoutMenuNo=21075)

<sup>545</sup> Customs Act, Korea Customs Service (Daejeon) 2001. Access: 10 April 2015. [http://export.gov/southkorea/static/Customs%20Act\\_Latest\\_eg\\_kr\\_029661.pdf](http://export.gov/southkorea/static/Customs%20Act_Latest_eg_kr_029661.pdf)

<sup>546</sup> KOREA-US FTA, Korea Customs Service (Daejeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000002365&layoutMenuNo=23273](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000002365&layoutMenuNo=23273)

<sup>547</sup> KOREA-ASEAN FTA, Korea Customs Service (Daejeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000002361&layoutMenuNo=23269](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000002361&layoutMenuNo=23269)

<sup>548</sup> Information Plaza, Korea Customs Service (Deajeon). Access: 8 March 2015. <http://www.customs.go.kr/kcshome/main/qna/QnaList.do?layoutMenuNo=21035>

<sup>549</sup> HS Code, Korea Customs Service (Deajeon). Access: 8 March 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000002333&layoutMenuNo=23255](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000002333&layoutMenuNo=23255)

<sup>550</sup> OECD Trade Facilitation Indicators – Korea, OECD Trade and Agriculture Directorate (Paris), April 2014. Access: 8 March 2015. <http://www.oecd.org/tad/facilitation/korea-oecd-trade-facilitation-indicators-april-2014.pdf>

<sup>551</sup> Tax Payment, Korea Customs Service (Deajeon). Access: 10 April 2015. [http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT\\_ID\\_000001344&layoutMenuNo=21066](http://www.customs.go.kr/kcshome/main/content/ContentView.do?contentId=CONTENT_ID_000001344&layoutMenuNo=21066)

relation to tariff classification and customs valuation, in compliance with Article 10: Formalities Connected with Importation and Exportation and Transit of the Bali Package guidelines.<sup>552</sup>

Korea has maintained its measures that aim at trade facilitation and the reduction of administrative costs and waiting times for multilateral trade. These measures are also aimed at enhancing the predictability and transparency of customs procedures. Korea has participated in trade-facilitation negotiations by submitting and co-sponsoring proposals on topics in areas such as Single Window, release time of goods, and risk management together with the World Trade Organization (WTO).<sup>553</sup>

According to the WTO's Korea Trade Policy Review, Korea attaches high priority to making its trade laws transparent and readily available, including to foreigners, with many laws available in English on internet websites maintained by the relevant ministries and agencies.<sup>554</sup>

Korea was one of the first countries to automate customs procedures and has one of the least expensive documentation and customs cost in the world, USD 70 per 20-foot equivalent unit (TEU), contrasting to USD 195 per TEU which is the median among countries with Single Window options. Korea's Single Window program allowed for the reduction on license approval time which contributed to a reduction of 25-33% in total export time.<sup>555</sup>

Korea has maintained most of the measures in compliance with the articles present in the Bali package, including those listed in Article 10, however, it has not taken effective steps to further optimize its electronic pre-arrival processing documentation availability. Therefore, Korea has been awarded a score of 0.

*Analyst: Artur Pereira*

## **Mexico: 0**

Mexico has partially complied with the trade facilitation measures of the Bali Package.

As of 30 September 2015, Mexico has partially fulfilled its requirements under Article 1 of the Bali package. The Government of Mexico has published a website which includes importation, exportation and transit procedures,<sup>556</sup> regulations and administrative rules relating to rules of origin,<sup>557</sup> required forms and documents for importation and exportation,<sup>558</sup> and contact information on enquiry points.<sup>559</sup> Information about rates of duties and taxes and appeal procedures are not accessible.

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<sup>552</sup> Small and Medium Enterprises (SME) Adjustments to Information Technology (IT) in Trade Facilitation: The South Korean Experience, Asia-Pacific Research and Training Network on Trade (Seoul), January 2009. Access: 8 March 2015.

<http://www.unescap.org/sites/default/files/AWP%20No.%2061.pdf>

<sup>553</sup> Full report - World Trade Organization, World Trade Organization (Seoul), 15 August 2012. Access: 8 March 2015.

[www.wto.org/english/tratop\\_e/tpr\\_e/g268\\_e.doc](http://www.wto.org/english/tratop_e/tpr_e/g268_e.doc)

<sup>554</sup> Trade Policy Review: Republic of Korea, World Trade Organization Secretariat (Seoul), 21 September 2012. Access: 8 March 2015. [https://www.wto.org/english/tratop\\_e/tpr\\_e/s268\\_sum\\_e.pdf](https://www.wto.org/english/tratop_e/tpr_e/s268_sum_e.pdf)

<sup>555</sup> Enabling Trade: Catalysing Trade Facilitation Agreement Implementation in Brazil, World Economic Forum (Geneva), January 2015. Access: 8 March 2015. [http://www3.weforum.org/docs/WEFUSA\\_EnablingTrade\\_Brazil\\_Report2015.pdf](http://www3.weforum.org/docs/WEFUSA_EnablingTrade_Brazil_Report2015.pdf)

<sup>556</sup> Regímenes Aduaneros, Servicio De Administración Tributaria (Mexico) 11 February 2014. Access: 4 October 2015.

[http://www.sat.gob.mx/aduanas/importando\\_exportando/regimenes/Paginas/default.aspx](http://www.sat.gob.mx/aduanas/importando_exportando/regimenes/Paginas/default.aspx)

<sup>557</sup> Extracto De Las Principales Resoluciones Favorables A Los Contribuyentes Que Deriven De Consultar Reales Y Concretas, Servicio De Administración Tributaria (Mexico) 29 September 2015. Access: 4 October 2015.

[http://www2.sat.gob.mx/sitio\\_internet/sitio\\_aplicaciones/Resoluciones\\_Favorables/](http://www2.sat.gob.mx/sitio_internet/sitio_aplicaciones/Resoluciones_Favorables/)

<sup>558</sup> Declaraciones, Avisos, Formatos E Instructivos De Trámite, Servicio De Administración Tributaria (Mexico) 4 September 2015. Access: 1 October 2015.

[http://www.sat.gob.mx/informacion\\_fiscal/normatividad/formas\\_fiscales/Paginas/declaraciones\\_comercio\\_exterior.aspx](http://www.sat.gob.mx/informacion_fiscal/normatividad/formas_fiscales/Paginas/declaraciones_comercio_exterior.aspx)

<sup>559</sup> Directoria De Aduanas, Servicio De Administración Tributaria (Mexico) 19 February 2013. Access: 1 October 2015.

[http://www.sat.gob.mx/contacto/contactenos/Paginas/dir\\_adu.aspx](http://www.sat.gob.mx/contacto/contactenos/Paginas/dir_adu.aspx)

As of 30 September 2015, Mexico has partially fulfilled its requirements under Article 3: Advance Rulings. It has published information about the time period by which it will issue an advance ruling and the length of time for which the advance ruling is valid.<sup>560</sup> The requirements for the application for an advance ruling, including the information to be provided and the format, however, are not published.

As of 30 September 2015, Mexico fulfills requirements under Article 7 of the Bali package. Import documentation and other required information can be submitted electronically at a single point of contact at any time prior to arrival of goods through the Ventanilla Unica or Single Window website<sup>561</sup>. The Government of Mexico also provides for electronic payment of duties, taxes, fees and charges<sup>562</sup>.

On 17 August 2015, the Mexican Ministry of Public Administration published a call for tenders for the Customs Technology Integration Project (PITA)<sup>563</sup>. The goal of this project is to facilitate and expedite the processing and clearance of goods by modernizing 60 checkpoints that account for 99% of the customs checkpoints for commercial goods. The project will begin in December 2015.

As of 30 September 2015, Mexico fulfills requirements under Article 10: Formalities Connected with Importation and Exportation and Transit, as the use of customs brokers and pre-shipment inspections are optional, not mandatory.<sup>564</sup>

On 23 September 2014, the four members of the Pacific Alliance — Chile, Colombia, Mexico and Peru — met in New York City to discuss the integration of the alliance into the global market. The President of Mexico Enrique Peña Nieto confirmed that the members have reached an agreement, which entails eliminating tariffs for 92% of goods. This will provide easier interaction between the countries.<sup>565</sup>

Mexico has implemented some of the measures under Articles 1, 3, and 10 of the Bali Package. Thus, Mexico has been awarded a score of 0.

*Analyst: Arturo Sparks*

## **Russia: 0**

Russia has partially complied with the commitment on trade.

Russia is member of the Eurasian Economic Union (EAEU) which is an international organization for regional economic integration. Member-states delegated the authority over the most part of their trade policies to the EAEU. The Eurasian Economic Commission (EEC) is a permanent regulatory body of the EEC. The EEC web-page contains all the information under Article 1 of the Bali package, including:

- Importation, exportation and transit procedures and required forms and documents.<sup>566</sup>
- Applied rates of duties and taxes of any kind imposed on or in connection with importation or exportation, and fees and charges imposed by or for governmental agencies on or in connection with importation,

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<sup>560</sup> Diario Oficial de la Federación (Mexico) 30 December 1993. Date Accessed: 5 October 2015.

[http://dof.gob.mx/nota\\_detalle.php?codigo=4818866&fecha=30/12/1993](http://dof.gob.mx/nota_detalle.php?codigo=4818866&fecha=30/12/1993)

<sup>561</sup> Operación, Ventanilla Digital Mexicana de Comercio Exterior (Mexico) 2011. Access: 4 October 2015.

<https://www.ventanillaunica.gob.mx/vucem/SobreVU/Operacion/index.htm>

<sup>562</sup> Pago Electronico E5, Servicio De Administración Tributaria (Mexico) 29 September 2015. Access: 4 October 2015.

[http://www.sat.gob.mx/fichas\\_tematicas/e5/Paginas/default.aspx](http://www.sat.gob.mx/fichas_tematicas/e5/Paginas/default.aspx)

<sup>563</sup> Comunicado De Prensa 094, Servicio De Administración Tributaria (Mexico) 17 August 2015. Access: October 4 2015.

[http://www.sat.gob.mx/sala\\_prensa/comunicados\\_nacionales/Paginas/com2015\\_094.aspx](http://www.sat.gob.mx/sala_prensa/comunicados_nacionales/Paginas/com2015_094.aspx)

<sup>564</sup> Reglamento de la Ley Aduanera, Diario Oficial De La Federación (Mexico) 20 April 2015. Date Accessed: 4 October 2015.

[http://www.dof.gob.mx/nota\\_detalle.php?codigo=5389356&fecha=20/04/2015](http://www.dof.gob.mx/nota_detalle.php?codigo=5389356&fecha=20/04/2015)

<sup>565</sup> The Presidents of the Pacific Alliance in New York City, Alianza Pacífico (New York) 23 September 2014. Access: 1 March 2015

<http://alianzapacifico.net/en/the-presidents-of-the-pacific-alliance-in-new-york-city/>

<sup>566</sup> Notification form, Eurasian Economic Commission. Access: 15 May 2015.

<http://www.eurasiancommission.org/en/docs/Pages/notiform.aspx>

exportation or transit, procedures relating to the administration of tariff quotas, and rules for the classification or valuation of products for customs purposes.<sup>567</sup>

- Laws, regulations and administrative rulings of general application relating to rules of origin.<sup>568</sup>
- Import, export or transit restrictions or prohibitions.<sup>569</sup>
- Penalty provisions against breaches of import, export or transit formalities and appeal procedures.<sup>570</sup>
- Agreements or parts thereof with any country or countries relating to importation, exportation or transit.<sup>571</sup>

As for the Article 3, the Eurasian Commission web-page does not contain information on the time period by which it will issue an advance ruling and the length of time for which the advance ruling is valid.

The Eurasian Commission web-page provides for the opportunity to fill the notification form on-line, thus, conforming to the rules set out in the Article 7.<sup>572</sup>

Eurasian Economic Union does not maintain measures requiring the use of pre-shipment inspections in relation to tariff classification and customs valuation or the mandatory use of customs brokers.

Russia, being a member of the Eurasian Economic Union, maintains measures under each of the articles listed in the guidelines, but not in their totality. Thus, Russia is awarded a score of 0 for partially complying with the commitment.

*Analyst: Andrei Sakharov*

#### **Saudi Arabia: -1**

Saudi Arabia has failed to implement or maintain measures under Article 3: Advance Rulings and Article 7: Release and Clearance of Goods.

Saudi Arabia fulfills the requirements under Article 1: Publication and Availability of Information under the Bali package. Saudi Arabia has maintained transparent and electronic published resources containing all information relating to trade procedures, duties, rules, administrative measures, appeal procedures etc.<sup>573</sup> Saudi Arabia has maintained enquiry points on its website and by telephone.<sup>574</sup>

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<sup>567</sup> Common Customs Tariff of the Customs Union, Eurasian Economic Commission. Access: 15 May 2015. <http://www.eurasiancommission.org/en/act/trade/catr/ett/Pages/default.aspx>.

<sup>568</sup> Technical Regulation and Accreditation Department, Regulatory framework, Eurasian Economic Commission. Access: 15 May 2015. [http://www.eurasiancommission.org/en/act/texnreg/deptexreg/noRMB\\_aza/Pages/noRMB\\_aza.aspx](http://www.eurasiancommission.org/en/act/texnreg/deptexreg/noRMB_aza/Pages/noRMB_aza.aspx).

<sup>569</sup> Single list of goods subject to prohibitions or restrictions on import or export by the Customs Union member states within the EurAsEC when trading with third countries and Provisions on application of restrictions, Eurasian Economic Commission. Access: 15 May 2015. [http://www.eurasiancommission.org/en/act/trade/catr/nontariff/Pages/ediny\\_perechen.aspx](http://www.eurasiancommission.org/en/act/trade/catr/nontariff/Pages/ediny_perechen.aspx).

<sup>570</sup> Agreement on modalities of criminal and administrative penalties for breaching customs laws of the Customs Union or members thereof, Eurasian Economic Commission. Access: 15 May 2015. <http://www.eurasiancommission.org/docs/Download.aspx?IsDlg=0&ID=4193&print=1>.

<sup>571</sup> International agreements, Eurasian Economic Commission. Access: 15 May 2015. [https://docs.eaeunion.org/en-us/Pages/AllDocuments.aspx#npbdocumentbelongstaxId=\[{%22id%22:%22b591e83f-Of9a-4fce-8760-758ac7690c84%22,%22title%22:%22%D0%9C%D0%B5%D0%B6%D0%B4%D1%83%D0%BD%D0%B0%D1%80%D0%BE%D0%B4%D0%BD%D1%8B%D0%B5%20%D0%B4%D0%BE%D0%B3%D0%BE%D0%B2%D0%BE%D1%80%D1%8B%22}\]](https://docs.eaeunion.org/en-us/Pages/AllDocuments.aspx#npbdocumentbelongstaxId=[{%22id%22:%22b591e83f-Of9a-4fce-8760-758ac7690c84%22,%22title%22:%22%D0%9C%D0%B5%D0%B6%D0%B4%D1%83%D0%BD%D0%B0%D1%80%D0%BE%D0%B4%D0%BD%D1%8B%D0%B5%20%D0%B4%D0%BE%D0%B3%D0%BE%D0%B2%D0%BE%D1%80%D1%8B%22}]).

<sup>572</sup> Notification form, Eurasian Economic Commission. Access: 15 May 2015. <http://www.eurasiancommission.org/en/docs/Pages/notiform.aspx>.

<sup>573</sup> Laws and Regulations, Ministry of Commerce and Industry (Riyadh) 5 February 2014. Access: 25 February 2015. <http://mci.gov.sa/en/LawsRegulations/Pages/default.aspx>

<sup>574</sup> Contact Us, Ministry of Commerce and Industry (Riyadh) 8 December 2013. Access: 25 February 2015. <http://mci.gov.sa/en/ContactUs/Pages/default.aspx>

All of this information is available on the Internet fulfilling the second requirement under Article 1: Publication and Availability of Information.<sup>575</sup>

Saudi Arabia does not fulfill the requirements under Article 3: Advance Rulings. It has not published the requirements for the application for an advance ruling, the time period by which it will issue an advance ruling or the length of time for which the advance ruling is valid.<sup>576</sup>

Saudi Arabia does not fulfill the requirements under Article 7: Release and Clearance of Goods. It has not adopted procedures allowing for pre-arrival processing<sup>577</sup> and has not established an option of electronic payment for duties, taxes, fees and charges collected by customs incurred upon importation or exportation.<sup>578</sup>

Saudi Arabia fulfills the requirements under Article 10: Formalities Connected With Importation and Exportation and Transit. Saudi Arabia does not require pre-shipment inspections in relation to tariff classification and customs valuation.<sup>579</sup> It also has not introduced the mandatory use of custom brokers.<sup>580</sup>

Thus, Saudi Arabia has been awarded a score of -1.

*Analyst: H  l  ne Emorine*

### **South Africa: +1**

South Africa has implemented or maintained all the measures under the articles listed in the guidelines including those of Article 10.

As of 30 September 2015, South Africa has published the required information as required by Article 1: Publication and Availability of Information of Information.<sup>581</sup> South Africa has established transparent and electronic published resources containing information relating to trade procedures and required forms and documents. The South African customs administration offers a comprehensive traveler processing document, and several other resources, that outline the external directives for traveler processing and customs administration.<sup>582</sup> Published online are the importation, exportation and transit procedures, as well as applied rates of duties, taxes and fees of any kind.<sup>583</sup> Penalties and appeal procedures against decisions are provided.<sup>584</sup>

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<sup>575</sup> Laws and Regulations, Ministry of Commerce and Industry (Riyadh) 5 February 2014. Access: 25 February 2015.

<http://mci.gov.sa/en/LawsRegulations/Pages/default.aspx>

<sup>576</sup> Rules and Regulations of Saudi Customs, Ministry of Finance (Riyadh) 2011. Access: 30 April 2015

[http://www.customs.gov.sa/CustomsNew/rules/sRules\\_E.aspx](http://www.customs.gov.sa/CustomsNew/rules/sRules_E.aspx)

<sup>577</sup> General Requirements of Import, Ministry of Finance (Riyadh). Access: 25 February 2015 [http://www.customs.gov.sa/CustomsNew/rules/sUnitedRulesDetails\\_E.aspx?ch\\_id=5&chname=Importation%20and%20Exportation](http://www.customs.gov.sa/CustomsNew/rules/sUnitedRulesDetails_E.aspx?ch_id=5&chname=Importation%20and%20Exportation)

<sup>578</sup> Explanation of Payment Method For Transaction Value of Imported or Exported Goods, Ministry of Finance (Riyadh). Access: 25 February 2015. [http://www.customs.gov.sa/CustomsNew/advice/ETameemDetails.aspx?RecordId=1&Search\\_Str=payment](http://www.customs.gov.sa/CustomsNew/advice/ETameemDetails.aspx?RecordId=1&Search_Str=payment)

<sup>579</sup> Principles for Application of the Customs Tariff, Ministry of Finance (Riyadh). Access: 25 February 2015.

[http://www.customs.gov.sa/CustomsNew/rules/sItemDetail\\_E.aspx?chid=2&chname=Principles%20for%20Application%20of%20the%20Customs%20Tariff](http://www.customs.gov.sa/CustomsNew/rules/sItemDetail_E.aspx?chid=2&chname=Principles%20for%20Application%20of%20the%20Customs%20Tariff)

<sup>580</sup> Customs Broker, Ministry of Finance (Riyadh). Access: 25 February 2015.

[http://www.customs.gov.sa/customsnew/rules/sItemDetail\\_E.aspx?chid=10&clid=0&Search\\_Str=brokers](http://www.customs.gov.sa/customsnew/rules/sItemDetail_E.aspx?chid=10&clid=0&Search_Str=brokers)

<sup>581</sup> Customs & Excise, SARS (Pretoria) 20 January 2015. Access: 22 April 2015. <http://www.sars.gov.za/ClientSegments/Customs-Excise/Pages/default.aspx>

<sup>582</sup> Processing, SARS (Pretoria) 26 February 2013. Access: 5 May 2015. <http://www.sars.gov.za/ClientSegments/Customs-Excise/Processing/Pages/default.aspx>

<sup>583</sup> Customs & Excise, SARS (Pretoria) 20 January 2015. Access: 5 May 2015. <http://www.sars.gov.za/ClientSegments/Customs-Excise/Pages/default.aspx>

<sup>584</sup> Processing, SARS (Pretoria) 26 February 2013. Access: 5 May 2015. <http://www.sars.gov.za/ClientSegments/Customs-Excise/Processing/Pages/default.aspx>

As of 30 September 2015, procedures for advanced rulings are described in a detailed manner. Applications for advance rulings are done through eFiling. A number of resources are available to assist individuals' applications that list the requirements, the time period, and the length of time for which the advance ruling is valid.<sup>585</sup>

As of 30 September 2015, South Africa follows Article 7, by allowing for the processing of goods before their arrival and the lodging of documents in electronic format.<sup>586</sup> A number of electronic payment methods are available for duties, taxes, fees, and charges collected by the customs.<sup>587</sup>

As of 30 September 2015, South Africa has also met the condition of not requiring pre-shipment inspections and customs brokers according to Article 10: Formalities Connected with Importation and Exportation and Transit.<sup>588</sup>

Since 2000, South Africa had in place duties against imports of certain US chicken products. Though South Africa and the US are working together on a program for increased market access between the two respective nations, South Africa has been reluctant in receding its trade barriers.<sup>589</sup>

South Africa has implemented and maintained all the measures under the articles listed in the guidelines. Thus, South Africa is awarded a score of +1.

*Analyst: John Koester*

### **Turkey: -1**

Turkey has failed to comply with its commitment to implement the Bali package.

The government of Turkey has adopted the EU's common external trade standards, so customs tariffs and duties have a degree of predictability; however, Turkey continues to maintain its own value-added tax and use various barriers to control and restrict imports.<sup>590</sup> A lack of publicly available information makes it difficult to determine Turkey's trade policies and procedures.

No conclusive information is available from the Government of Turkey verifying that it has complied with and/or implemented any of the trade measures in the Bali package.

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

*Analyst: Emma Best*

### **United Kingdom: +1**

The United Kingdom has fully complied with the trade facilitation measures of the Bali Package.

UK has fulfilled all of the requirements for Article 1: Publication and Availability of Information. UK has established transparent and electronic published resources containing information relating to trade procedures

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<sup>585</sup> Rulings, SARS (Pretoria) 16 April 2014. Access: 5 May 2015. <http://www.sars.gov.za/Legal/TaxAdmin/Pages/Rulings.aspx>

<sup>586</sup> Pre-Assessment, SARS (Pretoria) 26 February 2013. Access: 5 May 2015. <http://www.sars.gov.za/ClientSegments/Customs-Excise/Processing/Pre-assessment/Pages/default.aspx>

<sup>587</sup> Make a payment, SARS (Pretoria) 1 April 2015. Access: 5 May 2015. <http://www.sars.gov.za/ClientSegments/Individuals/How-Pay/Pages/Payment.aspx>

<sup>588</sup> Tariff, SARS (Pretoria) 20 January 2015. Access: 5 May 2015. <http://www.sars.gov.za/ClientSegments/Customs-Excise/Pages/Tariff.aspx>

<sup>589</sup> South Africa, US Seek Solution on Poultry Row Ahead of AGOA Renewal, International Centre for Trade and Sustainable Development (Geneva) 29 January 2015. Access: 7 March 2015. <http://www.ictsd.org/bridges-news/bridges/news/south-africa-us-look-for-solution-on-poultry-row-ahead-of-agoa-renewal>

<sup>590</sup> Tariffs and Regulations: Export Markets — Turkey, Australian Trade Commission (Istanbul) November 2014. Access: 1 October 2015. <https://www.austrade.gov.au/Australian/Export/Export-markets/Countries/Turkey/Doing-business/Tariffs-and-regulations>.

and required forms and documents.<sup>591</sup> UK also provides the applied rates of duties, taxes, fees and charges in relation to imports, exports and transit.<sup>592</sup> UK also provides information on the rules for classification or valuation of products for customs purposes.<sup>593</sup> UK provides the laws, regulations and administrative rulings for rules of origin or trade agreements with various countries.<sup>594</sup> The country also provides an extensive list of the import, export and transit restrictions or prohibitions.<sup>595</sup> The UK publishes penalty provisions against breaches of import, export or transit formalities.<sup>596</sup> Individuals with customs issues have the right to administrative appeal by an authority higher than the office that issued the decision through the Tax Tribunal.<sup>597</sup> The UK also provides information and procedures relating to the administration of tariff quotas.<sup>598</sup> All of this information is available on the Internet, including all the forms and documents required for trade. The UK has also maintained an enquiry point to answer reasonable questions of governments, traders and interested parties regarding trade procedures or to comment on the introduction or amendment of laws regarding trade.<sup>599</sup>

The UK has also fulfilled the requirements of Article 7: Release and Clearance of Goods. Through the Single Administrative Document, the UK has allowed for the submission of import documentation to begin processing prior to the arrival of the goods.<sup>600</sup> The requirements necessary are different for EU members and non-EU members. This includes the length of time it will take to issue a ruling and the length of time it is valid. The UK also offers the option of electronic payment for duties and fees collection by customs during import and export.<sup>601</sup>

Finally, the UK has fulfilled the requirements under Article 10: Formalities Connected with Importation and Exportation and Transit. The use of a customs broker for trade is optional but not mandatory.<sup>602</sup> Pre-shipment inspections in relation to tariff classification and custom valuation are not required.<sup>603</sup>

The UK has implemented or maintained all the measures in the Bali Package under articles one, seven and ten. Thus, it is awarded a score of +1.

*Analyst: Anna Hobenadel*

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<sup>591</sup> Trading in the EU, UK Trade and Investment (London) 1 January 2015. Access 28 February 2015. <https://www.gov.uk/trading-in-the-eu>

<sup>592</sup> Trade Tariff Tool, UK Trade and Investment (London) 9 March 2015. Access 9 March 2015. <https://www.gov.uk/trade-tariff/sections>

<sup>593</sup> Classify Imports and Exports using the UK Trade Tariff, HM Revenue and Customs (London) 13 June 2013. Access 28 February 2015. <https://www.gov.uk/browse/business/imports-exports/classification-of-goods>

<sup>594</sup> Rules of Origin for Imported and Exported Goods, HM Revenue and Customs (London) 13 June 2013. Access 8 March 2015. <https://www.gov.uk/rules-of-origin>

<sup>595</sup> Current Arms Embargoes and Other Restrictions, Department for Business, Innovation & Skills (London) 11 September 2014. Access 7 March 2015. <https://www.gov.uk/current-arms-embargoes-and-other-restrictions>

<sup>596</sup> Archiving your Trade Documents, HM Revenue and Customs (London) 14 June 2014. Access 8 March 2015. <https://www.nibusinessinfo.co.uk/content/penalty-regimes-and-archiving-your-international-trade-documents>

<sup>597</sup> Appeal to the Tax Tribunal, Government of United Kingdom (London) 12 February 2015. Access 28 February 2015. <https://www.gov.uk/tax-tribunal>

<sup>598</sup> Duty Suspensions and Tariff Quotas, Department for Business, Innovation & Skills (London) 27 February 2015. Access 4 March 2015. <https://www.gov.uk/duty-suspensions-and-tariff-quotas>

<sup>599</sup> Removing Trade Barriers for UK Exporters, Department for Business, Innovation & Skills (London) 9 October 2012. Access 27 February 2015. <https://www.gov.uk/removing-trade-barriers-for-uk-exporters>

<sup>600</sup> The Single Administrative Document for Import and Export, HM Revenue and Customs (London) 13 June 2013. Access 28 February 2015. <https://www.gov.uk/declarations-and-the-single-administrative-document>

<sup>601</sup> Log in to use VAT Online Services, HM Revenue and Customs (London) 3 February 2014. Access 28 February 2015. <https://www.gov.uk/send-vat-return>

<sup>602</sup> The Single Administrative Document for Import and Export, HM Revenue and Customs (London) 13 June 2013. Access 28 February 2015. <https://www.gov.uk/declarations-and-the-single-administrative-document>

<sup>603</sup> Open Individual Export Licences, Department for Business, Innovation and Skills (London) 13 February 2015. Access 28 February 2015. <https://www.gov.uk/open-individual-export-licences>

## United States: +1

The United States has fully complied with the trade facilitation measures of the Bali Package.

On Article 1, the U.S. complies to the maintenance of transparent and electronic published resources containing information relating to trade procedures, duties, rules, administrative measures, appeal procedures, etc.<sup>604</sup>

The U.S. Customs and Border Protection website features a helpful question-and-answer tool that addresses the questions other traders, or interested parties might have regarding trade-related matters.

The U.S. Customs and Border Protection agency possesses a number of interactive contact options on their website, including a live chat feature, a phone number, and address.

The U.S. maintains a number of documents and regulations that ensure common customs procedures and uniform documentation requirements across the country.<sup>605</sup>

Any person to whom customs issues an administrative decision is entitled to submit an administrative appeal of initial determination to the government, under Title 19, Chapter I, Part 103, Subpart A, Section 103.7 of the US Code of Federal Regulations.<sup>606</sup>

On Article 3, the U.S. Customs and Border Protection agency provides accessible online information for rulings and legal decisions including documentation and time periods for all advance rulings, either submitted online or by mail.<sup>607</sup>

On Article 4, according to the U.S. Customs and Border Protection agency, the necessary documents can only be obtained no more than a week prior to the expected arrival of goods in port; processing of documents takes at minimum 16 working hours.<sup>608</sup>

Electronic payment of customs fees is made possible by the Automated Clearinghouse Credit, which allows users to pay their fees online.<sup>609</sup>

On Article 10, the U.S. allows importers to make entry on their own without the use of customs brokers, but acknowledge that many first time importers and exporters consult a licensed customs broker.<sup>610</sup>

The U.S. does not require pre-shipment inspections in relation to tariff classification and customs valuation.<sup>611</sup>

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<sup>604</sup> U.S. Customs and Border Protection, About Foreign Trade Zones and Contact Info (Washington) Access: 10 October 2015.

<http://www.cbp.gov/border-security/ports-entry/cargo-security/cargo-control/foreign-trade-zones/about>

<sup>605</sup> U.S. Customs and Border Protection, Customs Procedures, (Washington) Access: 10 October 2015.

<http://www.cbp.gov/trade/nafta/customs-procedures>

<sup>606</sup> Cornell University Law School, 19 CFR 103.7- Administrative Appeal of Initial Determination (Ithaca) 22 March 1999. Access: 10 October 2015. <https://www.law.cornell.edu/cfr/text/19/103.7>

<sup>607</sup> U.S. Customs and Border Protection, Rulings and Legal Decisions(Washington) 14 May 2014. Access: 10 October 2015.

<http://www.cbp.gov/trade/rulings>

<sup>608</sup> U.S. Customs and Border Protection, Filing a Formal Entry, (Washington) 14 May 2014. Access: 10 October 2015.

[https://help.cbp.gov/app/answers/detail/a\\_id/214/~/filing-a-formal-entry-\(for-goods-valued-at-\\$2500-or-more\)](https://help.cbp.gov/app/answers/detail/a_id/214/~/filing-a-formal-entry-(for-goods-valued-at-$2500-or-more))

<sup>609</sup> U.S. Customs and Border Protection, Automated Clearinghouse(Washington) 14 May 2014. Access: 10 October 2015.

<http://www.cbp.gov/trade/automated/ach>

<sup>610</sup> Public Stockholding Programmes for Food Security Face Uphill Struggle, Inter Press Service News Agency (Geneva) 17 July 2014. Access: 10 October 2015. <http://www.ipsnews.net/2014/07/public-stockholding-programmes-for-food-security-face-uphill-struggle/>

<sup>611</sup> U.S. Customs and Border Protection, Commodity Graph Reports and Tariff Preference Levels (Washington) Access: 10 October 2015. <http://www.cbp.gov/trade/quota/tariff-rate-quotas>



The United States has implemented all of the measures under articles 1, 37, and 10. Thus the United States is awarded a score of +1.

*Analyst: Alessandra Jenkins*

### **European Union: +1**

The European Union has fully complied with the trade facilitation measures of the Bali Package.

The EU fulfills the requirements under Article 1: Publication and Availability of Information under the Bali package. The EU publishes information regarding importation, exportation and transit procedures along with required forms and documents.<sup>612</sup> The EU also publishes the applied rates of duties, taxes and fees imposed on imports, exports or transit. Rules for the classification or valuation of products for customs purposes are also provided, including the procedures relating to the administration of tariffs. The EU provides various laws, regulations and administrative rulings relating to rules of origin as well as agreements with countries relating to trade. The EU also provides resources on restricted or prohibited items for export and import. If trade conditions are not met, the EU provides penalty provisions. The EU also provides contact information to enquiry points for questions regarding trade procedures, duties, rules and appeals. The EU outlines procedures for the administration of tariff quotas. All of this information is available on the Internet, fulfilling the requirement second requirement under Article 1: Publication and Availability of Information. This includes contact information for enquiry points and the necessary forms needed for trade within the EU.

The EU provides information on advance rulings including the requirements for application, the time period it takes to provide the ruling and the length of time a ruling is valid in accordance with Article 3: Advanced Rulings.<sup>613</sup> The EU also fulfills the requirements for Article 7: Release and Clearance of Goods to allow for pre-arrival processing of goods into the EU, including providing for lodging of documents in electronic format. The option for electronic payment of debit or credit is also available at some border crossings.

Finally, under Article 10: Formalities connected with importation and exportation and transit, shipment inspection in relation to tariff classification and custom valuation is not required and the use of customs brokers is optional, not mandatory.<sup>614</sup>

The EU has implemented or maintained all the measures in the Bali Package under the articles one, seven and ten. Thus, the EU is awarded a score of +1.

*Analyst: Anna Hobenadel*

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<sup>612</sup> European Commission, Trade: Import/Export to the EU. (London). 8 November 2013. Date of Access: 7 October 2015. <http://ec.europa.eu/trade/import-and-export-rules/import-into-eu/>

<sup>613</sup> European Commission: Taxation and Customs Union, Binding Tariff Information. (London). 8 November 2013. Date of Access: 7 October 2015 [http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/tariff\\_aspects/classification\\_goods/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/classification_goods/index_en.htm)

<sup>614</sup> Bellmann, Christophe. The Bali Agreement: Implications for Development and the WTO. (Geneva) 2 May 2015. Date of Access: 7 October 2015. <http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

## 5. Labour and Employment: Youth Unemployment

“We are strongly committed to reducing youth unemployment, which is unacceptably high, by acting to ensure young people are in education, training or employment.”

*Brisbane Summit Leaders’ Declaration*

### Assessment

Country	No Compliance	Partial Compliance	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India		0	
Indonesia		0	
Italy			+1
Japan			+1
Korea			+1
Mexico	-1		
Russia			+1
Saudi Arabia		0	
South Africa			+1
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.75	

### Background

Commitments to curb rising global rates of youth unemployment have been included in many recent G20 summits. The International Labour Organization (ILO) estimates there are approximately 202 million unemployed people globally, 40% are youth.<sup>615</sup> The rate of youth participation in the workforce has severely declined across multiple G20 states within the last decade.<sup>616</sup> To boost the workforce participation rate, initiatives must be made to encourage youth contribution and allow youth to have good start in life. The ILO has identified that countries which develop and implement robust youth-specific employment strategies that encourage youth to engage in the formal economy have better outcomes for their men and women.<sup>617</sup> This can be done with access to quality education, training, and opportunities for gainful employment which will allow for a smooth transition into the labour market. Furthermore, the G20 members have recognized that

<sup>615</sup> Youth Employment. International Labour Organization. Access: 01 February 2015.

<http://www.ilo.org/washington/areas/youth-employment/lang--en/index.htm>

<sup>616</sup> Millennium Development Goals Indicators: Youth Unemployment. 2014. Access: 01 February 2015.

<http://mdgs.un.org/unsd/mdg/SeriesDetail.aspx?srid=597>

<sup>617</sup> Why youth employment matters beyond 2015. International Labour Organization. 2015. Access: 01 February 2015.

[http://www.ilo.org/global/about-the-ilo/multimedia/video/video-interviews/WCMS\\_342144/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/multimedia/video/video-interviews/WCMS_342144/lang--en/index.htm)

current commitments to the reduction of youth unemployment are not enough and must become a focus for the 2015 cycle.<sup>618</sup>

### **Commitment Features**

The commitment requires G20 members to support and create new policies. To judge compliance, young people will be defined according to the United Nations (UN) Millennium Development Goals (MDGs) Indicators and the ILO definitions indicating that young people as individuals between the ages of 15-24.<sup>619</sup>

In the 10-11 September 2014 Labour and Employment Ministerial Declaration the ministers recognized the need to boost participation in the workforce, specifically identifying the need to promote youth employment across all members and renewing their commitment to fight youth unemployment.<sup>620</sup> As identified by the ministers' meeting, commitments will be focused on increased support of existing policies or the development of new programs to support an increase in youth employment. The commitment will consist of three components: governments must make efforts to improve the educational attainment of the labour force, provide training programs to youth, and create new employment opportunities for youth populations. Examples of such policies include:

*Acts to improve the educational attainment of the youth labor force, drawing on the International Standard Classification of Education (ISCED) used by the ILO<sup>621</sup>*

- Improvements to funding in secondary education programs improving subject specialization and presentation of new materials
- Encourage the inclusion of more of the youth population into universities, colleges, higher professional schools and distance learning institutions
- Highlight the need to promote investments in education for different population groups in response to the distribution of educational resources
- Provide financial incentives for education whether in the form of grants, bursaries or scholarships

*Acts to improve the training programs and skills of youth populations*

- Encourage the improvements or creation of apprenticeship programs, or the development of vocational programs for youth populations
- The inclusion of policies which support youth guarantees

*Acts to create new employment opportunities for youth populations*

- Work to promote youth entrepreneurship and innovation across multiple sectors
- Encourage opportunities for youths in public sector organizations at different levels of government or within the private sector

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<sup>618</sup> G20 Labour and Employment Ministerial Declaration Melbourne, 10-11 September 2014: Preventing structural unemployment, creating better jobs and boosting participation. Access: 01 February 2015.

[http://www.international.gc.ca/g20/assets/pdfs/Communique\\_Meeting\\_of\\_G20\\_LEMs\\_Melbourne\\_10-11\\_September\\_2014.pdf](http://www.international.gc.ca/g20/assets/pdfs/Communique_Meeting_of_G20_LEMs_Melbourne_10-11_September_2014.pdf)

<sup>619</sup> Guide to the new Millennium Development Goals Employment Indicators. International Labour Organization. 2009. Access: 01 February 2015. [http://www.ilo.org/public/english/employment/download/mdg\\_en.pdf](http://www.ilo.org/public/english/employment/download/mdg_en.pdf)

<sup>620</sup> G20 Labour and Employment Ministerial Declaration Melbourne, 10-11 September 2014: Preventing structural unemployment, creating better jobs and boosting participation. Access: 01 February 2015.

[http://www.international.gc.ca/g20/assets/pdfs/Communique\\_Meeting\\_of\\_G20\\_LEMs\\_Melbourne\\_10-11\\_September\\_2014.pdf](http://www.international.gc.ca/g20/assets/pdfs/Communique_Meeting_of_G20_LEMs_Melbourne_10-11_September_2014.pdf)

<sup>621</sup> The Youth Employment Network. International Labour Organization. 2011. Access: February 2 2015.

<http://www.ilo.org/public/english/employment/yen/whatwedo/projects/indicators/8.htm>

## Scoring Guidelines

-1	Member does not recognize the issue of youth unemployment and does not show a commitment to ensure young people are in education, training OR employment.
0	Member shows a commitment to improving youth employment conditions through national actions that improve youth access to education, training OR employment.
+1	Member shows an active commitment to reducing youth unemployment through the implementation of programs that ensure young people are in education, training AND employment.

### Argentina: +1

Argentina has fully complied with the commitment to reduce youth unemployment.

On 10 December 2014, the World Bank published an appraisal document to Argentina for the Youth Employment Support Project. The Youth Employment and Support Project will support the expansion and strengthening of the Youth with Greater and Better Job Opportunities program. This program targets youth from the ages of 18 to 24 that have not completed secondary education.<sup>622</sup> Approximately 200,000 youth have participated each year since the program's initial launch in 2008.<sup>623</sup>

On January 15 2015, the World Bank approved a loan of US\$425 million, with a 32.5-year maturity period and a seven-year grace period, to support Argentina's Youth Employment Support Project.<sup>624</sup> This project aims to promote quality employment opportunities for 540,000 young adults living in vulnerable socio-economic conditions.<sup>625</sup> The project will finance activities over a three-year implementation period.<sup>626</sup> This project aims to: (1) improve the quality of guiding and training services; (2) consolidate the coverage of "Jóvenes con Más y Mejor Trabajo" [Youth with Greater and Better Job Opportunities program] and the PROGRESAR [Program to Support Students from Argentina]; (3) strengthen the performance of the network of 630 employment offices around the country.<sup>627</sup>

On 26 February 2015 Minister of Education Alberto Sileoni and Attorney General Alejandra Gils Carbó signed an agreement to extend the "Plan de Finalización de Estudios Primarios y Secundarios para Jóvenes y Adultos" or "FinEs" (Plan to Finalize Primary and Secondary Studies for Youth and Adults).<sup>628</sup> Established

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<sup>622</sup> W/B Argentina: Job Opportunities for Half a Million Young Adults, The World Bank (Washington) 15 January 2015. Date of Access: 27 February 2015. <http://www.worldbank.org/en/news/press-release/2015/01/15/wbargentina-job-opportunities-for-half-a-million-young-adults>

<sup>623</sup> Argentina – Youth Employment Support Program, The World Bank, 10 December 2014. Date of Access: February 27 2015. [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/12/23/000470435\\_20141223094317/Rendered/PDF/PAD6220PAD0P13010Box385389B00OUO090.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/12/23/000470435_20141223094317/Rendered/PDF/PAD6220PAD0P13010Box385389B00OUO090.pdf)

<sup>624</sup> W/B Argentina: Job Opportunities for Half a Million Young Adults, The World Bank (Washington) 15 January 2015. Date of Access: 27 February 2015. <http://www.worldbank.org/en/news/press-release/2015/01/15/wbargentina-job-opportunities-for-half-a-million-young-adults>

<sup>625</sup> World Bank approves projects to continue generating job opportunities for young adults, Government of Argentina Ministry of labor, employment and social security (Buenos Aires) 15 January 2015. Date of Access: 26 February 2015. [http://www.trabajo.gov.ar/ampliado.asp?id\\_nvd=2262](http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2262)

<sup>626</sup> Argentina – Youth Employment Support Program, The World Bank 10 December 2014. Date of Access: February 27 2015. [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/12/23/000470435\\_20141223094317/Rendered/PDF/PAD6220PAD0P13010Box385389B00OUO090.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/12/23/000470435_20141223094317/Rendered/PDF/PAD6220PAD0P13010Box385389B00OUO090.pdf)

<sup>627</sup> World Bank approves projects to continue generating job opportunities for young adults, Government of Argentina Ministry of labor, employment and social security (Buenos Aires) 15 January 2015. Date of Access: 26 February 2015. [http://www.trabajo.gov.ar/ampliado.asp?id\\_nvd=2262](http://www.trabajo.gov.ar/ampliado.asp?id_nvd=2262)

<sup>628</sup> Ministerio de Educación, Sileoni y Gils Carbó firmaron convenio para ampliar el Plan de Finalización de Estudios Primarios y Secundarios (FinEs), Ministry of Education (Buenos Aires) 26 February 2015. Date of Access: 27 February 2015. <http://portal.educacion.gov.ar/prensa/gacetillas-y-comunicados/sileoni-y-gils-carbo-firmaron-convenio-para-ampliar-el-plan-de-finalizacion-de-estudios-primarios-y-secundarios-fines/>

in 2008, the “FinEs” program has resulted in the graduation of more than 513 thousand students. Another 1,800,000 students are currently registered.<sup>629</sup>

On 30 September 2015, the Minister of Education proposed that the school year begin on 29 February 2016 to 16 December 2016 to ratify the 2011 Federal Council of Education (CFE) Resolution No. 165/11 ensuring a 190-day school year.<sup>630</sup>

On October 3 2015, the Minister of Education Alberto Sileoni and the Chief of the Cabinet of Ministers Anibal Fernandez inaugurated the Special Education School No. 502. It is the only school in the municipality that provides education for irregular and disabled students as well as home care and added services. The Ministry of National Education provided a total of ARS9,980,800 to refurbish the school.<sup>631</sup> On 8 October 2015, Argentina’s National Student Solidarity Day, the Minister also inaugurated the second of four stages for the expansion and renovation of a specialized art high school (No. 1) in Tandil. The Ministry has put forward a total investment of US27,665,479,92 into this project.<sup>632</sup> On 9 October the Minister of Education continued inaugurated three high schools in Florentino Ameghino, Rojas and Chacabuco. In an effort to expand the education system these schools specialize in Agriculture (No. 1); Visual Arts, Music and Social Sciences (No.5); and Physical Education (No.8). The work was supported by the Ministry of Education’s infrastructure department with investments of ARS7,934,011 ARS 11,362,799 and ARS8,223,562 respectively.<sup>633</sup>

During the compliance period Argentina has taken actions to improve the educational attainment of the labour force, provide training programs to youth, and create new employment opportunities for youth populations.

Thus, Argentina has been awarded a score of +1.

*Analyst: Julia Stockdale-Otárola*

### **Australia: +1**

Australia has fully complied with its commitment to reduce youth unemployment.

On 3 December 2014, the Australian government introduced amended legislation to the Higher Education and Research Reform Bill 2014, creating a new scholarship fund for universities with high proportions of low socioeconomic status students.<sup>634</sup> This works to improve the educational attainment of the youth labour force, encouraging the inclusion of disadvantaged and rural students by providing financial incentives for education in the form of scholarships.

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<sup>629</sup> Ministerio de Educación, Sileoni y Gils Carbó firmaron convenio para ampliar el Plan de Finalización de Estudios Primarios y Secundarios (FinEs), Ministry of Education (Buenos Aires) 26 February 2015. Date of Access: 27 February 2015.

<http://portal.educacion.gov.ar/prensa/gacetillas-y-comunicados/sileoni-y-gils-carbo-firmaron-convenio-para-ampliar-el-plan-de-finalizacion-de-estudios-primarios-y-secundarios-fines/>

<sup>630</sup> Sileoni propuso que las clases comiencen el 29 de febrero 2016, Ministry of Education (Buenos Aires) 30 September 2015. Date of Access: 10 October 2015. <http://portal.educacion.gov.ar/prensa/gacetillas-y-comunicados/sileoni-propuso-que-las-clases-comiencen-el-29-de-febrero-de-2016/>

<sup>631</sup> Sileoni y Anibal Fernández inauguraron las instalaciones de la Escuela Especial 502 de Tres Arroyos, Ministry of Education (Buenos Aires) 3 October 2015. Date of Access: 4 October 2015. <http://portal.educacion.gov.ar/prensa/gacetillas-y-comunicados/sileoni-y-anibal-fernandez-inauguraron-las-instalaciones-de-la-escuela-especial-502-de-tres-arroyos/>

<sup>632</sup> Sileoni encabezó el estreno de obras de infraestructura escolar en Tandil, Ministry of Education (Buenos Aires) 8 October 2015. Date of Access: 10 October 2015. <http://portal.educacion.gov.ar/prensa/gacetillas-y-comunicados/sileoni-encabezo-el-corte-de-cinta-para-obras-de-infraestructura-escolar-en-tandil/>

<sup>633</sup> Sileoni inauguró establecimientos educativos en Florentino Ameghino, Rojas y Chacabuco, Ministry of Education (Buenos Aires) 9 October 2015. Date of Access: 10 October 2014. <http://portal.educacion.gov.ar/prensa/gacetillas-y-comunicados/sileoni-inauguro-establecimientos-educativos-en-florentino-ameghino-rojas-y-chacabuco/>

<sup>634</sup> Higher Education and Research Budget Information, Australian Government, Department of Education (Canberra) 5 December 2014. Date Accessed: 21 February 2015. <http://education.gov.au/higher-education-and-research-budget-information>

On 5 December 2014, the Australian government announced plans to introduce tuition subsidies to all Australian students in participating Australian higher education institutions, beginning 1 January 2016.<sup>635</sup> The Australian government plans to provide AUD 820 million over three years, to support over 80,000 students by 2018. This reform is intended to promote the inclusion of the youth population in Australian universities, and form innovative partnerships with Technical and Further Education (TAFE) institutions.

On 12 December 2014, the Education Council endorsed a new framework to guide the provision of Vocational Education and Training (VET) courses in schools. The framework sets out a vision in which all secondary school students experience quality vocational learning and have access to VET courses seamlessly integrated into secondary schooling. The framework will be followed by the development of a number of practical tools aimed at producing quality outcomes for students, employers, parents, schools and training providers.

On 20 February 2015, the Assistant Minister for Employment reiterated that the Australian government is committed to the new employment services model.<sup>636</sup> The program will introduce new subsidies and incentives to encourage employers to offer opportunities to the youth labour force and other vulnerable groups.

On 5 March 2015, the Assistant Minister for Education and Training announced the launch of two pilot programmes to improve the training and employment prospects for students, “Training for Employment Scholarships” and “Youth Employment Pathways.”<sup>637</sup> The programmes are a part of the youth stream of the Industry Skills Fund, an AUD 476 million reform implemented by the Australian government on 1 January 2015 to deliver targeted industry training over four years.<sup>638</sup> The AUD 44 million pilot programmes support job specific training for young employees and assist young people aged 15 to 18 years to return to school, start vocational training or find employment through financial support and case management services.

On 1 July 2015, the Australian government launched a new national employment services system.<sup>639</sup> The Australian government is investing AUD 6.8 billion over four years in its new employment services called “jobactive.” Jobactive was announced in the 2015-16 Budget along with the Growing Jobs and Small Business Package, which is comprised of a range of measures aimed at improving youth employment and education outcomes. The package includes an AUD 331 million Youth Employment Strategy to assist young people who have disengaged from work and study by providing support to vulnerable young job seekers and improving outcomes for early school leavers.

During the compliance period, Australia has taken actions to improve the educational attainment and vocational skills training of the youth labour force, and has worked to create youth employment opportunities.

Thus, Australia is awarded a score of +1.

*Analyst: Alison Dillman*

## **Brazil: +1**

Brazil has fully complied with its commitment to reduce youth unemployment.

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<sup>635</sup> Expanding Opportunities for Students, Australian Government, Department of Education (Canberra) 5 December 2014. Date Accessed: 21 February 2015. <http://education.gov.au/expanding-opportunities-students>

<sup>636</sup> Statement to Four Corners, Ministers’ Media Centre (Sydney) 20 February 2015. Date Accessed: 21 February 2015. <http://ministers.employment.gov.au/hartsuyker/statement-4-corners>

<sup>637</sup> Two New Pilot Programs to Skill Up Young Employees, Australian Government, Department of Training and Education (Canberra) 5 March 2015. Date Accessed: 10 October 2015. <https://education.gov.au/news/two-new-pilot-programmes-skill-young-employees>

<sup>638</sup> Industry Skills Fund, Australian Government, Department of Education and Training (Canberra) 2 October 2015. Date Accessed: 10 October 2015. <https://education.gov.au/industry-skills-fund>

<sup>639</sup> Jobactive, Australian Government, Department of Employment (Canberra) 10 September 2015. Date Accessed: 10 October 2015. <http://www.employment.gov.au/jobactive>

On 16 December 2014 the Minister of Labour and Employment Manoel Dias launched the *Jovem Aprendiz do Desporto — Jade* [Youth Sports Apprentice Program — Jade] in the federal district.<sup>640</sup> This program aims to provide more and better training opportunities and decent work for youth in sports institutions. Jade is a professional training program for youth engaged in organizations and companies in the sports sector through the Learning Act.

On 2 February 2015 the Minister of Labour and Employment Manoel Dias participated in a national meeting of technical schools in Rio de Janeiro.<sup>641</sup> This four-day event discussed the role of vocational and technical education in the development of the country. Dias announced that it is the Ministry's goal to incorporate 500,000 youth as apprentices in micro and small enterprises through quotas.<sup>642</sup> Minister Dias also emphasized the encouragement of policies that integrate youth into the workforce.<sup>643</sup>

On 9 February 2015 the Subcommittee on Decent Work for Youth resumed their preparation of *the Plano Nacional de Trabalho Decente para Juventude* [National Decent Work Plan for Youth].<sup>644</sup> The General Secretary of the Presidency of the Republic, through the National Youth Secretariat, and the Ministry of Labour and Employment, jointly coordinate the Subcommittee. During the first half of 2015 the Subcommittee is scheduled to finalize the definition of challenges, goals and indicators of the Plan. The main features of the Plan include: (1) more and better education; (2) reconciliation between studies, work, and family life; (3) labour market integration with equal opportunities and treatment; (4) Social Dialogue: Youth, Work and Education.<sup>645</sup>

On 11 February 2015 Minister of Education Cid Gomes and the Minister of Micro and Small Enterprise Guilherme Afif Domingos signed a technical cooperation agreement to develop the *Pronatec Aprendiz na Micro e Pequena Empresa* [Pronatec Apprentice in Micro and Small Enterprises] initiative.<sup>646</sup> The initiative is part of the national Program for Access to Technical Education and Employment (Pronatec) and will benefit youth ages 14 to 24 years. Youth hired through the apprentice category will receive mandatory education from an accredited Pronatec institution. Upon completion of the learning program — one to two years — students will receive a technical certification. Beginning in August 2015, the first stage of the program will offer 15,000 vacancies in 81 cities with priority given to socially vulnerable adolescents and youth and directed mainly for young people between 14 to 18 years.<sup>647</sup>

On 14 July 2015 the Ministry of Labour and employment announced that the *Superintendência Regional do Trabalho e Emprego no Ceará* in partnership with the *Secretaria de Trabalho e Desenvolvimento Social do Estado* is developing activities to include 400 youth living in the periphery in the labour market. These initiatives are

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<sup>640</sup> Dias lança Jovem Aprendiz do Desporto no DF, Ministério do Trabalho e Emprego (Brasília) 16 December 2014. Date of Access: February 26 2015. <http://portal.mte.gov.br/imprensa/ministro-manoel-dias-lanca-jovem-aprendiz-do-desporto-no-df.htm>

<sup>641</sup> Dias debate políticas para la juventude, Ministério do Trabalho e Emprego (Brasília) 26 February 2015. Date of Access: 28 February 2015. <http://portal.mte.gov.br/imprensa/dias-debate-importancia-das-politicas-educacionais-para-a-juventude.htm>

<sup>642</sup> Dias debate políticas para la juventude, Ministério do Trabalho e Emprego (Brasília) 26 February 2015. Date of Access: 28 February 2015. <http://portal.mte.gov.br/imprensa/dias-debate-importancia-das-politicas-educacionais-para-a-juventude.htm>

<sup>643</sup> Dias debate políticas para la juventude, Ministério do Trabalho e Emprego (Brasília) 26 February 2015. Date of Access: 28 February 2015. <http://portal.mte.gov.br/imprensa/dias-debate-importancia-das-politicas-educacionais-para-a-juventude.htm>

<sup>644</sup> Subcomitê discute Trabalho Decente para juventude, Ministry of Labor and Employment (Brasília) 26 February 2015. Date of Access: 27 February 2015. <http://portal.mte.gov.br/imprensa/subcomite-discute-trabalho-decente-para-juventude/palavrachave/juventude-trabalho-decente.htm>

<sup>645</sup> Subcomitê discute Trabalho Decente para juventude, Ministry of Labor and Employment (Brasília) 26 February 2015. Date of Access: 27 February 2015. <http://portal.mte.gov.br/imprensa/subcomite-discute-trabalho-decente-para-juventude/palavrachave/juventude-trabalho-decente.htm>

<sup>646</sup> Pronatec Jovem Aprendiz apoiará estudantes em microempresas, Brazil Federal Government (Brasília) 11 February 2015. Date of Access: 26 February 2015. <http://www.brasil.gov.br/educacao/2015/02/pronatec-jovem-aprendiz-apoiara-estudantes-em-microempresas>

<sup>647</sup> Pronatec Aprendiz inclui jovens vulneráveis em micro e pequenas empresas, Ministry of Labor and Employment (Brasília) 28 July 2015. Date of Access: 9 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/emprego-e-renda/979-pronatec-aprendiz-inclui-jovens-vulneraveis-em-micro-e-pequenas-empresas>

part of the larger Ceará Pacific Project, set up by the State Government in January 2015, to fight violence through schooling, employment and other activities.<sup>648</sup>

On 11 August 2015 the Ministry of Labour and Employment took part in the second annual National Apprenticeship Forum to discuss improvements to the bill that regulates administration, distance learning and learning in an enclosed environment.<sup>649</sup>

On 13 August 2015 the Ministry of Labour and Employment has extended its goal to include apprentices in its Multiyear Plan (2016/2019). This plan aims to include 1.7 million learners in the labour market by expanding vocational training opportunities for adolescents and youth by 2019.<sup>650</sup> The Multiyear Plan (2013/2015) generated 224,173 youth in apprenticeships in 2015 alone.<sup>651</sup>

On 21 August 2015 the Brazilian and German Ministers agreed on the creation of a Working Group with members from the Ministries of Labour of Brazil and Germany to advance a bi-national dialogue on employment.<sup>652</sup> Future conversations will include discussions on various themes including professional qualifications for youth. Minister Dias also expressed his interest in establishing a partnership based on the German model for training youth.<sup>653</sup>

On 31 August 2015 the Minister of Labour and Employment Manoel Dias pledged to defend more inclusive labour markets at the G20 Working Group on Employment in Ankara on 3 September 2015.<sup>654</sup> During the meeting he reaffirmed Brazil's commitment to strengthening actions to increase training and professional qualifications to facilitate youth access to labour, quality jobs and decent work.<sup>655</sup>

During the compliance period, Brazil has taken actions to improve the educational attainment of the labour force, provide training programs to youth, and create new employment opportunities for youth populations.

Thus, Brazil is awarded a score of +1.

*Analyst: Julia Stockdale-Otárola*

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<sup>648</sup> SRTE/CE insere jovens da periferia no mercado de trabalho, Ministry of Labor and Employment (Brasília) 14 July 2015. Date of Access: 10 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/emprego-e-renda/933-srte-ce-insere-jovens-da-periferia-no-mercado-de-trabalho>

<sup>649</sup> Fórum de Aprendizagem discute regulamentação e EAD, Ministry of Labor and Employment (Brasília) 12 August 2015. Date of Access: 10 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/emprego-e-renda/1031-forum-de-aprendizagem-discute-regulamentacao-e-ead>

<sup>650</sup> MTE amplia meta para inclusão de aprendizes, Ministry of Labor and Employment (Brasília) 13 August 2015. Date of Access: 5 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/emprego-e-renda/1032-mte-amplia-meta-para-inclusao-de-aprendizes>

<sup>651</sup> MTE supera meta de aprendizagem no PPA 2012/15, Ministry of Labor and Employment (Brasília) 11 August 2015. Date of Access: 9 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/emprego-e-renda/1021-mte-supera-meta-de-aprendizagem-no-ppa-2012-15>

<sup>652</sup> Brasil e Alemanha avançam no diálogo de cooperação binacional, Ministry of Labor and Employment (Brasília) 20 August 2015. Date of Access: 11 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/2015-06-25-18-10-32/1054-brasil-e-alemanha-avancam-no-dialogo-de-cooperacao-binacional>

<sup>653</sup> Brasil e Alemanha avançam no diálogo de cooperação binacional, Ministry of Labor and Employment (Brasília) 20 August 2015. Date of Access: 11 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/2015-06-25-18-10-32/1054-brasil-e-alemanha-avancam-no-dialogo-de-cooperacao-binacional>

<sup>654</sup> Dias defenderá mercados de trabalho inclusivos em reunião de ministros do G20, Ministry of Labor and Employment (Brasília) 5 October 2015. Date of Access: 10 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/2015-06-25-18-10-32/1075-dias-defendera-mercados-de-trabalho-mais-inclusivos-em-reuniao-de-ministros-do-g20>

<sup>655</sup> Dias defende meta conjunta do G20 para qualificação e inserção de jovens, Ministry of Labor and Employment (Brasília) 8 October 2015. Date of Access: 10 October 2015. <http://portal.mte.gov.br/index.php/noticias-mte/2015-06-25-18-10-32/1087-auto-generate-from-title>



## Canada: +1

Canada has fully complied with the commitment to reduce youth unemployment.

On 21 April 2015, the government of Canada released its 2015 Economic Action Plan (budget). The Canadian government committed to support job creation in the Economic Action Plan, with a focus on skills training initiatives.<sup>656</sup> The Economic Action Plan allocates CAD 194 million in 2015 to “training the workforce of tomorrow,” an increase from CAD 66 million in 2014. The budget outlines youth employment as a key priority, and commits to support the “Flexibility and Innovation in Apprenticeship” technical training program, the “Canada Accelerator and Incubator” entrepreneurship program, and the “Computers for Schools” information and communications technology skills training program.<sup>657</sup> These programs aim to improve the training and skills of youth populations.

The Economic Action Plan confirmed that the Government of Canada will support young Canadian entrepreneurs who are launching small businesses through a \$14 million dollar investment in Futurpreneur Canada over two years. The federal government’s investment will help an estimated 2,700 young entrepreneurs access financing and programs to help them build businesses, create jobs and contribute to a more robust Canadian economy. These entrepreneurs have the potential to create 10,800 new jobs.<sup>658</sup>

The budget allocates CAD 8 million in 2015 to “ensuring training reflects labour market needs,” an increase from CAD 7 million in 2014.<sup>659</sup> Recognizing the challenges facing persons with disabilities in the work force, the budget allocates CAD 15 million over three years to the “Ready Willing and Able” initiative to increase the employment of Canadians with developmental disabilities, and CAD 11.4 million over four years support persons with Autism Spectrum Disorders, through the expansion of targeted vocational training programs.

In addition to committing to support targeted vocational and skills training programs for youth populations, the budget proposes investments to reform the reserve education system through the *First Nations Control of First Nations Education Act*, in partnership with the First Nations.<sup>660</sup> The Canadian government commits to CAD 1.25 billion in education funding beginning in 2016, to provide levels of funding consistent with the current model of provincial education funding. This aims to improve the educational attainment of students enrolled in the reserve education system.

The Economic Action Plan, under the Youth Employment Strategy, proposes to allocate CAD 40 million toward supporting 3,000 internships in high-demand fields, and CAD 15 million toward supporting 1,000 internships in small and medium-sized Canadian enterprises.<sup>661</sup> The program is targeted at creating new employment opportunities for recent post-secondary graduates.

The Canadian government has continued to support the International Youth Internship Program (IYIP), under the Youth Employment Strategy.<sup>662</sup> The program provides opportunities for Canadians aged 19 to 30 to gain experience and skills through six-month terms of international development employment.

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<sup>656</sup> Supporting Jobs and Growth, Government of Canada (Ottawa) 2014. Date Accessed: 21 February 2015.

<http://www.budget.gc.ca/2014/docs/plan/ch3-0-eng.html>

<sup>657</sup> Connecting Canadians with Available Jobs, Government of Canada (Ottawa) 2014. Date Accessed: 21 February 2015.

<http://www.budget.gc.ca/2014/docs/plan/ch3-1-eng.html>

<sup>658</sup> Federal budget confirms \$14M investment in Futurpreneur Canada (Ottawa) 2015. Date Accessed: 11 November 2015.

<http://www.futurpreneur.ca/en/press-media/federal-budget-2015/>

<sup>659</sup> Supporting Jobs and Growth, Government of Canada (Ottawa) 2014. Date Accessed: 21 February 2015.

<http://www.budget.gc.ca/2014/docs/plan/ch3-0-eng.html>

<sup>660</sup> Connecting Canadians with Available Jobs, Government of Canada (Ottawa) 2014. Date Accessed: 21 February 2015.

<http://www.budget.gc.ca/2014/docs/plan/ch3-1-eng.html>

<sup>661</sup> Connecting Canadians with Available Jobs, Government of Canada (Ottawa) 2014. Date Accessed: 21 February 2015.

<http://www.budget.gc.ca/2014/docs/plan/ch3-1-eng.html>

<sup>662</sup> International Youth Internship Program (IYIP), Government of Canada (Ottawa) 22 June 2015. Date Accessed: 10 October 2015. <http://www.international.gc.ca/development-developpement/partners-partenaires/iyip-psij/index.aspx?lang=eng>

The government of Canada proposes a review of the Youth Employment Strategy, to facilitate improvements to programs for youth populations, and ensure effective programs targeting a range of high-demand fields.<sup>663</sup>

During the compliance period, Canada has taken actions to improve the educational attainment and vocational skills training of the youth labour force, and has worked to create youth employment opportunities.

Thus, Canada is awarded a score of +1.

*Analyst: Alison Dillman*

### **China: +1**

China has fully complied with the commitment to reduce youth unemployment.

In November 2014, Chinese government opened multiple recruitment channels and released information of state-owned enterprises to college graduates.<sup>664</sup> This aims to regulate the recruitment process and guarantee the equal employment rights for all youth.

On 21 November 2014, the Employment Action Plan was implemented in Inner Mongolia. <sup>665</sup>

On 5 December 2014, the Employment Action Plan was implemented in Tianjin.<sup>666</sup>

In December 2014, China Association of Employment Promotion and Taiwan S.D.S.F Foundation facilitated dialogues between mainland and Taiwan youth about promoting vocational skills and exchanging expertise, combating youth unemployment together.<sup>667</sup>

On 6 January 2015, the communist Youth League of China and China Mobile has launched a two-year vocational program for youth populations named “Succeed With You”, in response to the “Ten Actions Plan of Employment ” This program plans to provide youths with various training and practical programs and job opportunities. <sup>668</sup>

On 19 January 2015, the government of China published the “2014 Ten Actions Plan of Employment” <sup>669</sup> The government made commitments to improve the educational attainment of youth labour force and the training programs of youth population, helping youth population to find new employment opportunities.<sup>670</sup>

During the compliance period, China has taken actions to reduce youth unemployment by ensuring educational and training programs and improving employment opportunities.

Thus, China is awarded a score of +1.

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<sup>663</sup> Connecting Canadians with Available Jobs, Government of Canada (Ottawa) 2014. Date Accessed: 21 February 2015. <http://www.budget.gc.ca/2014/docs/plan/ch3-1-eng.html>

<sup>664</sup> Recent reforms and national development, Shanxi Development And Reform Commission (Taiyuan) 11 November 2014. Date of Access: 2 February 2015. [http://www.sxdrc.gov.cn/xglm/bgs/zhd/201411/t20141126\\_73831.htm](http://www.sxdrc.gov.cn/xglm/bgs/zhd/201411/t20141126_73831.htm)

<sup>665</sup> Inner Mongolia: Support 35 million college students for entrepreneurship in four years, NorthNews (Inner Mongolia) 21 November 2014. Date of Access: 25 January 2015. <http://www.northnews.cn/2014/1121/1791742.shtml>

<sup>666</sup> A Notice of Implementation of Action Plan to lead Tianjian college entrepreneurs from 2014-2017, Tianjin Employment Information for University Graduates (Tianjin) 05 December 2014. Date of Access: 25 January 2015. <http://www.tjbys.com/news.aspx?id=111>

<sup>667</sup> Ten big issues of 2014 employment in China, China Association for employment promotion (Beijing) 19 January 2015. Date of Access: 25 January 2015. <http://www.zggy.org/newlist/Jyyearshow.asp?MessageID=1334>

<sup>668</sup> Succeed with you Conference, Inner Mongolia University of Technology (Inner Mongolia) 09 January 2015. Date of Access: 25 January 2015. <http://www.imut.edu.cn/info/1061/1841.htm>.

<sup>669</sup> Ten big issues of 2014 employment in China, China Association for employment promotion (Beijing) 19 January 2015. Date of Access: 25 January 2015. <http://www.zggy.org/newlist/Jyyearshow.asp?MessageID=1334>

<sup>670</sup> Ten big issues of 2014 employment in China, China Association for employment promotion (Beijing) 19 January 2015. Date of Access: 25 January 2015. <http://www.zggy.org/newlist/Jyyearshow.asp?MessageID=1334>

**France: +1**

France has fully complied with its commitment to reduce youth unemployment.

On 21 November Prime Minister Manuel Valls described the *plan interministériel de lutte contre le décrochage scolaire* [interministerial plan for fighting against student dropouts] to halve annual school dropout numbers by 2017.<sup>671</sup> The plan provides EUR 50 million a year to fight against student dropouts.<sup>672</sup> A new focus on prevention and the mobilisation of stakeholders including parents, youth, teachers, public authorities, associations and businesses has been emphasized. This adds to the ongoing student re-entry strategy. A new telephone line was created to provide advice and information about alternative training and support solutions for youth. The implementation of the plan is expected to reintegrate 10,000 youth into education.<sup>673</sup> This plan is on schedule according to Prime Minister Manuel Valls's reform agenda.<sup>674,675</sup>

On 3 December 2014, France announced to expand the Youth Guarantee scheme across 61 new departments supporting 50,000 youth in 2015 and 100,000 youth in 2017.<sup>676</sup> The Youth Guarantee scheme helps youth less than 25 years of age find employment or training after their studies.<sup>677</sup> France has set aside EUR 162.2 million in the 2015 budget, with an additional EUR 21.4 million from the European Union's Youth Employment Initiative Fund, for this expansion.

On 10 December 2014 the economic growth and activity bill was presented to the Council of Ministers.<sup>678</sup>

On 5 February 2015 the Ministry of Higher Education and Research launched its second edition of the *Prix PEPITE (Pôles étudiants pour l'innovation, le transfert et l'entrepreneuriat) — Tremplin pour l'Entrepreneuriat Etudiant*.<sup>679</sup> The PEPITE Prize aims to encourage and support business creation among youth and students between the ages of 18 and 30 by providing prizes for the most innovative projects. Three grand prizes of EUR 10,000 are awarded to the students with the most promising projects.<sup>680</sup>

On 19 February 2015 President Hollande's government won a vote of confidence in the National Assembly allowing them to go forward with the *Loi Macron* bill designed to stimulate growth, investment and

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<sup>671</sup> Student drop out : "giving young people a new chance in education", République Française (Paris) 21 November 2014. Date of Access : 26 February 2015. <http://www.gouvernement.fr/en/student-dropout-giving-young-people-a-new-chance-in-education>

<sup>672</sup> Student drop out : "giving young people a new chance in education", République Française (Paris) 21 November 2014. Date of Access : 26 February 2015. <http://www.gouvernement.fr/en/student-dropout-giving-young-people-a-new-chance-in-education>

<sup>673</sup> Student drop out : "giving young people a new chance in education", République Française (Paris) 21 November 2014. Date of Access : 26 February 2015. <http://www.gouvernement.fr/en/student-dropout-giving-young-people-a-new-chance-in-education>

<sup>674</sup> Reform agenda, République Française (Paris) 21 June 2014. Date of Access: 27 February 2015. <http://www.gouvernement.fr/en/reform-agenda>

<sup>675</sup> Reform Agenda #reformagenda, République Française (Paris) 21 June 2014. Date of Access: 27 February 2015.

<http://www.gouvernement.fr/sites/all/themes/custom/matignon/templates/agenda-reformes/pdf/reform-agenda.pdf>

<sup>676</sup> France to extend Youth Guarantee scheme, EurActiv. 3 December 2014. Date of Access: 28 February 2015.

<http://www.euractiv.com/sections/social-europe-jobs/france-extend-its-youth-guarantee-scheme-310521>

<sup>677</sup> France to extend Youth Guarantee scheme, EurActiv. 3 December 2014. Date of Access: 28 February 2015.

<http://www.euractiv.com/sections/social-europe-jobs/france-extend-its-youth-guarantee-scheme-310521>

<sup>678</sup> The Economic Growth and Activity Bill, République Française (Paris) 10 December 2015. Date of Access: 27 February 2015.

(<http://www.gouvernement.fr/en/the-economic-growth-and-activity-bill>)

<sup>679</sup> I-Lab 2015: 17ème concours national d'aide à la création d'entreprises innovantes, Ministère de l'Éducation nationale (Paris). 5 February 2015. Date of Access: 28 February 2015. <http://www.enseignementsup-recherche.gouv.fr/cid77179/ouverture-des-inscriptions-prix-pepите-tremplin-pour-entrepreneuriat-etudiant-2015.html>

<sup>680</sup> I-Lab 2015: 17ème concours national d'aide à la création d'entreprises innovantes, Ministère de l'Éducation nationale (Paris). 5 February 2015. Date of Access: 28 February 2015. <http://www.enseignementsup-recherche.gouv.fr/cid77179/ouverture-des-inscriptions-prix-pepите-tremplin-pour-entrepreneuriat-etudiant-2015.html>

employment.<sup>681</sup> The bill is aimed at marginalized members of society and youth. Goals directly related to youth employment include promoting equal opportunity and mobility, in particular for young people and women, and creating new vistas and greater career flexibility for junior lawyers.<sup>682</sup>

On 22 April 2015 the *Projet de loi relative au dialogue social et à l'emploi* [Bill relative to social and employment dialogue], was presented to France's Council of Ministers. This reform, effective as of January 2016, includes an activity bonus, which will replace the employment tax credit and the *RSA activité*, to include a million eligible working youth between 18-25 years.<sup>683</sup>

On 1 September 2015 remuneration for medical internships increased from EUR 26 to EUR 39 and university internships lasting over two months increased from EUR 3,30 to EUR 3,60 to improve youth working conditions.<sup>684</sup> Youth scholarships for students in need in public preparatory classes for higher education in the arts and culture were also put into effect. France has invested a total of EUR 400,000 for these scholarships and additional EUR 400,00 are dedicated to the creation of preparatory classes.<sup>685</sup>

During the compliance period, France has taken actions to improve the educational attainment of the labour force, provide training programs to youth, and create new employment opportunities for youth populations.

Thus, France is awarded a score of +1.

*Analyst: Julia Stockdale-Otárola*

### **Germany: +1**

Germany has fully complied with its commitment to reduce youth unemployment through multiple improvements of existing programs and the introduction of new program.

The article titled "Start of interagency program 'Youth SELLING in the neighborhood' in 185 municipalities" published by the German Federal Ministry of Education and Research on 20 January 2015<sup>686</sup> indicated that the Federal Minister for Youth Affairs and Manuela Schwesig Bundesbauministerin Barbara Hendricks have created a new project named "Youth SELLING in the area." This project is supported by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) and the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).<sup>687</sup> The project aimed to provide young individuals living in social problem areas with training and create a successful transition into the work force. This four year program is first introduced in Germany in 2015 in poorer developed urban areas and

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<sup>681</sup> Hollande Government Wins Confidence Vote on Economic Reform Law, Bloomberg (Brussels) 19 February 2015. Date of Access: 28 February 2015. <http://www.bloomberg.com/news/articles/2015-02-19/hollande-government-wins-confidence-vote-on-economic-reform-law>

<sup>682</sup> Growth and Economic Activity Bill, République Française (Paris) 10 December 2015. Date of Access: 27 February 2015. <http://www.gouvernement.fr/sites/default/files/locale/piece-jointe/2015/02/frenchgrowthandeconomicactivitybill.pdf>

<sup>683</sup> Projet de loi relative au dialogue social et à l'emploi (Paris) 24 April 2015. Date of Access: 10 October 2015. <http://www.gouvernement.fr/projet-de-loi-relatif-au-dialogue-social-et-a-l-emploi>

<sup>684</sup> Ce qui change au 1er Septembre (Paris) 1 September 2015. Date of Access: 11 October 2015. <http://www.gouvernement.fr/stages-retraites-rsa-securiteroutiere-tout-ce-qui-change-au-1er-septembre-2781>

<sup>685</sup> Ce qui change au 1er Septembre (Paris) 1 September 2015. Date of Access: 11 October 2015. <http://www.gouvernement.fr/stages-retraites-rsa-securiteroutiere-tout-ce-qui-change-au-1er-septembre-2781>

<sup>686</sup> Start of interagency program "Youth SELLING in the neighborhood" in 185 municipalities, Federal Ministry on Education and Research (Bonn) 20 January 2015. Date of Access: 21 February 2015.

[https://translate.googleusercontent.com/translate\\_c?depth=1&hl=en&prev=search&rurl=translate.google.ca&sl=de&u=http://www.bmfsfj.de/BMFSFJ/kinder-und-jugend,did%3D212922.html&usg=ALkJrhg8WWIMv1kYJyTA49cLCgFrJo8KKA](https://translate.googleusercontent.com/translate_c?depth=1&hl=en&prev=search&rurl=translate.google.ca&sl=de&u=http://www.bmfsfj.de/BMFSFJ/kinder-und-jugend,did%3D212922.html&usg=ALkJrhg8WWIMv1kYJyTA49cLCgFrJo8KKA)

<sup>687</sup> Start of interagency program "Youth SELLING in the neighborhood" in 185 municipalities, Federal Ministry on Education and Research (Bonn) 20 January 2015. Date of Access: 21 February 2015. [https://translate.googleusercontent.com/translate\\_c?depth=1&hl=en&prev=search&rurl=translate.google.ca&sl=de&u=http://www.bmfsfj.de/BMFSFJ/kinder-und-jugend,did%3D212922.html&usg=ALkJrhg8WWIMv1kYJyTA49cLCgFrJo8KKA](https://translate.googleusercontent.com/translate_c?depth=1&hl=en&prev=search&rurl=translate.google.ca&sl=de&u=http://www.bmfsfj.de/BMFSFJ/kinder-und-jugend,did%3D212922.html&usg=ALkJrhg8WWIMv1kYJyTA49cLCgFrJo8KKA)

185 municipalities. The European Social Fund (ESF) and federal fund combined for approximately EUR115 million.<sup>688</sup>

The German Federal Government, in partnership with the central associations of the private sector, have agreed to the “National Pact for Career Training and Skilled Manpower Development in Germany” in June 2004. This Training Pact has been renewed until the end of 2014, with the main feature being the addition of additional partners including the Standing Conference of the Ministers of Education and Cultural Affairs (KMK) and also the Federal Commissioner for Migration, Refugees and Integration.<sup>689</sup> The Training Pact aimed to offer youths with the opportunity to engage in vocational training and allowed them to explore various different career prospects.<sup>690</sup>

On 21 January 2015, the Federal Ministry on Education and Research published a report that explained the “JOBSTARTER plus” program, the upgraded version of the “JOBSTARTER — Training for the Future” initiative that began in 2006. The main goal of the “JOBSTARTER — Training for the Future” program was to teach youths skills that will allow them to obtain jobs easier in the work force. The “JOBSTARTER plus” program focused more on the “innovation and structural development in vocational education,”<sup>691</sup> allowing individuals to be better trained at their respective positions and provide more avenues for individuals to find their desired jobs.<sup>692</sup>

On 22 July 2015, Deutsche Welle published an article titled “German companies want to hire Europe’s young unemployed.”<sup>693</sup> It detailed Germany companies’ plan and effort to resolve the youth unemployment issue in Europe and attempts to provide jobs for the five million young people who are currently unemployed in Europe. A Germany company named InCharge focused on providing various skills to help find employment. Furthermore, the German companies also focused on dual trainings for youths, which will help them get employment easier.<sup>694</sup>

During the compliance period, Germany has successfully complied because of their new initiative on assisting their youths find jobs. Furthermore, they have reformed and improved a few of their existing projects to allow youths to obtain a job easier.

Thus, Germany is awarded a score of +1.

*Analyst: Fu Yuan (Andrew) Liu*

## **India: 0**

India has partially complied with its commitment to reduce youth unemployment.

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<sup>688</sup> Start of interagency program "Youth SELLING in the neighborhood" in 185 municipalities, Federal Ministry on Education and Research (Bonn) 20 January 2015. Date of Access: 21 February 2015.

[https://translate.googleusercontent.com/translate\\_c?depth=1&hl=en&prev=search&rurl=translate.google.ca&sl=de&u=http://www.bmfsfj.de/BMFSFJ/kinder-und-jugend,did%3D212922.html&usg=ALkJrhg8WWIMv1kYJyTA49cLcGFrJo8KKA#](https://translate.googleusercontent.com/translate_c?depth=1&hl=en&prev=search&rurl=translate.google.ca&sl=de&u=http://www.bmfsfj.de/BMFSFJ/kinder-und-jugend,did%3D212922.html&usg=ALkJrhg8WWIMv1kYJyTA49cLcGFrJo8KKA#)

<sup>689</sup> The Training Pact wants to offer all young people opportunities for vocational training, Federal Ministry on Education and Research (Bonn). Date of Access: 21 February 2015. <http://www.bmbf.de/en/2295.php>

<sup>690</sup> The Training Pact wants to offer all young people opportunities for vocational training, Federal Ministry on Education and Research (Bonn). Date of Access: 21 February 2015. <http://www.bmbf.de/en/2295.php>

<sup>691</sup> JOBSTARTER - Training for the Future, Federal Ministry on Education and Research (Bonn) 21 January 2015. Date of Access: 21 February 2015. <http://www.bmbf.de/de/jobstarter.php>

<sup>692</sup> JOBSTARTER - Training for the Future, Federal Ministry on Education and Research (Bonn) 21 January 2015. Date of Access: 21 February 2015. <http://www.bmbf.de/de/jobstarter.php>

<sup>693</sup> German companies want to hire Europe's young unemployed, Deutsche Welle (Berlin/Bonn) 22 July 2015. Date of Access: 29 September 2015.

<http://www.dw.com/en/german-companies-want-to-hire-europes-young-unemployed/a-18598791>

<sup>694</sup> German companies want to hire Europe's young unemployed, Deutsche Welle (Berlin/Bonn) 22 July 2015. Date of Access: 29 September 2015.

<http://www.dw.com/en/german-companies-want-to-hire-europes-young-unemployed/a-18598791>

On 21 January 2015, the government is working on a Rs. 1.2 Lakh crore solar power project and youth with a B.Tech, MBA or M.Com degree will be eligible to apply for a project, in which they can hold 26% to 51% equity, and receive a share of the revenue in proportion to their equity.<sup>695</sup>

On 28 March 2015, the government of the Bahir state has outlined plans to create skill-based development initiatives. Over a five year timeframe, Chief Minister Nitish Kumar hopes by 2020 to make one crore of youth compete globally for industries that require a skilled workforce.<sup>696</sup> With the highest population of youth, Kumar has pledged, “all unemployed youth, aged 20 to 25, would be provided with a self-help allowance of Rs 1,000 for nine months to help them explore job avenues and appear in outstation interviews.”<sup>697</sup> Labour Resource Minister D.C. Goswami also aims to increase employment by having established skill-centres in collaboration with private companies.<sup>698</sup>

During the compliance cycle, India stated new employment opportunity for youths. However, they have taken few actions to improve youth education and training in preparation for employment.

Thus, India is awarded a score of 0.

*Analyst: Elizabeth Assefa*

## **Indonesia: 0**

Indonesia has partially complied with the commitment on youth labor and employment.

Economic slowdown in the past six years had made it increasingly difficult for younger Indonesians to find employment. With half of its population below the age of 30, this is symptomatic of a much larger economic problem. Government statistic citing the unemployment rate at 5.81% fail to include the informal sector which accounts for nearly two-thirds of the country’s economy. The demographic advantage of a young population risks becoming a burden if there are no job opportunities for the youth.<sup>699</sup>

In late 2014, the rate of unemployed university graduates was 27%, much higher than any other sector. Those who do find jobs often work outside their field of study.<sup>700</sup> The number of companies recruiting in universities is decreasing year on year as the labor market has not been able to incorporate the approximately two million people joining the workforce every year.<sup>701</sup> Those without a university degree are less likely to be unemployed, but more likely to enter the informal sector, with no access to health insurance and social security. Out of 42.5 million Indonesians aged between 15 and 24, over 30 per cent of them are not in

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<sup>695</sup> Rs 1.2 lakh crore solar plan in the works for jobless tech grads, MBAs, The Times of India (New Delhi) 21 January 2015. Date of Access: 26 February 2015. <http://timesofindia.indiatimes.com/india/Rs-1-2-lakh-crore-solar-plan-in-the-works-for-jobless-tech-grads-MBAs/articleshow/45960621.cms>.

<sup>696</sup> Bihar to skill up one crore youth by 2020:Nitish, Business Standard (Patna) 28 March 2015. Date of Access: 11 October 2015. [http://www.business-standard.com/article/news-ians/bihar-to-skill-up-one-crore-youth-by-2020-nitish-115032800917\\_1.html](http://www.business-standard.com/article/news-ians/bihar-to-skill-up-one-crore-youth-by-2020-nitish-115032800917_1.html)

<sup>697</sup> Wifi, credit cards, job quota: Nitih lures youth and women voters, Hindustantimes (Patna) 17 September 2015. Date of Access: 11 October 2015. <http://www.hindustantimes.com/india/wi-fi-credit-cards-job-quota-nitish-lures-youth-and-women-voters/story-6S6gzhsGX3FqeOmw7uXFL.html>

<sup>698</sup> Bihar to skill up one crore youth by 2020:Nitish, Business Standard (Patna) 28 March 2015. Date of Access: 11 October 2015. [http://www.business-standard.com/article/news-ians/bihar-to-skill-up-one-crore-youth-by-2020-nitish-115032800917\\_1.html](http://www.business-standard.com/article/news-ians/bihar-to-skill-up-one-crore-youth-by-2020-nitish-115032800917_1.html)

<sup>699</sup> Slowing economy of Indonesia: rising youth unemployment, Indonesia-Investments (Delft) 22 June 2015. Date of Access: 1 October 2015. <http://www.indonesia-investments.com/news/news-columns/slowing-economy-of-indonesia-rising-youth-unemployment/item5671>

<sup>700</sup> Ford, Michele. Youth Unemployment Haunts Indonesia, University of Sidney (Sydney) 31 October, 2014. Date of Access: 1 October 2015. <http://sydney.edu.au/news/84.html?newsstoryid=14268>

<sup>701</sup> Danubrata, Eveline & Silviana, Cindy. Rising unemployment piles up problems for Indonesian president, Reuters (Jakarta) 20 June, 2015. Date of Access: 1 October, 2015. <http://www.reuters.com/article/2015/06/21/us-indonesia-unemployment-idUSKBN0P101D20150621>

education, training or a job). The predominance of the informal sector, uneven growth and poor quality of education are significant contributors to youth unemployment.<sup>702</sup>

In response, the Government of Indonesia has recognized the importance of reducing youth unemployment and it has committed to ensure that effective strategies to be implemented to create decent jobs for youth and to ease them to access the information of labor market in their Action Plan for 2014-15.<sup>703</sup>

On 26-27 November 2014, the regional workshop on “Partnership for Solutions”: Priorities and Pathways for Sustainable Energy and Deep De-carbonization in Indonesia” took place. SDSN’s initiative is to promote sustainable development and encourage research and development in secondary education.<sup>704</sup> The UIS-SDSN Award also provide up to DR300 Million for the projects that are in line with United Nations sustainable goals. This initiative was first launched by the President of Republic of Indonesia and has improved subject specialization and presentation of new materials related to sustainable development.<sup>705</sup>

In 2012, 29% of Indonesians aged 25 to 64 had attained at least one upper year of post-secondary education, against an OECD average of 75%, translating into one of the lowest-skilled work forces in the OECD. The participation in education for 5-29 year-olds is the lowest among the lowest in OECD rankings<sup>706</sup>

In response, in November 2014, the Widodo administration launched and distributed the Indonesia Smart Card, which guarantees 12 years of free education, including education needs, and free higher education for disadvantaged students who pass university entrance exams.<sup>707</sup> This policy addresses the problematic of accessibility to education. However, poor students still have a high drop-out rate, needing to contribute labor for family welfare. OECD recommended cash transfer schemes to promote school attendance have not been adopted.<sup>708</sup> Cash transfers from the government have helped in offsetting the added cost of the government’s abolishment of energy subsidies,<sup>709</sup> but without linking them to school attendance, incentive to attend school is not set to increase. Furthermore, university graduates in Indonesia still have alarmingly high unemployment rates.

The shortage of skilled labor is a considerable factor in the halting of the Widodo administration’s promised expenditure on roads, power plants, ports and growth in value-added industries.<sup>710</sup> The government of Indonesia prioritized secondary and vocational training as priority in their Actions Plan and to promote

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<sup>702</sup> Ford, Michele. Youth Unemployment Haunts Indonesia, University of Sydney (Sydney) 31 October, 2014. Date of Access: 1 October 2015. <http://sydney.edu.au/news/84.html?newsstoryid=14268>

<sup>703</sup> Open Government Indonesia 2014-15, Open Government Partnership (Indonesia) July 2014. Date of Access, 10 December 2014. [http://www.opengovpartnership.org/sites/default/files/Indonesia%20OGP%20ACTION%20PLAN%202014-2015\\_BAHASA.pdf](http://www.opengovpartnership.org/sites/default/files/Indonesia%20OGP%20ACTION%20PLAN%202014-2015_BAHASA.pdf)

<sup>704</sup> The Sustainable Development Goals of the Post-2015 Agenda: Comments on the OWG and SDSN Proposals (German) 26 February 2015. Date of Access: 28 February 2015. [http://www.diegdi.de/uploads/media/DIE\\_\\_Comments\\_\\_on\\_\\_SDG\\_\\_proposals\\_\\_150226\\_04.pdf](http://www.diegdi.de/uploads/media/DIE__Comments__on__SDG__proposals__150226_04.pdf)

<sup>705</sup> Partnering for solutions to sustainable energy in Indonesia, Sustainable Development Solutions Network (Melbourne) 1 December, 2014. Date of Access: 10 February 2015. <http://ap-unsdsn.org/sustainable-energy-deep-decarbonization-indonesia/>

<sup>706</sup> Indonesia, Overview of the education system (EAG 2014 and EAG 2015 Interim Report), Organization for Economic Cooperation and Development (Paris). January 2015. Date of Access, 1 October, 2015. <http://gpseducation.oecd.org/CountryProfile?primaryCountry=IDN&treshold=10&topic=EO>

<sup>707</sup> Jokowi Launches Indonesia Health Card and Smart Card, Jakarta Globe (Jakarta) October, 2014. Date of Access: 1 October, 2015. <http://jakartaglobe.beritasatu.com/news/jokowi-launches-indonesia-health-card-smart-card/>

<sup>708</sup> Economic Survey of Indonesia 2015, Organization for Economic Cooperation and Development (Paris). March 2015. Date of Access: 1 October 2015. <http://www.oecd.org/eco/surveys/economic-survey-indonesia.htm>

<sup>709</sup> Indonesia’s Economy: A Good Scrap, The Economist (Singapore) 10 January 2015. Date of Access: 1 October, 2015. <http://www.economist.com/news/asia/21638179-jokowi-abandons-wasteful-fuel-subsidies-fiscal-prospects-brighten-good-scrap>

<sup>710</sup> Danubrata, Eveline & Silviana, Cindy. Rising unemployment piles up problems for Indonesian president, Reuters (Jakarta) 20 June, 2015. Date of Access: 1 October, 2015. <http://www.reuters.com/article/2015/06/21/us-indonesia-unemployment-idUSKBN0P101D20150621>

apprenticeship programs in the national level. However, no actions have been taken in regarding to expand these training programs in Indonesia. <sup>711</sup>

Despite the existence of high quality education institutions, overall quality of education in Indonesia is low. In reaction, the Indonesian government has increased the share of GDP accorded to education in an attempt to improve wages and working conditions for teachers. The government has also encouraged teachers to engage in professional development and is attempting curriculum reform.<sup>712</sup> However, OECD recommended policies, such as linking teacher salaries to qualifications and performance have not been adopted<sup>713</sup> and expenditure on education remains the lowest among all OECD countries.<sup>714</sup>

There is an enormous divergence in terms of the quality of education between rural and urban areas.. Most rural schools lack water and electricity.<sup>715</sup> Many rural communities have infrastructure shortages that impede economic development, job creation and better quality of education. The Indonesian government has removed fuel subsidies, which will allow it to invest in infrastructure.<sup>716</sup> This addresses the issue of uneven economic growth and underdeveloped rural areas in Indonesia, which will foster the creation of quality employment nation-wide and increase quality and access to education. It is also expected to reduce the strain on existing urban centers particularly in and around Jakarta.<sup>717</sup>

During the compliance period, Indonesia has shown some commitments to address the issue of youth unemployment, through national policies that increase accessibility to education, such as the Indonesia Smart Card. However, Indonesia has not taken action to improve youth training or employment, quality of education and social safety nets that would allow kids to attend school instead of joining the labor force. While having increased expenditure in education, its teachers are still the lowest paid among all of the OECD countries.<sup>718</sup> It has failed to act on political, administrative and implementation impediments to improving youth training and education, as well as country-wide economic growth that would provide job opportunities for youth outside of commercial and industrial centres.<sup>719</sup>

Thus, Indonesia is awarded a score of 0 for this commitment.

*Analyst: Germán Andres Guberman*

## **Italy: +1**

Italy has fully complied with its commitment to reduce youth unemployment.

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<sup>711</sup> Open Government Indonesia 2014-15 (Indonesia) July 2014. Date of Access, 10 December 2014.

[http://www.opengovpartnership.org/sites/default/files/Indonesia%20OGP%20ACTION%20PLAN%202014-2015\\_BAHASA.pdf](http://www.opengovpartnership.org/sites/default/files/Indonesia%20OGP%20ACTION%20PLAN%202014-2015_BAHASA.pdf)

<sup>712</sup> Youth Unemployment Haunts Indonesia, University of Sidney (Sydney) 31 October, 2014. Date of Access: 1 October 2015. <http://sydney.edu.au/news/84.html?newsstoryid=14268>

<sup>713</sup> Economic Survey of Indonesia 2015, Organization for Economic Cooperation and Development (Paris) March 2015. Date of Access: 1 October 2015. <http://www.oecd.org/eco/surveys/economic-survey-indonesia.htm>

<sup>714</sup> Indonesia, Overview of the education system (EAG 2014 and EAG 2015 Interim Report), Organization for Economic Cooperation and Development (Paris) January 2015. Date of Access, 1 October, 2015.

<http://gpseducation.oecd.org/CountryProfile?primaryCountry=IDN&treshold=10&topic=EO>

<sup>715</sup> Youth Unemployment Haunts Indonesia, University of Sydney (Sydney) 31 October, 2014. Date of Access: 1 October 2015. <http://sydney.edu.au/news/84.html?newsstoryid=14268>

<sup>716</sup> Indonesia – Economic forecast summary (June 2015), Organization for Economic Cooperation and Development (Paris) June 2015. Date of Access: 1 October 2015. <http://www.oecd.org/eco/outlook/indonesia-economic-forecast-summary.htm>

<sup>717</sup> Youth Unemployment Haunts Indonesia, University of Sydney (Sydney) 31 October, 2014. Date of Access: 1 October 2015. <http://sydney.edu.au/news/84.html?newsstoryid=14268>

<sup>718</sup> Indonesia, Overview of the education system (EAG 2014 and EAG 2015 Interim Report), Organization for Economic Cooperation and Development (Paris) January 2015. Date of Access, 1 October, 2015.

<http://gpseducation.oecd.org/CountryProfile?primaryCountry=IDN&treshold=10&topic=EO>

<sup>719</sup> Indonesia – Economic forecast summary (June 2015), Organization for Economic Cooperation and Development (Paris) June 2015. Date of Access: 1 October 2015. <http://www.oecd.org/eco/outlook/indonesia-economic-forecast-summary.htm>



On 29 December 2014 the Ministry of Education released a ministerial decree announcing a plan to establish a fund for the support of young people and encouragement of student mobility. The fund will provide scholarships to support international mobility of students as well as provide incentives for enrolment in courses of study related to particular subject areas “of national and community interest” such as science, engineering, and mathematics.<sup>720</sup>

On 23 January 2015 the Ministry of Labour and Social Policy announced a decree that expanded the incentive bonus to companies by adding a ‘professional apprenticeship’ category to the eligibility for incentives already available under the Youth Guarantee plan (Garanzia Giovani).<sup>721</sup> The Italian implementation of the EU Youth Guarantee program, launched on 1 May 2014, aims to ensure all “NEETs” (youth between 15 and 29 years that are not in education, employment or training) find work, training, traineeships or apprenticeships, within four months after becoming unemployed or exit from the formal education system initiatives.<sup>722</sup>

On 20 February 2015 Italy’s coalition government approved a decree passed by parliament last year related to an initiative called the “Jobs Act,” which is designed to increase flexibility in the labour market by reducing regulatory restraints faced by employers when hiring and firing workers.<sup>723</sup> The legislation will relax the conditions for companies to use fixed-term and apprenticeship contracts in an effort to replace temporary contracts and get young people into jobs with progressively more secure contracts that result in entitlement to a permanent job after three years.<sup>724</sup>

On 22 June 2015 the European Commission announced that Italy had joined the European Alliance for Apprenticeships: companies and organisations commit to making 140 000 apprenticeships available to young people.<sup>725</sup>

During the Compliance period, Italy has taken steps to improve educational attainment of the youth labour force, improved training programs, and created new employment opportunities for youths.

Thus, Italy is awarded a score of +1.

*Analyst: Travis Southin*

### **Japan: +1**

Japan has fully complied with its commitment to reduce youth unemployment through the statement of imminent reform by the Prime Minister and improving their main online job seeking platform.

On 12 February 2015, Prime Minister Shinzo Abe addressed the need to improve the measures for the employment of youth. Prime Minister Shinzo Abe wanted the companies hiring new graduates to give the

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<sup>720</sup> Fondo per il sostegno dei giovani e favorire la mobilità degli studenti, Ministry of Education, University and Research (Rome) 29 December 2014. Date of Access: 28 February 2015. <http://attiministeriali.miur.it/anno-2014/dicembre/dm-29122014.aspx>

<sup>721</sup> Bonus Occupazione, sì ad apprendistato professionalizzante e cumulabilità, Ministry of Labour and Social Policy (Rome) 12 February 2015. Accessed 28 February 2015. <http://www.garanziaiovani.gov.it/EventiNews/News/Pagine/2015/Bonus-Occupazione-si-ad-apprendistato-professionalizzante-e-cumulabilita.aspx>

<sup>722</sup> Bonus Occupazione, sì ad apprendistato professionalizzante e cumulabilità, Ministry of Labour and Social Policy (Rome) 12 February 2015. Accessed 28 February 2015. <http://www.garanziaiovani.gov.it/EventiNews/News/Pagine/2015/Bonus-Occupazione-si-ad-apprendistato-professionalizzante-e-cumulabilita.aspx>

<sup>723</sup> Italy’s Labour Market: Marching to a Different Tune, The Economist (Rome) 28 February 2015. Accessed 28 February 2015. <http://www.economist.com/news/europe/21645256-bold-move-free-up-employment-marching-different-tune>

<sup>724</sup> Italy’s Labour Market: Marching to a Different Tune, The Economist (Rome) 28 February 2015. Accessed 28 February 2015. <http://www.economist.com/news/europe/21645256-bold-move-free-up-employment-marching-different-tune>

<sup>725</sup> European Alliance for Apprenticeships: companies and organisations commit to making 140 000 apprenticeships available to young people, European Commission (Brussels) 22 June 2015. Date of access: 1 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5225\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5225_en.htm)

option and information on overtime work, training, turnover, and various related opportunities.<sup>726</sup> Furthermore, the Prime Minister wanted to utilize career promotion subsidy in order to give irregular employment to assist young workers who are looking for a stable and regular occupation.<sup>727</sup> Further, he also stated that the public employment bureau, Hello Work, will not take job advertisement for new graduates from companies that have been suspected with high turnover rate of young workers.<sup>728</sup>

On 24 November 2014, the International Labour Organization outlined the fact that the Japanese society expected the youth employment labour force to actively pursue a job.<sup>729</sup> Immediately after graduation, young workers are to look for jobs that are in their interest fields or matches with their skills. Hello Work and some private companies collaborate together to provide training, soft-skills, job matching, and subsidies to help recent graduates obtain employment.<sup>730</sup> The main objective is to keep young people constantly looking for work, as opposed to being unemployed.

On 31 July 2015, YCharts indicated that Japan's youth unemployment rate was at 5.5 per cent, which was an increase from the 5.0 per cent in 30 April 2015. However, it was at 6.3 per cent on 28 February 2015, thus positive progress was still made in the 2015 year.<sup>731</sup>

On 21 May 2015, The World on Arirang published an article titled "Economists warn of harsh economic outlook for Korea, if reforms won't get pushed through," which stated Japan's decline youth unemployment rate is due to many Japanese production based companies returning to Japan, thus creating many new job opportunities in the domestic manufacturing sectors.<sup>732</sup>

During the compliance period, Japan has fulfilled their commitment since the Japanese Prime Minister had explained strategies on employing more youth into the work force. Further, Japan has improved their largest job searching platform to be more reliable and effective.

Thus, Japan is awarded a score of +1.

*Analyst: Fu Yuan (Andrew) Liu*

### **Korea: +1**

Korea has fully complied with the commitment to reduce youth unemployment.

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<sup>726</sup> Policy Speech by Prime Minister Shinzo Abe to the 189th Session of the Diet, Prime Minister of Japan and His Cabinet (Tokyo) 12 February 2015. Date of Access: 21 February 2015.

[http://japan.kantei.go.jp/97\\_abe/statement/201502/policy.html](http://japan.kantei.go.jp/97_abe/statement/201502/policy.html)

<sup>727</sup> Policy Speech by Prime Minister Shinzo Abe to the 189th Session of the Diet, Prime Minister of Japan and His Cabinet (Tokyo) 12 February 2015. Date of Access: 21 February 2015.

[http://japan.kantei.go.jp/97\\_abe/statement/201502/policy.html](http://japan.kantei.go.jp/97_abe/statement/201502/policy.html)

<sup>728</sup> Policy Speech by Prime Minister Shinzo Abe to the 189th Session of the Diet, Prime Minister of Japan and His Cabinet (Tokyo) 12 February 2015. Date of Access: 21 February 2015.

[http://japan.kantei.go.jp/97\\_abe/statement/201502/policy.html](http://japan.kantei.go.jp/97_abe/statement/201502/policy.html)

<sup>729</sup> Promoting youth employment through activation strategies, International Labour Organization (Geneva) 24 November 2014. Date of Access: 21 February 2015.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_322411.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_322411.pdf)

<sup>730</sup> Promoting youth employment through activation strategies, International Labour Organization (Geneva) 24 November 2014. Date of Access: 21 February 2015.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_322411.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_322411.pdf)

<sup>731</sup> Japan Youth Unemployment Rate, YCharts (Chicago) 31 July 2015. Date of Access: 29 September 2015.

[http://ycharts.com/indicators/japan\\_youth\\_unemployment\\_rate\\_monthly](http://ycharts.com/indicators/japan_youth_unemployment_rate_monthly)

<sup>732</sup> Economists warn of harsh economic outlook for Korea, if reforms won't get pushed through, The World on Arirang (Seoul) 21 May 2015. Date of Access: 29 September 2015. [http://www.arirang.co.kr/News/News\\_View.asp?nseq=179752](http://www.arirang.co.kr/News/News_View.asp?nseq=179752)

On February 2015, President Park Geun-hye's administration has pushed ahead with a three year economic innovation plan, which aims at increasing the youth employment rate from 40.4 per cent to 47.7 per cent by 2017.<sup>733</sup>

On 16 January 2015, the Korean government announced that in “support [for] young people to enter the labor market early, the government plans to introduce a work-study dual system, build and spread a competency-based hiring system and address mismatches between youth (job seekers) and SMEs.”<sup>734</sup> The government of Korea also committed that it will expand the youth internship program for SMEs, aiming to expand to cover 50, 000 beneficiaries in 2015.<sup>735</sup>

On 24 July 2015, finance minister Choi Kyung-hwan announced a program to create 200,000 jobs for youth by 2017.<sup>736</sup> The program is meant to address the job shortages for youth created when the government raised the retirement age in 2013. The program will create 53,000 public sector positions, 35,000 permanent private sector positions, and 125,000 private sector apprenticeships and internships.

On 17 September 2015, President Park created the “Youth Hope Fund” to raise money to help young Koreans secure employment. President Park donated KRW20 million initially, and has also promised to donate 20 percent of her monthly salary to the fund. President Park has called for donations to the fund from private and public leaders.<sup>737</sup>

In 2015, the Korean government plans to introduce the apprenticeship education program from Switzerland in vocational high school. After 2016, the plan is expected to expand such type of school into all 41 government-led industrial complex.<sup>738</sup> However, there have not been any actions taken regarding to this proposal.

The Korean government also committed to provide financial incentives for young entrepreneurs by increasing its grants to high school graduates working at the SMEs. The government also proposed to stimulate demand of youth in the labour market after the completion of military services. However, there is no specific strategy mentioned in the plan.<sup>739</sup>

Finally, the Korean government is working to reform current labour laws. The reforms would give employers more flexibility to fire under performers while shortening work hours and strengthening the protections for contract workers.<sup>740,741</sup> President Park stressed how the reforms will help create more jobs for young Koreans

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<sup>733</sup> Korea lays out plans to deal with aging population, Asia Heartbeat arirang (Seoul) 06 February 2015. Date of Access: 10 February 2015. [http://www.arirang.co.kr/News/News\\_View.asp?nseq=175603](http://www.arirang.co.kr/News/News_View.asp?nseq=175603)

<sup>734</sup> Young, elderly's income gap widens, The Korea Times (Seoul) 04 March 2015. Date of Access: March 05 2015. [http://www.koreatimes.co.kr/www/news/biz/2015/03/602\\_174585.html](http://www.koreatimes.co.kr/www/news/biz/2015/03/602_174585.html)

<sup>735</sup> Govt. Promotes Smart Plants, Invest Korean (Seoul) 16 January 2015. Date of Access: 10 February 2015. [http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?no=608300001&l\\_unit=90202&bno=501160008&code=102060101&mode=&url\\_info=bbs\\_read.jsp](http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?no=608300001&l_unit=90202&bno=501160008&code=102060101&mode=&url_info=bbs_read.jsp).

<sup>736</sup> Public, Private Sectors to Create 200,000 New Jobs for Youth by 2017, Business Korea (Seoul) 28 July 2015. Date of Access: 3 October 2015. <http://www.businesskorea.co.kr/news/politics/11552-unemployment-cliff-public-private-sectors-create-200000-new-jobs-youth-2017>

<sup>737</sup> President Park makes donation to help youth find jobs, Korea.net (Seoul) 17 September 2015. Date of Access: 4 October 2015. <http://www.korea.net/NewsFocus/Policies/view?articleId=129962>

<sup>738</sup> Employment Plan 2014, Republic of Korea (Seoul) 22 December 2014. Date of Access: 2 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_korea-1.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_korea-1.pdf)

<sup>739</sup> Employment Plan 2014, Republic of Korea (Seoul) 22 December 2014. Date of Access: 2 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_korea-1.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_korea-1.pdf)

<sup>740</sup> In South Korea, Parks' revamp of rigid labour laws faces opposition, Reuters (Seoul) 23 September 2015. Date of Access: 3 October 2015. <http://www.businessinsider.com/r-in-south-korea-parks-revamp-of-rigid-labor-laws-faces-opposition-2015-9>

<sup>741</sup> South Korea labour reform push gains traction, Financial Times (Seoul). 11 August 2015. Date of Access: 3 October 2015. <http://www.ft.com/intl/cms/s/0/e55b8bec-3ffc-11e5-9abe-5b335da3a90e.html#axzz3ndkeb1P1>

stating, “Without overhauling the sector, we cannot save young Koreans from despair and resolve the pain of irregular workers.”

During the compliance period, Korea has shown commitments to address the issue of youth unemployment through national policies that improve education, training and improve youth employment opportunities.

Thus, Korea has been awarded a score of +1.

*Analyst: Celine Liu and Holly Long*

### **Mexico: -1**

Mexico has failed to comply with its commitment to reduce youth unemployment.

On 24 November 2014, the International Labour Organization issued a report titled “Promoting youth employment through activation strategies.” In the report, it indicated that financed youth policies are non-existent. Further, those who do apply to financial support are required to pass an extensive selection procedure to obtain the support. There are only a small youth work force population that are qualified to be in the benefit and activation programs.<sup>742</sup>

On 19 January 2015, the Mexican Government Incentive Program (PAI) published their incentive programs to promote economic growth and development. In the report, it did not list any incentive programs that promote youth employment. There are a few incentive programs on education, but they are not designed for youth between the ages 15-24.<sup>743</sup>

On 18 February 2015, KSAT 12 reported that the Mexican Consulate has given USD 60,000 to the University of the Incarnate Word in order to fund the scholarship program for Mexican origin students who are part of the IME Fellowship program. Mexican President Enrique Peña Nieto increased the original fund for the program by four times. A specific amount of scholarships are designated to offer to students with Mexican origin. This scholarship is designed to help students reach their goals and contribute to the society in the United States and Mexico.<sup>744</sup>

On 22 March 2015, the International Labour Organization (ILO) suggested the Mexican government to provide a new professionalization program with the main aim to help young workers find employment. ILO reported that 20 per cent of the youth do not have a job nor do they attend school. Moreover, 75 per cent of the female youths lack job opportunity because of gender discrimination. The ILO indicated that a prominent reason for high youth unemployment is due to a connection between universities, factories, and work centres. The ILO suggested the dual training program to tackle the high youth unemployment rate in Mexico.<sup>745</sup>

During the compliance period, while Mexico has taken some action to fulfill its commitment, they did not make major strides towards complying with their commitments and have failed to reach the commitment domestically.

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<sup>742</sup> Promoting youth employment through activation strategies, International Labour Organization (Geneva) 24 November 2014. Date of Access: 21 February 2015. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_322411.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_322411.pdf)

<sup>743</sup> PAI 2015 Government Incentive Program, Issue 19 January 2015. Date of Access: 21 February 2015. [http://issuu.com/mireyjorgemercado/docs/pai2015-english\\_print](http://issuu.com/mireyjorgemercado/docs/pai2015-english_print)

<sup>744</sup> Mexican Consulate gives \$60,000 check for UIW student scholarships, KSAT 12 (San Antonio) 18 February 2015. Date of Access: 21 February 2015. <http://www.ksat.com/content/pns/ksat/news/2015/02/18/mexican-consulate-presents--60-000-check-for-uiw-student-scholar.html>

<sup>745</sup> New educational models to reduce youth unemployment: ILO, Staffing America Latina (Sheffield) 22 March 2015. Date of Access: 29 September 2015. <http://staffingamericalatina.com/en/nuevos-modelos-de-educacion-para-reducir-desempleo-juvenil-oit/>

Thus, Mexico is awarded a score of -1.

*Analyst: Fu Yuan (Andrew) Liu*

### **Russia: +1**

Russia has fully complied with the commitment to facilitate young people's access to education, training and employment.

Russia has taken actions to promote young people's access to education.

On 22 April 2015, the meeting of the coordinating committee on the introduction of federal standards for education of people with disabilities took place in the Ministry of Education and Science of the Russian Federation. It was announced that the new standards would be implemented by 1 September 2016, which would allow to create a barrier-free environment in educational facilities, thus, facilitating vulnerable people's access to education.<sup>746</sup>

On 24 April 2015, the Government of Russia approved the plan for the implementation of the Children's Supplementary Education Development Concept for 2015-2020. The plan provides for measures to facilitate access to quality education.<sup>747</sup>

Russia has taken actions to promote young people's access to employment.

On 1 April 2015, the first meeting of the Ministry of Education and Science Council on development of social partnership in education, youth policy and child protection took place in Moscow. The Council is to elaborate new measures to advance cooperation with a wide range of stakeholders, including private sector and nongovernmental organizations in the field of youth policy. According to Russian Minister of Education and Science Dmitry Livanov, one of the goals of the newly created Council is to promote professional orientation of the youth.<sup>748</sup>

On 28 May 2015, the Government of Russia approved the draft regulation distributing subsidies on the implementation of labor policy measures to federal subjects. These measures include, inter alia, stimulating youth employment as well as providing training opportunities for the people in risk of losing their jobs.<sup>749</sup>

On 24 September 2015, Russian Minister of Labour and Social Protection Maksim Topilin announced that the Government had approved federal subsidies to four regions — Chuvash republic, Komi republic, Chelyabinsk oblast, and Vladimir oblast, to "alleviate labour market tensions." One of the aims of this package is to stimulate youth employment in the aforementioned regions.<sup>750</sup>

During the monitoring period Russia has taken actions to facilitate young people's access to education, training and employment. Thus, Russia is awarded a score of +1.

*Analyst: Andrei Sakharov*

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<sup>746</sup> New federal standards for education of people with disabilities will be implemented from 1 September 2016, Russian Ministry of Education and Science 22 April 2015. Access: 16 June 2015. <http://xn--80abucjiibhv9a.xn--p1ai/%D0%BD%D0%BE%D0%B2%D0%BE%D1%81%D1%82%D0%B8/5476>.

<sup>747</sup> The plan for the implementation of the Children's Supplementary Education Development Concept for 2015-2020 approved, Russian Ministry of Education and Science 8 May 2015. Access: 16 June 2015. <http://xn--80abucjiibhv9a.xn--p1ai/%D0%BD%D0%BE%D0%B2%D0%BE%D1%81%D1%82%D0%B8/5533>.

<sup>748</sup> The first meeting of the Ministry of Education and Science Council on development of social partnership in education, youth policy and child protection took place, Russian Ministry of Education and Science 1 April 2015. Access: 16 June 2015. <http://xn--80abucjiibhv9a.xn--p1ai/%D0%BD%D0%BE%D0%B2%D0%BE%D1%81%D1%82%D0%B8/5384>.

<sup>749</sup> Four more regions are to receive subsidies on additional labor policy measures, Russian Ministry of Labor and Social Protection 28 May 2015. Access: 16 June 2015. <http://www.rosmintrud.ru/employment/employment/438>.

<sup>750</sup> Government approved federal subsidies to four regions to alleviate labour market tensions, Russian Ministry of Labor and Social Protection 24 September 2015. Access: 22 October 2015. <http://www.rosmintrud.ru/employment/employment/463>.

## **Saudi Arabia: 0**

Saudi Arabia has partially complied with the commitment to reduce youth unemployment.

On 13 January 2015, Saudi Arabia increased their budget by 3 percent and allocated USD 58 billion towards education, USD 108 million towards general school rehabilitation projects and USD 3 billion towards higher education.<sup>751</sup>

On 4 January 2015, the Saudi government announced make 300,000 jobs for its citizens in the private sector, the ministries of Economy and Planning , Finance and Labour will start 36 new initiatives to create more jobs.<sup>752</sup>

On 26 January 2015, a quota was placed on foreign firms to hire Saudi locals, to help decrease the youth unemployment rate and prevent locals from searching for jobs abroad.<sup>753</sup>

On 1 April 2015, Saudi Arabia announced it will continue supporting its programs for the upskilling of the youth to better meet the needs of the private sector. These programs include Colleges of Excellence, whose goal is to establishing 50 technical training institutes, over the next 10 years and on the job training.<sup>754</sup>

On 7 October 2015, Saudi Arabia implemented a policy for youth and mature workers mandating that private sector employees in will now be banned from working for more than 12 hours a day.<sup>755</sup>

During the compliance cycle, Saudi Arabia has implemented programs that improve youth education and create youth employment, but did not take actions to improve youth training and employment opportunities

Thus, Saudi Arabia has been awarded a score of 0.

*Analyst: Elena Lifshits Carrera*

## **South Africa: +1**

South Africa has fully complied with its commitment to reduce youth unemployment.

On 19 November 2014, Deputy Minister Buti Manamela, in a speech at the African National Congress (ANC) Progressive Business Forum encouraged youths to take advantage of the various skill and training programs offered by the National Youth Development Agency (NYDA).<sup>756</sup>

On 2 December 2015, the National Human Settlements Youth Accord (NHSYA) was signed between Minister of Human Settlements Lindiwe Sisulu, national youth organizations, and department key stakeholders. The youth accord creates housing programmes aimed at skill development and job creation.<sup>757</sup>

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<sup>751</sup> Saudi Arabia's Youth Unemployment Problem among King Salman's Many New Challenges after Abdullah's Death, International Business Times.13 January 2015.Date of Access: 27 February 2015. <http://www.ibtimes.com/saudi-arabias-youth-unemployment-problem-among-king-salmans-many-new-challenges-after-1793346>

<sup>752</sup> Saudi Arabia To Create 300,000 Private Sector Jobs For Locals, Gulf Business. 4 January 2015.Date of Access: 25 February 2015. <http://gulfbusiness.com/2015/01/saudi-arabia-create-300000-private-sector-jobs-locals/#.VPMdC3zF-gx>

<sup>753</sup> In Saudi Arabia, new king Salman seeks stability, Global Risk Insights. 26 January 2015.Date of Access: 25 February 2015. <http://globalriskinsights.com/2015/01/saudi-arabia-new-king-salman-seeks-stability/>

<sup>754</sup> ECOSOC integration Statement Questionnaire: Achieving sustainable development through employment creation and decent work for all: Saudi Arabia Input. 1 April 2015. Date of Access 10 October 2015.

<sup>755</sup> Saudi Arabia Introduces New Employment Laws. 7 October 2015. Date of Access: 10 October 2015. <http://www.out-law.com/en/articles/2015/october/saudi-arabia-introduces-new-employment-laws/>

<sup>756</sup> Address by Deputy Minister Buti Manamela at the ANC Progressive Business Forum, The Presidency (Pretoria) 19 November 2014. Date of Access: 11 February 2015. <http://www.gov.za/speech-deputy-minister-buti-manamela-occasion-progressive-business-forum-johannesburg-country-club>.

<sup>757</sup> Press Release - 02 December 2014, Department of Human Settlements (Pretoria) 2 December 2014. Date of Access: 11 February 2015. <http://www.dhs.gov.za/content/media-statements/press-release-02-december-2014>.

On 13 January 2015, the Department of Public Works invested approximately ZAR5 million in bursaries awarded to students pursuing careers in engineering, architecture, and urban planning.<sup>758</sup>

On 14 January 2015, the Presidency initiated the consultative process in drafting the 2020 National Youth Policy, calling for youth input.<sup>759</sup> The policy is to be implemented in March of this year with the primary goal of installing youth development programmes.<sup>760</sup>

On 16 January 2015, the Deputy Minister of Water and Sanitation Pamela Tshwete launched the Unemployed Youth Skills Development Project in Thohoyandou in conjunction with the Department of Public Works and the Vhembe District Municipality. The program rationale includes both job creation and skills development.<sup>761</sup>

On 22 January 2015, Minister of Basic Education Angelina Motshekga approved a revision of the current Senior Certificate qualification to include the Nation Curriculum Statement subjects, enhancing opportunities for pupils aged 21 and above to complete higher academic certification.<sup>762</sup>

On 9 June 2015, President Jacob Zuma launched Presidential Youth Working Group to promote youth participation in governance and policy making to improve quality of life. One of its main focus points lies in the National Youth Policy which centres around joblessness, poor skills levels and poor health care access.<sup>763</sup>

On 12 August 2015, The National Youth Policy 2020 which focuses on the development of youth was signed by the cabinet.<sup>764</sup>

On 28 September 2015, President Jacob Zuma without reservations endorsed the 2030 Agenda for Sustainable Development's new Global Goals in front of world leaders at the 70<sup>th</sup> United Nation's General Assembly in New York. South Africa's goals focus on poverty, unemployment and inequality, with a narrow focus on women, youth and people with disabilities with respect to education, job creation and more.<sup>765</sup>

On 1 October 2015, Higher Education and Training Minister Blade Nzimande signed a Memorandum of Understanding with his Angolan counterpart Adao Gaspar Ferreira do Nascimento to work jointly on the

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<sup>758</sup> Public Works invests millions in education, Department of Public Works (Pretoria) 13 January 2015. Date of Access: 11 February 2015. <http://www.gov.za/public-works-invests-millions-education>.

<sup>759</sup> Draft National Youth Policy 2014-2019, The Presidency (Pretoria) 12 January 2015. Date of Access: 11 February 2015. <http://www.thepresidency.gov.za/MediaLib/Downloads/Downloads/Draft%20National%20Youth%20Policy%202014%20C2%AD2019.pdf>.

<sup>760</sup> Deputy Minister Buti Manamela: Launch of consultative process for the National Youth Policy 2020, The Presidency (Pretoria) 14 January 2015. Date of Access: 11 February 2015. <http://www.gov.za/deputy-minister-buti-manamela-launch-consultative-process-national-youth-policy-2020>.

<sup>761</sup> Deputy Minister Pamela Tshwete: Launch of Vhembe District Municipality Unemployed Youth Skills Development Project, Department of Water and Sanitation (Thohoyandou) 16 January 2015. Date of Access: 11 February 2015. <http://www.gov.za/deputy-minister-pamela-tshwete-launch-vhembe-district-municipality-unemployed-youth-skills>.

<sup>762</sup> Basic Education on implementation of amended senior certificate, Department of Basic Education (Pretoria) 22 January 2015. Date of Access: 11 February 2015. <http://www.gov.za/implementation-amended-senior-certificate-qualification-adults-and-out-school-learners>.

<sup>763</sup> President Jacob Zuma launches Presidential Youth Working Group, South African Government (Cape Town) 9 June 2015. Date of Access: 1 October 2015. <http://www.gov.za/speeches/president-jacob-zuma-launches-presidential-youth-working-group-9-jun-2015-0000>.

<sup>764</sup> National Youth Policy signed by the cabinet, South African Government (Cape Town) 12 August 2015. Date of Access: 29 September 2015. <http://www.gov.za/speeches/deputy-minister-manamela-signing-national-youth-policy-2020-12-aug-2015-0000>.

<sup>765</sup> President Jacob Zuma: SA endorses the 2030 Agenda for Sustainable Development at 70<sup>th</sup> UN Assembly, South African Government News Agency (New York) 28 September 2015. Date of Access: 3 October 2015. <http://www.sanews.gov.za/world/sa-gives-2030-agenda-thumbs>.

development of cooperation focusing on higher education. The parties shall enhance training, accreditation, quality assurance as well as soliciting third parties for funding of scholarships and e-learning.<sup>766</sup>

On 2 October 2015, President Jacob Zuma speaking in Boksburg announced the launch of an Education ICT (Information Communication Technology) leg as part of Operation Pkhakisa which aims to take education to the next level by enabling access to education resources for both teachers and students. It will also strengthen collection of school data through rapid, reliable and transparent flows of information between national, provincial, district and school levels making management and operations more effective. This initiative will enable implementation of objectives outlined in the National Development Plan (NDP).<sup>767</sup>

During the compliance period, South Africa has taken steps to improve conditions of youth employment by providing greater access to training, employment, and education.

Thus, South Africa is awarded a score of +1.

*Analyst: Sophie Barnett*

### **Turkey: 0**

Turkey has partially complied with its commitment to reduce youth unemployment.

On 26 November 2014, the Ministry of Development published the Medium Term Programme 2015-2017, which announces that the youth labour force participation and employment rate will “continue to be increased through an efficient and integrating employment policy.”<sup>768</sup>

As of December 2014, the Ministry of Labour and Social Security European Union Coordination Department implemented a project aimed at “Improving the Quality of Vocational Education and Training, and Vocational Skills of Young People.”<sup>769</sup> The operation has a total budget of EUR 25 million and an implementation period of 30 months.<sup>770</sup>

On 23 January 2015, the Ministry of Development published the Tenth Development Plan (2014-2018),<sup>771</sup> which contains various goals for improving the current social and economic opportunities in Turkey,

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<sup>766</sup> Higher Education and Training Minister Blade Nzimande signed a Memorandum of Understanding with his Angolan counterpart Adao Gaspar Ferreira do Nascimento to work jointly on higher education, South African Government News Agency (Pretoria) 1 October 2015. Date of Access: 3 October 2015.

<http://www.sanews.gov.za/south-africa/sa-angola-work-education>.

<sup>767</sup> President Jacob Zuma on launch of Operation Phakisa ICT in Basic Education, South African Government News Agency (Boksburg) 2 October 2015. Date of Access: 3 October 2015. <http://sanews.gov.za/south-africa/operation-phakisa-ict-take-education-new-standard>.

<sup>768</sup> Medium Term Programme (2015-2017), Ministry of Development (Ankara) October 2014. Date of Access: 14 February 2015. <http://www.mod.gov.tr/Lists/Duyurular%20ve%20Kalknma%20Ajans%20Duyurular/Attachments/10/Medium-Term%20Programme%202015-2017.pdf>

<sup>769</sup> Improving the Quality of Vocational Education and Training, and Vocational Skills of Young People, Ministry of Labour and Social Security European Union Coordination Department (Ankara) December 2014. Date of Access: 14 February 2015. <http://ikg.gov.tr/en-us/projects/projectsinimplementation/natagency.aspx>

<sup>770</sup> Improving the Quality of Vocational Education and Training, and Vocational Skills of Young People, Ministry of Labour and Social Security European Union Coordination Department (Ankara) December 2014. Date of Access: 14 February 2015. <http://ikg.gov.tr/en-us/projects/projectsinimplementation/natagency.aspx>

<sup>771</sup> The Tenth Development Plan (2014-2018) published, Ministry of Development (Ankara) 23 January 2015. Date of Access: 14 February 2015. <http://www.mod.gov.tr/Pages/content.aspx?l=99479284-12e6-4d7d-bb4d-10d2a19feded&i=12>.



including that of youth.<sup>772</sup> Future objectives aim at providing youths with the skill requirements of the information society and “increasing the participation of youth, who are not in education or employment.”<sup>773</sup>

The Turkish Government specifies improving youth access to education, training, and employment opportunities by upgrading and increasing mobility programs as well as implementing support programs to “prevent young people from harmful habits.”<sup>774</sup> The Tenth Development Plan also calls to provide prioritized state support for entrepreneurship and small and medium-sized enterprises (SMEs) “on the basis of innovation, productivity and employment, [and] growth and collaboration”<sup>775</sup> to youth. Again, however, policy has yet to be implemented.

Actions 2.3.5 to 2.3.7 of the 2013-2017 Strategic Plan of the Ministry of Science, Industry, and Technology state three youth-centric commitments: to provide technology-oriented entrepreneurship, to organize networking events, and to provide similar educating, entrepreneurial opportunities abroad.<sup>776</sup>

The Organisation for Economic Cooperation and Development (OECD) found the proportion of Turkish youth neither employed nor engaged in training or education to be the highest among all OECD countries — 31.1 per cent.<sup>777</sup> This is double the OECD average of 15.2 per cent.

Turkey is double the OECD average of 15.2 per cent.<sup>778</sup> The Turkish Statistics Institute also revealed that the rate increased in May, sitting at 18.8 per cent compared 18.0 per cent in the preceding month and 17.4 per cent in the preceding year.<sup>779</sup>

On 6 September 2015, Prime Minister Ahmet Davutoglu called on G20 leaders to reduce youth unemployment globally, for otherwise they pursue job opportunities in more advanced economies.<sup>780</sup>

During the compliance period, Turkey has begun to implement programs that improve youth education, training and employment opportunities.

Thus, Turkey is awarded a score of 0

*Analyst: Sophie Barnet*

## **United Kingdom: +1**

The United Kingdom has fully complied with the commitment to reduce youth unemployment.

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<sup>772</sup> The Tenth Development Plan (2014-2018) published, Ministry of Development (Ankara) 23 January 2015. Date of Access: 14 February 2015. <http://www.mod.gov.tr/Pages/content.aspx?i=99479284-12e6-4d7d-bb4d-10d2a19feded&i=12>

<sup>773</sup> The Tenth Development Plan (2014-2018) published, Ministry of Development (Ankara) 23 January 2015. Date of Access: 14 February 2015. <http://www.mod.gov.tr/Pages/content.aspx?i=99479284-12e6-4d7d-bb4d-10d2a19feded&i=12>

<sup>774</sup> The Tenth Development Plan (2014-2018) published, Ministry of Development (Ankara) 23 January 2015. Date of Access: 14 February 2015. <http://www.mod.gov.tr/Pages/content.aspx?i=99479284-12e6-4d7d-bb4d-10d2a19feded&i=12>

<sup>775</sup> The Tenth Development Plan (2014-2018) published, Ministry of Development (Ankara) 23 January 2015. Date of Access: 14 February 2015. <http://www.mod.gov.tr/Pages/content.aspx?i=99479284-12e6-4d7d-bb4d-10d2a19feded&i=12>

<sup>776</sup> 2013-2017 Strategic Plan, Ministry of Science, Industry and Technology (Ankara) 2012. Date of Access: 29 September 2015. <http://www.sanayi.gov.tr/Files/Documents/bstb-20132017-stratejik-p-2172014152951.pdf>.

<sup>777</sup> OECD: Turkey has highest rate of unemployed and out of school youth, Todayet, Prime Minister of Japar 2015. [http://www.todayzaman.com/business\\_oecd-turkey-has-highest-rate-of-unemployed-and-out-of-school-youth\\_374384.html](http://www.todayzaman.com/business_oecd-turkey-has-highest-rate-of-unemployed-and-out-of-school-youth_374384.html).

<sup>778</sup> Jobless figures recover to lowest rate in 9 months, Todayratejik-p-21720bul) 15 July 2015. Date of Access: 29 September 2015. [http://www.todayzaman.com/anasayfa\\_jobless-figures-recover-to-lowest-rate-in-9-months\\_393762.html](http://www.todayzaman.com/anasayfa_jobless-figures-recover-to-lowest-rate-in-9-months_393762.html).

<sup>779</sup> Turkey Unemployment Rate Climbs in May, RTT News (New York) 17 August 2015. Date of Access: 29 September 2015. <http://www.rttnews.com/2541725/turkey-unemployment-rate-climbs-in-may.aspx>.

<sup>780</sup> G20-Turkish PM calls for global education of youth unemployment, Reuters Middle East (Ankara) 6 September 2015. Date of Access: 29 September 2015. <https://en-maktoob.news.yahoo.com/g20-turkish-pm-davutoglu-calls-global-reduction-youth-074536345--sector.html>.

On 10 December 2014 the Department of Education announced the creation of a careers and enterprise company that will provide young people aged 12 to 18 “access the best advice and inspiration about the world of work” by encouraging greater collaboration between schools and colleges and employers. The company will be employer-led and independent of government in order to “transform the provision of careers education and advice for young people.”<sup>781</sup>

On 20 January 2015 the Department for Business, Innovation, and Skills announced a new partnership with automotive manufacturers, funded with BGP 11.3 million of government funding alongside a BGP 2.8 million cash investment and BGP16.4 million in-kind contributions from industry. The partnership will provide a “route to work for 225 19 plus year-olds” by offering a 15 day program offering vocational training that leads to opportunities for future apprenticeships.<sup>782</sup>

On 27 January 2015 the Department for Education released its annual destination data 6 months in earlier than expected, “showing the government’s commitment to improving the timeliness of the data.” The destination data shows that from October 2012 to March 2013 91% of 16-year-olds continued on to further education, training or employment, rising from 89% the previous year.<sup>783</sup>

On 3 February 2015 the Cabinet Office announced 750 new apprenticeships in the civil service. The placements will be paid and offer two-year structured placements that result in the ability to apply for continued employment.<sup>784</sup>

On 4 February 2015 Chief Executive of the UK Commission for Employment and Skills Michael Davis welcomed the announcement of the creation of a GBP 10.6 industrial partnership for the aerospace sector. Michael Davis noted that the partnership “will help the sector develop a range of innovative programmes, including ways to attract and retain young people and developing higher-level skills through industry-led graduate level courses.”<sup>785</sup>

On 17 February 2015 Prime Minister David Cameron outlined his plan to decrease youth unemployment by requiring youth aged 18-21 who have not had a job for six months to start an apprenticeship or complete community work in order to continue receiving job seeker’s allowance. Prime Minister Cameron noted signalled that youth unemployment will remain a top priority: “we are taking further steps to help young people make something of their lives. Our goal in the next parliament is effectively to abolish long-term youth unemployment.”<sup>786</sup>

On 21 August 2015 Prime Minister David Cameron announced various commitments aimed at supporting 3 million apprenticeships by 2020. The government announced it is calling for employer consultations on a proposed apprenticeship levy (set to be introduced in 2017) that is designed to increase investment in training

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<sup>781</sup> New careers and enterprise company for schools, Department of Education (London) 10 December 2014. Date of Access: 28 February 2015. <https://www.gov.uk/government/news/new-careers-and-enterprise-company-for-schools>

<sup>782</sup> Government and automotive industry start the motor on £30 million skills investment, Department for Business, Innovation, and Skills (London) 20 January 2015. Date of Access: 28 February 2015. <https://www.gov.uk/government/news/government-and-automotive-industry-start-the-motor-on-30-million-skills-investment>

<sup>783</sup> More young people continuing in education, employment, or training, Department for Education (London) 27 January 2015. Date of Access: 28 February 2015. <https://www.gov.uk/government/news/more-young-people-continuing-in-education-employment-or-training--2>

<sup>784</sup> Government launches 750 apprenticeships for talented young people, Cabinet Office (London) 3 February 2015. Date of Access: 28 February 2015. <https://www.gov.uk/government/news/government-launches-750-apprenticeships-for-talented-young-people>

<sup>785</sup> UK Commission for Employment and Skills welcomes new aerospace industrial partnership, UK Commission for Employment and Skills (London) 4 February 2015. Date of Access: 28 February 2015. <https://www.gov.uk/government/news/aerospace-industrial-partnership-welcomed-by-uk-commission-for-employment-and-skills>

<sup>786</sup> Unemployed will have to do community work under Tories, says Cameron, The Guardian (London) 17 February 2015. Date of Access: 28 February 2015. <http://www.theguardian.com/politics/2015/feb/17/unemployed-will-have-to-do-community-work-under-tories-says-cameron>

and apprenticeships. Additionally, the announcement included a new public procurement requirement to take a company's apprenticeship offer into account when awarding government contracts valued over GBP 10 million. Finally, the announcement pledged 30 000 apprenticeship places across the road and rail industry to be achieved during the life of this Parliament.<sup>787</sup>

During the compliance period, the UK has shown an active commitment to reducing youth unemployment through the implementation of programs that ensure young people are in education, training and employment.

Thus, the UK has been awarded a score of +1.

*Analyst: Travis Southin*

### **United States: +1**

The United States has fully complied with the commitment to reduce youth unemployment.

On 8 December 2014 the Office of the Press Secretary announced new commitments that will provide millions of additional K-12 students access to computer science education in over 60 school districts. These commitments include over USD 20 million in philanthropic contributions to train 10,000 computer science teachers by fall 2015 and 25,000 teachers by fall 2016.<sup>788</sup>

On 9 January 2015 the Office of the Press Secretary unveiled a proposal called America's College Promise. The proposal will provide two years of free tuition to students who attend at least half-time, maintain a 2.5 GPA while in college, and make steady progress toward completing their program. Federal funding will contribute three quarters of the average cost of community college and participating states will be expected to contribute the rest.<sup>789</sup>

On 2 February 2015 President Obama's fiscal year 2016 budget announced USD1.5 billion for a program called Connecting Disconnected Youth with Opportunities, which will create a competitive grant program to open "educational and workforce pathways for disconnected youth." The program will assist disconnected youth to earn high school diplomas, achieve further educational attainment, and improve long-term job prospects.<sup>790</sup>

On 2 February 2015 President Obama's fiscal year 2016 budget announced a proposal to create a new USD200 million American Technical Training Fund that would create 100 technical training centers in an attempt to match workforce needs of employers in high-demand industries.<sup>791</sup>

On 2 February 2015 President Obama's fiscal year 2016 budget announced USD873,416,000 (a 5% increase) for elements of the Workforce Innovation and Opportunity Act (WIOA) that help youth "obtain skills and education to succeed in a knowledge-based economy, including growing and emerging industry sectors, such

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<sup>787</sup> PM unveils plans to boost apprenticeships and transform training, Prime Minister's Office (London) 21 August 2015. Date of access: 1 October 2015. <https://www.gov.uk/government/news/pm-unveils-plans-to-boost-apprenticeships-and-transform-training>

<sup>788</sup> FACT SHEET – New Commitments to Support Computer Science Education, Office of the Press Secretary (Washington) 8 December 2014. Date of Access: 28 February 2015. <http://www.whitehouse.gov/the-press-office/2014/12/08/fact-sheet-new-commitments-support-computer-science-education>

<sup>789</sup> FACT SHEET - White House Unveils America's College Promise Proposal: Tuition-Free Community College for Responsible Students, Office of the Press Secretary (Washington) 9 January 2015. Date of Access 28 February 2015. <http://www.whitehouse.gov/the-press-office/2015/01/09/fact-sheet-white-house-unveils-america-s-college-promise-proposal-tuition>

<sup>790</sup> Fiscal Year 2016- Department of Labor Budget Fact Sheet, Department of Labor (Washington) 2 February 2015. Date of Access: 28 February 2015. <http://www.dol.gov/dol/budget/2016/PDF/FY2016DOLFACTSHEET.pdf>

<sup>791</sup> The 2016 Budget: Improving Opportunity and Affordability in Higher Education, Department of Education (Washington) 2 February 2015. Date of Access 28 February 2015. <http://www.ed.gov/blog/2015/02/the-2016-budget-improving-opportunity-and-affordability-in-higher-education/>

as health care and IT.”<sup>792</sup> The WIOA was signed into law on 22 July 2014 with the goals of assisting job seekers in accessing employment, education, training, and support services and to match employers with skilled workers.<sup>793</sup>

On 2 February 2015 President Obama’s fiscal year 2016 budget announced an additional USD1.5 billion for the Connecting Disconnected Youth with Opportunities program to provide grants for localities to expand summer and year-round job opportunities.<sup>794</sup>

On 23 February 2015 the United States Small Business Administration (SBA) announced an expansion of the My Brother’s Keeper Initiative by launching the Millennial Road Show. The program is a national tour throughout 2015 of Minority Serving Institutions designed to expose youth to entrepreneurship support resources and raise awareness about the possibilities of overcoming barriers through entrepreneurship.<sup>795</sup>

On 9 September 2015 President Obama announced USD 175 million in new grants to provide “earn and learn” public-private partnership training opportunities to 34,000 new apprentices. President Obama also announced the creation of the College Promise Advisory Board to further efforts to make two years of community college free.<sup>796</sup>

During the compliance period, the US has shown an active commitment to reducing youth unemployment through the implementation of programs that ensure young people are in education, training and employment.

Thus, the US has been awarded a score of +1.

*Analyst: Travis Southin*

### **European Union: +1**

The European Union has fully complied with the commitment to reduce youth unemployment.

On 14 November 2014, the European Commission published the 2015 Erasmus+ Programme Guide, which outlines projects aimed at increasing the capacities of youth training and educational organizations, by offering more effective programmes to respond to individual needs, and reinforce initiatives in non-formal, vocational, and entrepreneurial training.<sup>797</sup>

In February 2015, the European Centre for the Development of Vocational Training (CEDEFOP) published a briefing note outlining the CEDEFOP’s commitment to place a primary focus on Vocational and Educational Training (VET) reforms, and to combating early leaving from education and training.<sup>798</sup> The

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<sup>792</sup> Fiscal Year 2016- Department of Labor Budget in Brief, Department of Labor (Washington) 2 February 2015. Date of Access: 28 February 2015. <http://www.dol.gov/dol/budget/2016/PDF/FY2016BIB.pdf>

<sup>793</sup> Workforce Innovation and Opportunity Act, Department of Labor (Washington) 14 July 2014. Date of Access: 28 February 2015. <http://www.doleta.gov/wioa/>

<sup>794</sup> Fiscal Year 2016- Department of Labor Budget Fact Sheet, Department of Labor (Washington) 2 February 2015. Date of Access: 28 February 2015. <http://www.dol.gov/dol/budget/2016/PDF/FY2016DOLFACTSHEET.pdf>

<sup>795</sup> SBA Announces Millennial Entrepreneurship Road Show, United States Small Business Administration (Washington) 23 February 2015. Date of Access: 28 February 2015. <https://www.sba.gov/content/sba-announces-millennial-entrepreneurs-road-show>

<sup>796</sup> FACT SHEET: Providing More Americans with Affordable Access to Education and Job Training Opportunities to Help Grow the Middle Class, Office of the Press Secretary (Washington) 9 September 2015. Date of Access 01 October 2015. <https://www.whitehouse.gov/the-press-office/2015/09/09/fact-sheet-providing-more-americans-affordable-access-education-and-job>

<sup>797</sup> Erasmus+ Programme Guide, European Commission (Belgium), 19 February 2015. Date Accessed: 21 February 2015. [http://ec.europa.eu/programmes/erasmus-plus/discover/guide/index\\_en.htm](http://ec.europa.eu/programmes/erasmus-plus/discover/guide/index_en.htm)

<sup>798</sup> Old Routes for New Routes, European Centre for the Development of Vocational Training (Belgium), 10 February 2015. Date Accessed: 21 February 2015. <http://www.cedefop.europa.eu/en/publications-and-resources/publications/9095>

VET reform goals specify three main priorities: (1) supporting modernization; (2) work-based and adult learning; (3) analyzing skill demand and supply.<sup>799</sup>

On 10 February 2015, James Calleja, Director of CEDEFOP, reiterated a commitment to the continued improvement in the areas of youth employment and skills development.<sup>800</sup>

The European Commission continues to support the Youth Employment Initiative (YEI), launched in 2013 to support the provision of apprenticeships, traineeships, job placements and further education to people under the age of 25.<sup>801</sup> The YEI provides support to young people who are not in education, employment or training in regions with a youth unemployment rate above 25% in 2012. The initiative has been allocated a total budget of EUR6.4 billion for the 2014-20 period.

On 22 May 2015, the European Commission announced additional measures being taken to speed the implementation of the YEI, including an increased pre-financing rate of EUR1 billion for the YEI allocation in 2015.<sup>802</sup>

The European Commission continues to support the Agenda for New Skills and Jobs, an initiative launched in 2010, with an employment target of 75% for the working-age population by 2020.<sup>803</sup>

During the compliance period, the European Union has taken actions to improve the educational attainment and vocational skills training of the youth labour force, and has worked to create youth employment opportunities.

Thus, the EU is awarded a score of +1.

*Analyst: Alison Dillman*

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<sup>799</sup> Old Routes for New Routes, European Centre for the Development of Vocational Training (Belgium), 10 February 2015. Date Accessed: 21 February 2015. <http://www.cedefop.europa.eu/en/publications-and-resources/publications/9095>

<sup>800</sup> On the Road to Reform: European VET on Cedefop's 40th Anniversary, European Centre for the Development of Vocational Training (Belgium) 10 February 2015. Date Accessed: 21 February 2015. <http://www.cedefop.europa.eu/en/news-and-press/press-and-media/press-releases/road-reform-european-vet-cedefops-40th-anniversary>

<sup>801</sup> Youth Employment Initiative (YEI), European Commission (Belgium) 2015. Date Accessed: 10 October 2015. <http://ec.europa.eu/social/main.jsp?langId=en&catId=1036>

<sup>802</sup> Accelerated Pre-Financing for the Youth Employment Initiative (Belgium) 22 May 2015. Date Accessed: 10 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-5020\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5020_en.htm)

<sup>803</sup> Agenda for New Skills and Jobs, European Commission (Belgium) 2012. Date Accessed: 21 February 2015. <http://ec.europa.eu/social/main.jsp?langId=en&catId=958>

## 6. Labour and Employment: Social Protection

“We remain focussed on addressing ... long-term unemployment, by ... having appropriate social protection systems.”

*G20 Brisbane Leaders' Communiqué*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina			+1
Australia			+1
Brazil		0	
Canada			+1
China			+1
France		0	
Germany			+1
India			+1
Indonesia		0	
Italy		0	
Japan		0	
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa		0	
Turkey		0	
United Kingdom		0	
United States			+1
European Union		0	
Average		+0.55	

### Background

Labour and employment policies have been prioritized on the G20 agenda since the London Summit in 2009. At the London Summit, G20 leaders pledged to “do whatever is necessary to: restore confidence, growth and jobs.”<sup>804</sup>

The 2009 Pittsburgh Summit communiqué placed the creation of quality jobs at the heart of global economic recovery. The G20 leaders created the Framework for Strong, Sustainable, and Balanced Growth, which calls for “structural reforms to create more inclusive labour markets, active labour market policies, and quality education and training programs.”<sup>805</sup>

At the 2010 Toronto Summit, leaders reviewed and expanded upon the Framework for Strong, Sustainable and Balanced Growth. In the final communiqué, leaders agreed to follow through on fiscal stimulus and “growth-friendly” fiscal consolidation, strengthen social safety nets, enhance infrastructure spending and corporate governance reform, and to pursue structural reforms to increase and sustain growth.<sup>806</sup> At the

<sup>804</sup> Global Plan for Recovery and Reform, 2 April 2009. Access Date: 2 February 2015.

<http://www.g20.utoronto.ca/2009/2009communiqué0402.html>

<sup>805</sup> G20 Leaders Statement: The Pittsburgh Summit, 25 September 2009. Access Date: 2 February 2015.

<http://www.g20.utoronto.ca/2009/2009communiqué0925.html>

<sup>806</sup> The G20 Toronto Summit Declaration, 27 June 2010. Access Date: 2 February 2015. <http://www.g20.utoronto.ca/2010/to-communiqué.html>

Toronto Summit, the importance of social protection systems became a priority of G20 labour and employment commitments, with the communiqué promising to strengthen social safety nets.

The 2010 Seoul Summit launched the Seoul Action Plan. The action plan called upon G20 members to undertake “labor market and human resource development reforms, including better targeted benefits schemes to increase participation; education and training to increase employment in quality jobs, boost productivity and thereby enhance potential growth” along with reforms to strengthen social safety nets.<sup>807</sup>

The 2011 Cannes Summit continued to foster employment and increase social protection policies. The communiqué set up a G20 Task Force on Employment, reporting to the G20 labour and employment ministers. The task force aims to target those most affected by the economic crisis, especially global youth, while recognizing the importance of social protection floors.<sup>808</sup>

At the 2012 Los Cabos Summit, leaders agreed upon the Los Cabos Growth and Jobs Action Plan. The Plan represents a coordinate effort among G20 nations to create high quality job opportunities globally, as well as a commitment to take concrete actions to eliminate barriers to women’s full economic and social participation.<sup>809</sup> The action plan also committed G20 countries to “continue to foster inter-agency and international policy coherence, coordination, cooperation and knowledge sharing to assist low-income countries in capacity building for implementing nationally determined social protection floors.”

The 2013 St. Petersburg communiqué committed the G20 to create better quality jobs by creating “strong and supportive macroeconomic, trade, investment, and labour market policies, sustainable public finance, a sound and well-regulated financial system, and resilient and effective social protection systems.”<sup>810</sup> The document also extended the G20 Task Force on Employment’s mandate for one more year.

Throughout its history of action on labour and employment policies, the G20 has worked in a coordinated manner to combat unemployment and increase social protection programmes alongside the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and World Bank.

### **Commitment Features**

The commitment requires G20 members to continue working towards an integrated approach to reduce long-term unemployment by creating strong and stable social protection systems.

As defined by the OECD, long-term unemployment refers to people who have been unemployed for twelve months or more.<sup>811</sup> An unemployed person is defined as one who reports having “worked in gainful employment for less than one hour in the previous week, who are available for work and who have sought employment in the past four weeks.”

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<sup>807</sup> The Seoul Summit Document, 12 November 2010. Access Date: 2 February 2015.

<http://www.g20.utoronto.ca/2010/g20seoul-doc.html>

<sup>808</sup> Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, 4 November 2011. Access Date: 2 February 2015. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>

<sup>809</sup> G20 Leaders Declaration: Los Cabos, 19 June 2012. Access Date: 2 February 2015. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

<sup>810</sup> G20 Leaders' Declaration: St. Petersburg, 6 September 2013. Access Date: 2 February 2015.

<http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>

<sup>811</sup> Unemployment: Long-term unemployment rate, Organisation for Economic Cooperation and Development (Paris) 2015.

Access Date: 2 February 2015. <http://data.oecd.org/unemp/long-term-unemployment-rate.htm>

A 2012 United Nations Report defined a social protection program as one that tackles “multiple dimensions of poverty and deprivation (decent work, education, health care, food security, income security) and can therefore be a powerful tool in the battle against poverty and inequality.”<sup>812</sup>

The Brisbane Action Plan denotes that “supporting our citizens, particularly youth and women, to gain and maintain quality employment can also deliver important social benefits by lifting citizens’ living standards, enhancing social cohesion and reducing inequality. Significant welfare gains can be made by addressing informality and improving the health and safety of workplaces, and we will renew our efforts, appropriate to our national circumstances, in these areas.”<sup>813</sup>

The action plan calls on G20 members to implement social programs targeting women and youth, but to also take initiative in developing social protection systems in the following areas:

- Introducing and strengthening policies that promote entrepreneurship and skills development, strengthening the linkages between education, training and workforce needs;
- Addressing the problems faced by disadvantaged groups, including people with disabilities and the long-term unemployed;
- Addressing long-term and structural unemployment, underemployment and low-quality, insecure jobs in the informal economy;
- Taking measures to improve occupational health and safety policies;
- Moving to establish or increase minimum wages, improve social dialogue and improve social safety nets; and
- Taking steps to streamline labour market regulation and reduce non-wage costs of labour.<sup>814</sup>

A report prepared for the G20 Labour and Employment Ministerial Meeting of September 2014, calls for an increase in social protection expenditure, in particular, expenditure on active labour market programs (ALMPs). ALMPs are designed to get unemployed people back to work using initiatives that include job placement services, benefit administration, and labour market programs such as training and job creation.<sup>815</sup> The report states that it is “essential that adequate resources are devoted to cost-effective ALMPs that can both help and encourage the unemployed to find work and to strengthen their skills through training, as required. In particular, for the unemployed with low skills more in-depth and individualised support should be provided.”<sup>816</sup>

The report cites areas of social protection that require further action, including changes to public employment services, the availability of relevant and quality training, direct job creation, employer or employee subsidies, entrepreneurship support programs, apprenticeship schemes, partnerships between education and training providers, minimum wages, collective bargaining, social dialogue and workers’ rights, school-to-work

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<sup>812</sup> Social protection: A development priority in the post-2015 UN development agenda, United Nations (New York) May 2012. Access Date: 2 February 2015. [http://www.un.org/millenniumgoals/pdf/Think%20Pieces/16\\_social\\_protection.pdf](http://www.un.org/millenniumgoals/pdf/Think%20Pieces/16_social_protection.pdf)

<sup>813</sup> Brisbane Action Plan, 2015 Turkey G20 (Turkey) November 2014. Access Date: 2 February 2015. [https://g20.org/wp-content/uploads/2014/12/brisbane\\_action\\_plan.pdf](https://g20.org/wp-content/uploads/2014/12/brisbane_action_plan.pdf)

<sup>814</sup> Brisbane Action Plan, 2015 Turkey G20 (Turkey) November 2014. Access Date: 2 February 2015. [https://g20.org/wp-content/uploads/2014/12/brisbane\\_action\\_plan.pdf](https://g20.org/wp-content/uploads/2014/12/brisbane_action_plan.pdf)

<sup>815</sup> Employment Policies Data: Active labour market policies and activation strategies, Organisation for Economic Cooperation and Development (Paris) 15 July 2014. Access Date: 2 February 2015. <http://www.oecd.org/employment/emp/activelabourmarketpoliciesandactivationstrategies.htm>

<sup>816</sup> G20 labour markets: outlook, key challenges and policy responses, International Labour Organization (Melbourne) 10 September 2014. Access Date: 2 February 2015. [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_305421.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_305421.pdf)



transition programs, workplace safety, access to health care, the formalization of informal jobs, and the availability of child and elder care.<sup>817</sup>

The report also states that it is imperative that attention be paid to the quality of jobs created. For example, in countries with aging populations “policies to encourage female participation and to encourage older workers to stay active are key to at least partially compensate for the shrinking working-age population and its potential negative impact on growth” while countries with relatively youthful populations must create “sufficient employment opportunities to take advantage of the continuing surge in the working-age population.”<sup>818</sup> It is also critical that these initiatives are cost-effective and must be able to rapidly scale up or down in response to demand.

Therefore, an appropriate social protection system is one that seeks to create long-term quality employment, but also remains cost-effective in order to achieve long-term strength and stability.

Although countries should take actions to implement social protection policies targeting long-term unemployment that abide by the above criteria they should also adhere to the commitments made towards social protection in their respective G20 employment plans released at the Brisbane Summit.

To achieve full compliance the G20 member must take actions to address long-term unemployment by having appropriate social protection systems targeted at increasing quality jobs through active labour market programs (ALMPs) and relevant social protection measures.

#### Scoring Guideline

-1	Member does not take action to address long-term unemployment by implementing appropriate social protection systems.
0	Member takes action to address long-term unemployment by implementing appropriate social protection systems, but does not implement the policies during the compliance cycle.
+1	Member takes action to address long-term unemployment by implementing appropriate social protection systems during the compliance cycle.

#### Argentina: +1

Argentina has fully complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

In 2014, Argentina committed to a plan to reduce poverty. The plan covers fiscal years 2015-2018. The World Bank Group developed a strategy based on three themes: sustained employment creation in farms and firms; improving the availability of assets for people and households; reducing environmental risks and safeguarding natural resources. The World Bank will aid Argentina in achieving outcomes including contributing to reduce average transit time to city centres from poor neighbourhoods, increasing the gross value of agricultural production of small and medium-size farms in lower-income areas, and supporting an increase in effective national healthcare coverage.<sup>819,820</sup>

<sup>817</sup> G20 labour markets: outlook, key challenges and policy responses, International Labour Organization (Melbourne) 10 September 2014. Access Date: 2 February 2015. [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_305421.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_305421.pdf)

<sup>818</sup> G20 labour markets: outlook, key challenges and policy responses, International Labour Organization (Melbourne) 10 September 2014. Access Date: 2 February 2015. [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_305421.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_305421.pdf)

<sup>819</sup> New WBG Strategy to Support Poverty Reduction & Inclusive Growth in Argentina, The World Bank (Washington) 9 September 2014. Access Date: 4 April 2015. <http://www.worldbank.org/en/news/press-release/2014/09/09/new-wbg-strategy-to-support-poverty-reduction-inclusive-growth-in-argentina>

On 15 January 2015, Argentina implemented the Youth Employment Support Project. The project aims to improve access for vulnerable youth to labour markets.<sup>821</sup> The project has three main objectives. First, to improve the quality and relevance of orientation and training services to ensure that applicants are fully qualified when applying for jobs. Second, to reach 200,000 youth every year of its implementation, reaching 390,000 after its completion (participants may return to the program). Third, to improve the ability of employment offices by incorporating new management practices into current and new offices.

On 24 September 2015, Argentina signed a joint agreement with CAD MIRA (Chamber of Wholesale and Industrial Commerce) and CAME (Argentinean Confederation of Medium Enterprises) to improve employment and vocational training.<sup>822</sup> The agreement aims to generate employment and improve vocational training tools, specifically in the small and medium enterprises sector.

On 29 September 2015, Argentina announced an increase of 28 per cent in labour market wages for women, 21 per cent as of September and 8 per cent as of December in the private homes sector.<sup>823</sup> It marked the first time that women workers, employers and the state negotiated a wage increase.

On 16 October 2015, the Undersecretary for Policy on Science, Technology and Innovation Fernando Peirano signed a memorandum establishing an Advisory Council responsible for determining the appropriate means to incorporate technical degrees and diplomas to university offerings.<sup>824</sup> The policy is aimed at incorporating the “invisible jobs” that have arisen in the technological industry into the formal economy by creating formal education opportunities in these industries.

Argentina has committed to reducing long-term unemployment through youth engagement and is set to begin implementing a World Bank aided plan through to 2018. Argentina has also targeted informal jobs, vocational training and wage disparities. Thus, Argentina is awarded a score of +1.

*Analyst: Mercedes Fogarassy and Janelle Deniset*

## **Australia: +1**

Australia has fully complied with its commitment to remain focused on addressing long-term unemployment by having some appropriate social protection systems.

Australia’s Employment Plan cites “soft employment growth, a falling participation rate and a rising unemployment rate” as a call to action to implement much-needed reforms.<sup>825</sup> The document underlines the understanding that long-term unemployment is a challenge to the overall prosperity of the country, with

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<sup>820</sup> New Strategy to Support Poverty Reduction in Argentina, United Nations Department of Economic and Social Affairs (Buenos Aires) 10 September 2014. Access Date: 5 March 2015. <http://unsdn.org/new-strategy-to-support-poverty-reduction-in-argentina/>

<sup>821</sup> Argentina - Youth Unemployment Support Project, The World Bank (Washington) 10 December 2014. Access Date: 5 March 2015. <http://documents.worldbank.org/curated/en/2014/12/23070909/argentina-youth-employment-support-project>

<sup>822</sup> Firma de Convenio entre Trabajo, CAD MIRA y CAME para la generación y mejora del empleo, Ministerio de Trabajo, Empleo y Seguridad Social (Buenos Aires) 24 September 2015. Access date: 11 October 2015. [http://www.trabajo.gob.ar/downloads/otros/150924\\_came.pdf](http://www.trabajo.gob.ar/downloads/otros/150924_came.pdf)

<sup>823</sup> Primera paritaria des sector de trabajadoras de casas particulares : 28% en dos tramos, Ministerio de Trabajo, Empleo y Seguridad Social (Buenos Aires) 29 September 2015. Access date: 11 October 2015. [http://www.trabajo.gob.ar/ampliado.asp?id\\_nvd=3656](http://www.trabajo.gob.ar/ampliado.asp?id_nvd=3656)

<sup>824</sup> Nuevos títulos reconocerán oficios demandados en el mercado laboral, de Trabajo, Empleo y Seguridad Social (Buenos Aires) 16 October 2015. Access date: 17 October 2015. [http://www.trabajo.gov.ar/ampliado.asp?id\\_nvd=3672](http://www.trabajo.gov.ar/ampliado.asp?id_nvd=3672)

<sup>825</sup> Employment Plan 2014: Australia, G20 (Brisbane) November 2014. Access Date: 3 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_australia\\_0.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_australia_0.pdf)

previous successes in curbing long-term unemployment to a 20-year low in 2008 almost entirely erased by September 2014.<sup>826</sup>

On 4 February 2015, the Australian government released a white paper, proposing reform of the federal system in Australia. The reform is to be driven by horizontal fiscal equalization, in order to bring up to par the quality of services nationwide, including health care, schools, skills and workforce development, disability and affordable housing.<sup>827</sup> This white paper will be released by the end of 2015.

On 25 February 2015, the Australian government released the Final Report of the Reference Group on Welfare Reform, which aims to make Australia's welfare system "fairer, more effective, coherent and sustainable, and encourage people to work."<sup>828</sup> After a six-week period of consultations by a selected Reference Group, *A New System for Better Employment and Social Outcomes* was presented to the Minister of Social Services. The report recommends an integrated approach with four main pillars to improve the social welfare system: (1) simpler and sustainable income support system; (2) strengthening individual and family capacity; (3) engaging with employees; and (4) building community capacity.<sup>829</sup> The report recommends a redesign of the payment architecture including: tiered working-age payments, supported living pensions, child and youth payments, carer payments, and age pension. Mainstream services such as "building capability for work; financial capability development; family support; services to improve outcomes for children; support to manage mental health conditions; and assistance to stabilise housing" are recommended to achieve long-term outcomes for families, individuals and communities. The report recommends support for employers including during the recruitment phase and placement and post placement support, initiatives that provide pathways from study to work, and wage subsidy schemes.

On 12 May 2015, the Government of Australia released its budget, including a Growing Jobs and Small Business package. The package focuses on "helping employers to create new jobs and assisting Australia's unemployed, particularly young people, to access the skills and opportunities they need to become job-ready."<sup>830</sup> The budget includes new employment measures that aim to make job seekers more employable, to reduce the business costs of hiring new staff, and to ensure that job seekers are actively looking for work.<sup>831</sup> These measures include: a new Transition to Work programme to aid youth in becoming job-ready; a National Work Experience programme to create access to voluntary work experience for eligible job seekers; changes to wage subsidies; trial programmes aimed at reducing youth and young parents' risk of entering long-term welfare dependency; and more comprehensive obligations for job-seekers under the age of 25 in seeking work.

On 24 June 2015, Federal Treasurer Joe Hockey and Assistant Minister for Employment Luke Hartsuyker MP announced the creation of the Ambassador for Mature Age Employment, aimed at driving awareness in the Australian job market of the benefits of hiring mature workers.<sup>832</sup>

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<sup>826</sup> Employment Plan 2014: Australia, G20 (Brisbane) November 2015. Access Date: 3 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_australia\\_0.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_australia_0.pdf)

<sup>827</sup> Reform of the Federation White Paper, Commonwealth of Australia (Canberra) 4 February 2015. Access Date: 19 March 2015. [https://federation.dpmc.gov.au/sites/default/files/issues-paper/issues-paper-5\\_COAG\\_FFR.pdf](https://federation.dpmc.gov.au/sites/default/files/issues-paper/issues-paper-5_COAG_FFR.pdf)

<sup>828</sup> Review of Australiadpmc.gov.au/sites, Australian Government Department of Social Services (Canberra) 25 February 2015. Access Date: 4 March 2015. <https://www.dss.gov.au/our-responsibilities/review-of-australias-welfare-system>

<sup>829</sup> A New System for Better Employment and Social Outcomes, Ministry for Social Services (Canberra) 25 February 2015. Access Date: 19 March 2015.

[https://www.dss.gov.au/sites/default/files/documents/02\\_2015/dss001\\_14\\_exec\\_summary\\_access\\_2\\_final\\_0.pdf](https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_exec_summary_access_2_final_0.pdf)

<sup>830</sup> 2015-2016 Budget handed down, Government of Australia – Department of Employment (Canberra) 12 May 2015. Access Date: 17 October 2015. <https://employment.gov.au/news/2015-16-budget-handed-down>

<sup>831</sup> 2015-2016 Budget – Employment Overview, Government of Australia – Department of Employment (Canberra) 14 May 2015. Access Date: 17 October 2015. <http://www.employment.gov.au/2015-16-budget-employment-overview>

<sup>832</sup> New Ambassador to support mature-aged job seekers, Government of Australia – Department of Employment (Canberra) 25 June 2015. Access Date: 17 October 2015. <https://employment.gov.au/news/new-ambassador-support-mature-aged-job-seekers>

On 1 July 2015, the Australian government created a new employment service called JobActive, replacing the previous Job Services Australia system.<sup>833</sup> JobActive is an attempt to reform employment services available in Australia by creating more efficient and practical means for job seekers to improve their job prospects, and employers to recruit more staff.<sup>834</sup> Key features of this new system include an investment of AUD 1.2 billion in subsidies for employers to be able to afford hiring and training new employees, subsidies for eligible mature aged, long-term unemployed or Indigenous job seekers, as well as the implementation of Work Experience Programme and Work for the Dole programmes—mandatory sessions that develop the skills of job seekers that employers consider desirable.

On 30 July 2015, Senator the Hon Michaelia Cash and Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission launched the Supporting Parents website and online resources.<sup>835</sup> The website provides detailed information for employees and employers on “workplace rights and obligations in relation to pregnancy, parental leave and return to work.”

On 5 October 2015, Minister for Employment Michaelia Cash launched the National Work Experience Programme, aimed at connecting young job seekers with work-type roles that will allow them to gain on-the-job experience as well as an entry point into the job market.<sup>836</sup> The programme will allow young workers to develop practical skills while providing them a subsidy of AUD 6,500 per year.

Australia has taken comprehensive actions to comply with its commitment to reduce long-term unemployment through the creation of some appropriate social protection systems. Therefore, Australia receives a compliance score of +1.

*Analysts: Max Stern, Caitlin Gillespie and Roeshawn Davidson*

## **Brazil: 0**

Brazil has partially complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

On 7 June 2011, Brazil launched a national social welfare scheme, Brazil Without Poverty, which sought to lift 16.2 million Brazilians out of extreme poverty. It defined individuals in extreme poverty as those living on less than BRL70 a month.<sup>837</sup> This framework was aimed at improving public services such as education, broadening the scope of Bolsa Familia payments, and enhancing productive inclusiveness by giving poor Brazilians the means to escape poverty through quality job opportunities, vocational training, and micro-credit.<sup>838</sup> The Brazil Without Poverty initiative took the 2003 Bolsa Familia Program, a conditional cash transfer program instituted by former president Luiz Inácio Lula da Silva, as its central pillar.<sup>839</sup> This social protection program of monthly allowances offer up to BRL242 to families on the condition that their

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<sup>833</sup> JobActive, Australian Government Department of Employment (Australia) 10 September 2015. Access Date 4 October 2015 <http://www.employment.gov.au/jobactive>

<sup>834</sup> JobActive Open for Business Across Australia, The Nationals. (Kingston) 2 July 2015. Access Date: 7 October 2015. <http://www.nationals.org.au/News/tabid/60/articleType/ArticleView/articleId/8647/jobactive-open-for-business-across-Australia.aspx>

<sup>835</sup> Supporting Working Parents website and online resources, Government of Australia – Department of Employment (Canberra) 30 July 2015. Access Date: 17 October 2015. <https://employment.gov.au/news/supporting-working-parents-website-and-online-resources>

<sup>836</sup> Work experience to help job seekers into work, Government of Australia – Department of Employment (Canberra) 6 October 2015. Access Date: 17 October 2015. <http://ministers.employment.gov.au/work-experience-help-job-seekers-work-0>

<sup>837</sup> Brazil launches scheme to lift millions out of poverty, BBC News (London) 2 June 2011. Access Date: 26 February 2015. <http://www.bbc.co.uk/news/world-latin-america-13626951>

<sup>838</sup> Brazil declares war on “chronic poverty,” The Guardian (London) 7 June 2011. Access Date: 26 February 2015. <http://www.theguardian.com/world/2011/jun/07/brazil-dilma-rousseff-poverty-eradication>

<sup>839</sup> Brazil’s bolsa familia scheme marks a decade of pioneering poverty relief, The Guardian (London) 17 December 2013. Access Date: 25 February 2015. <http://www.theguardian.com/global-development/2013/dec/17/brazil-bolsa-familia-decade-anniversary-poverty-relief>

children attend school and receive vaccinations. The program's primary goals concern reducing poverty as well as breaking its transmission onto later generations. It has been proven to be cost-effective, yielding a return of BRL1.78 to the economy for every BRL1 spent.<sup>840</sup> To date, it has benefited 46 million people.

On 22 December 2014, President Dilma Rousseff pledged to take drastic measures in 2015 to revive the country's economy while insisting that social programs will not be affected.<sup>841</sup> On 27 January 2015, Rousseff made another statement reaffirming that changes in the economic area will not jeopardize the continuity of social policies, rising incomes, or employment.

On 4 February 2015, following an interministerial meeting alongside union representatives, the federal government and unions announced their intention to broaden the dialogue on Brazil's labour market, emphasizing in particular the need to address informality.<sup>842</sup> The government also plans to implement a tripartite commission in order to improve labour relations and job quality while protecting workers' rights.

On 9 February 2015, the Organisation for Economic Co-operation and Development published its Going for Growth 2015 key findings on Brazil in which it stated that Brazil has continuously expanded its vocational training programs for low-skilled workers as well as the scholarships given for tertiary education.<sup>843</sup> Moreover, the report removed "encourage formal labour participation" as a reform priority for Brazil since the country has streamlined its social security procedures, lowered the required social contributions of small and medium enterprises, and reduced hiring costs, all of which have combined to increase Brazilians' participation in the formal sector.

On 11 February 2015, the Ministry of Labour and Employment pledged BRL2.6 million to combat tax evasion and another BRL2.5 to fight against informality in the labour market.<sup>844</sup> Preparation for this second phase in Brazil's fight against informality have included improving surveillance tools, training workplace inspectors, and a proposal to raise the fine for employers who fail to register their employees through contracts.<sup>845</sup> In turn, the government hopes to generate revenues towards its Severance Indemnity Fund for workers.<sup>846</sup> These measures follow the launch of Brazil's National Plan for Combating Informality on 22 May 2014.

On 26 February 2015, the Minister of Labour and Employment, Maonel Dias, took part in the first meeting of the National Apprenticeship Forum. The forum is meant to act as a consultative body that encourages employers and representatives of various economic sectors to promote young people's right to vocational

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<sup>840</sup> Brazil's bolsa familia scheme marks a decade of pioneering poverty relief, The Guardian (London) 17 December 2013. Access Date: 25 February 2015. <http://www.theguardian.com/global-development/2013/dec/17/brazil-bolsa-familia-decade-anniversary-poverty-relief>

<sup>841</sup> Rousseff pledges to take drastic measures and not affect social programs, Agencia Brasil (Brazil) 12 December 2014. Access Date: 27 February 2015. <http://agenciabrasil.ebc.com.br/en/economia/noticia/2014-12/rousseff-pledges-take-drastic-measures-and-not-affect-social-programs>

<sup>842</sup> Government and central expand dialogue and incorporate debate on the labour market, social security and industry, Ministry of Labour and Employment (Brazil) 4 February 2015. Access Date: 26 February 2015. <http://portal.mte.gov.br/imprensa/governo-e-centrais-ampliam-dialogo-e-incorporam-debate-sobre-mercado-de-trabalho-previdencia-e-industria/palavrachave/reuniao-centrais-seguro-desemprego.htm>

<sup>843</sup> Economic Policy Reforms 2015: Going for Growth, Organisation for Economic Cooperation and Development (Paris) 9 February 2015. Access Date: 27 February 2015. [http://www.keepeek.com/Digital-Asset-Management/oced/economics/economic-policy-reforms-2015/brazil\\_growth-2015-10-en#page1](http://www.keepeek.com/Digital-Asset-Management/oced/economics/economic-policy-reforms-2015/brazil_growth-2015-10-en#page1)

<sup>844</sup> Brazil to do battle against tax evasion and underground economy, International Business Times (New York) 11 February 2015. Access Date: 28 February 2015. <http://www.ibtimes.co.uk/brazil-do-battle-against-tax-evasion-underground-economy-1487594>

<sup>845</sup> MTE spear fighting informal measures, Ministry of Labour and Employment (Brazil) 11 February 2015. Access Date: 28 February 2015. <http://portal.mte.gov.br/imprensa/mte-lanca-medidas-de-combate-a-informalidade-e-sonegacao-do-fgts.htm>

<sup>846</sup> Brazil to do battle against tax evasion and underground economy, International Business Times (New York) 11 February 2015. Access Date: 28 February 2015. <http://www.ibtimes.co.uk/brazil-do-battle-against-tax-evasion-underground-economy-1487594>

training.<sup>847</sup> Dias stated the ministry's focus is to improve the quality of employment and strengthen measures that enhance professional qualifications.

On 6 July 2015, the Brazilian government announced a new employee protection program, *Programa de Proteção ao Empregado* (PPE), to allow eligible companies to temporarily reduce working time in order to reduce labor costs and retain staff in lieu of layoffs or collective dismissals.<sup>848</sup> The plan was enacted by Presidential Decree with immediate effect but must still be approved by the National Congress of Brazil to remain in force beyond 120 days.

In September 2015, Minister of Social Development and Fight Against Hunger, Tereza Campello, announced that there will be no cuts in the program known as Bolsa Família, which has helped to improve the lives of millions of impoverished families and has directly contributed to significant, statistically validated advances in childhood nutrition, schooling and healthcare.<sup>849</sup>

Brazil has worked on proposals and has taken part in forums regarding social protection systems aimed at targeting long-term unemployment, and has also pledged funds to fight informality. However, Brazil's action towards implementing social protection systems during this compliance cycle as not yet been implemented. Therefore, Brazil receives a score of 0.

*Analyst: Yinan Yang and Dharini Vijendran*

#### **Canada: +1**

Canada has fully complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

Canada has continued to promote the social protection measures it announced in early 2014 through the Economic Action Plan 2014.<sup>850</sup> Through statements and public announcements the government sought to promote its existing social protection measures and encourage the participation of women, people with disabilities and Aboriginal people in the labour market.

Minister of Labour Kellie Leitch has been actively promoting an increasing representation of women on corporate boards as a way to increase gender balance and create more economic opportunities. On 17 December 2014, she addressed the Vernon Chamber of Commerce. On 11 February 2015, she addressed the Tri-Cities Chamber in Coquitlam, British Columbia.<sup>851</sup>

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<sup>847</sup> Dias opens 1<sup>st</sup> meeting of the National Apprenticeship Forum, Ministry of Labour and Employment (Brazil), 26 February 2015. Access Date: 27 February 2015. <http://portal.mte.gov.br/imprensa/dias-abre-1-reuniao-do-forum-nacional-de-aprendizagem/palavrachave/forum-de-aprendizagem.htm>

<sup>848</sup> Brazil: New Program Adopted to Help Companies Avoid Layoffs, Towers Watson (Brazil) 23 July 2015. Access Date: 30 September 2015. <https://www.towerswatson.com/en/Insights/Newsletters/Global/global-news-briefs/2015/07/brazil-new-program-adopted-to-help-companies-avoid-layoffs>

<sup>849</sup> Brazil to keep allowances for the poor, The New York Times (New York) 18 September 2015. Access Date: 30 September 2015. <http://www.nytimes.com/2015/09/19/world/americas/brazil-to-keep-allowances-for-the-poor.html>

<sup>850</sup> Economic Action Plan 2014: The Road to Balance, Government of Canada (Ottawa) 11 February 2014. Access Date: 15 March 2015. <http://www.budget.gc.ca/2014/docs/themes/road-voie-eng.html>

<sup>851</sup> Minister Leitch speaks to Tri-Cities Chamber of Commerce in Coquitlam, British Columbia, about strong labour relations, Employment and Social Development Canada (Coquitlam) 11 February 2015. Access Date: 14 March 2015. <http://news.gc.ca/web/article-en.do?nid=930319>

On 29 January 2015 Minister Leitch met with provincial and territorial ministers to address the protection of young workers and encourage provincial governments to ratify bill C238, which promotes decent work and sets minimum age standards for young workers.<sup>852</sup>

Promoting existing social protection programs, the Minister of State for Social Development Candice Bergen announced on 1 December 2014 reforms to the Opportunities Fund for Persons with Disabilities Program — a fund to help people with disabilities obtain and maintain employment. She also announced the launch of a new call for applications for the program in early 2015.<sup>853</sup>

On 15 December 2014 the government of Canada announced nearly CAD 4 million in funding to Prince Edward Island for two projects aimed at helping young people and newcomers find work in their fields and renewed two previous agreements that help seniors and persons with disabilities connect to jobs.<sup>854</sup> Funded through the Youth Employment Strategy, the first initiative, called Career Prep Program, will receive CAD 3 million to aid 400 students in finding placement in small and medium-sized enterprises. The second initiative, called Building Bridges for Immigrants, will receive nearly CAD 1 million to aid qualified foreign workers within the province to have their international credentials recognized. The governments of Canada and Prince Edward Island pledged CAD 1.3 million each to the Labour Market Agreement for Persons with Disabilities, to help those with disabilities gain employment.

On 17 December 2014 Minister of Employment and Social Development Kenney, working to ensure Canadians are aware of available programs and funding through ongoing programs (such as the Canada Job Grant, the Youth Employment Strategy, apprenticeship grants and the government's initiatives for Aboriginal skills training), discussed the "importance of enhancing the participation of under-represented groups in the workforce, such as youth and Aboriginal people." He also highlighted the challenge of jobs mismatch and reiterated the government's priorities of skills training harmonization, improved labour mobility, and faster foreign credential recognition for internationally trained professionals.<sup>855</sup>

On 18 December 2015, the governments of Canada and Manitoba announced a joint pledge of over CAD 100,000 to aid the youth of Winnipeg to transition from education to the workforce through the federal Skills Link program.<sup>856</sup> The program will also offer workers to gain industry certifications.

On 8 January 2015, fulfilling a commitment from the 2014 Economic Action Plan, Prime Minister Harper announced the launch of the Canada Apprentice Loan, a program that allows apprentices registered in a Red Seal trade apprenticeship to get up to CAD 4,000, per period of technical training, in interest-free loans.<sup>857</sup>

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<sup>852</sup> Closing Remarks at the Videoconference with Provincial and Territorial Ministers Responsible for Labour on Protection of Young Workers, Employment and Social Development Canada (Gatineau) 29 January 2015. Access Date: 14 March 2015. <http://www.labour.gc.ca/eng/resources/news/speeches/leitch/2015/20150129B.shtml>

<sup>853</sup> Minister Bergen recognizes International Day of Persons With Disabilities, Employment and Social Development Canada (Ottawa) 3 December 2014. Access Date: 14 March 2015. <http://news.gc.ca/web/article-en.do?nid=911439>

<sup>854</sup> Governments of Canada and Prince Edward Island take action to help Islanders get jobs faster, Employment and Social Development Canada (Summerside) 15 December 2014. Access Date: 14 March 2015. <http://news.gc.ca/web/article-en.do?nid=914389>

<sup>855</sup> Minister Kenney addresses the Canadian Club of Calgary on the Government of Canada's Jobs Agenda, Employment and Social Development Canada (Calgary) 17 December 2014. Access Date: 15 March 2015. <http://news.gc.ca/web/article-en.do?nid=915329>

<sup>856</sup> The Government of Canada helps youth in Winnipeg get jobs, Employment and Social Development Canada (Winnipeg) 18 December 2014. Access Date: 14 March 2015. <http://news.gc.ca/web/article-en.do?nid=915559>

<sup>857</sup> Harper urges employers to take on apprentices, announces loan at BCIT, The Globe and Mail (Toronto) 8 January 2015. Access Date: 15 March 2015. <http://www.theglobeandmail.com/news/british-columbia/harper-urges-employers-to-take-on-apprentices-announces-loan-at-bcit/article22372545/>

This initiative complements existing measures such as apprenticeship grants, Employment Insurance benefits for apprentices taking technical training, and tax incentives for employers.<sup>858</sup>

On 5 March 2015 the Globe and Mail reported that several studies indicated the Canadian job market quality was in decline, with a rise in jobs in low-paying industries, part time jobs as well as self-employment, generally seen as more precarious.<sup>859</sup>

On 18 March 2015, the government announced a new grant of CAD 125,000 to improve workplace diversity and inclusion in the logistics, transportation and supply chain industry under the Workplace Opportunities: Removing Barriers to Equity (WORBE) program, which provides up to CAD 500,000 annually for projects that aim to improve the representation of people with disabilities, women, Aboriginal people, and members of visible minorities in federally regulated workplaces.<sup>860</sup> On 9 April 2015 Minister Leitch announced another CAD 125,000 grant from the WROBE program for an initiative to support employees return to work following a disabling injury or health issue.<sup>861</sup>

On 16 April 2015 Minister Leitch announced a new federal initiative entitled It Starts with One — Be Her Champion to encourage mentorships and championing of women entrepreneurs.<sup>862</sup> This initiative, part of the 2015 federal budget, will receive CAD 700 million through the Business Development Bank of Canada and along with the federal government's new Action Plan for Women Entrepreneurs is aimed at supporting female entrepreneurs to help grow their business.<sup>863</sup>

On 21 April 2015, the Federal Government unveiled its 2015 Budget,<sup>864</sup> which included a significant increase in childcare benefits (from CAD 100 monthly to CAD 160 for a child under the age of six) and higher childcare expense tax deductions (from CAD 7000 to CAD 8000 per child yearly).<sup>865</sup> Moreover, compassionate-care benefits under the employment insurance system were extended from six weeks to six months for individuals caring for gravely ill family members<sup>866</sup> and a pilot program to give access to federal loans for newcomers for professional training was made permanent.<sup>867</sup>

On 14 May 2015 the Minister of Labour tabled the International Labour Organization's (ILO) Convention 138 Concerning Minimum Age for Admission to Employment in the House of Commons, signalling the

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<sup>858</sup> PM announces that the Canada Apprentice Loan program is now accepting applications, Government of Canada (Ottawa) 8 January 2015. Access Date: 15 March 2015. <http://pm.gc.ca/eng/news/2015/01/08/pm-announces-canada-apprentice-loan-program-now-accepting-applications>

<sup>859</sup> Job market quality in decline with lower wages, higher self-employment, Tavia Grant, Bill Curry And David Kennedy, The Globe and Mail (Toronto), 5 March 2015. Access Date 6 October 2015. <http://www.theglobeandmail.com/report-on-business/economy/job-quality-in-canada-sinks-to-all-time-low-cibc-index-shows/article23303996/>

<sup>860</sup> Government of Canada invests to improve workplace diversity in the Canadian logistics, transportation and supply chain sectors, Government of Canada (Ottawa) 18 March 2015. Access Date: 6 October 2015. <http://news.gc.ca/web/article-en.do?nid=950729>

<sup>861</sup> Harper Government helps employees with disabilities return to work, Government of Canada (Ottawa) 9 April 2015. Access Date: 6 October 2015. <http://news.gc.ca/web/article-en.do?nid=959849>

<sup>862</sup> Minister Leitch challenges leaders to become champions for women, Government of Canada (Ottawa) 16 April 2015. Access Date: 6 October 2015. <http://news.gc.ca/web/article-en.do?nid=964469&tp=1>

<sup>863</sup> Status of Women minister promoting action plan, Melissa Villeneuve, Lethbridge Herald (Lethbridge) 16 July 2015. Access Date: 6 October 2015 <http://lethbridgeherald.com/news/local-news/2015/07/16/status-of-women-minister-promoting-action-plan/>

<sup>864</sup> Budget 2015, The Government of Canada (Ottawa) 21 April 2015. Access Date: 9 October 2015. <http://www.budget.gc.ca/2015/docs/plan/toc-tdm-eng.html>

<sup>865</sup> What the 2015 federal budget means for Canadian families, Global Nes (Toronto) 21 April 2015. Access Date 9 October 2015. <http://globalnews.ca/news/1952493/what-the-2015-federal-budget-means-for-canadian-families/>

<sup>866</sup> Highlights of the 2015-16 federal budget, The Toronto Star (Toronto) 21 April 2015. Access Date: 9 October 2015. <http://www.thestar.com/news/canada/2015/04/21/highlights-of-the-2015-16-federal-budget.html>

<sup>867</sup> Budget will make pilot immigrant loan program permanent, The Canadian Press (Toronto) 21 April 2015. Access Date: 9 October 2015. <http://www.citynews.ca/2015/04/21/budget-will-make-pilot-immigrant-loan-program-permanent/>



government's intent to ratify it. The convention requires member states to set a minimum age for employment at 15 years of age and prohibits hazardous work for workers under the age of 18.<sup>868</sup>

On 7 July 2015, the Organization for Economic Cooperation and Development (OECD) released a report *Back to Work: Canada — Improving the Re-employment Prospects of Displaced Workers* in which it assessed the country's policies with respect to workers who face involuntary job loss due to economic reasons. The report found that although around half of displaced workers were re-employed within a year, many faced significant wage cuts, a reality that was more prevalent among older, long-tenured displaced workers. The report found that, on balance, Canada has sound policies and programs to assist unemployed workers to return to work (through the federal Employment Insurance program and skills training initiatives), but that the effectiveness of early intervention services in cases of mass dismissals could be improved as well as better coordination mechanisms between federal and provincial government to provide re-employment assistance early.<sup>869</sup>

On 30 July 2015 Minister Bergen announced the government's plans to provide CAD 10 Million over three years to the Canadian Mental Health Association (CMHA)<sup>870</sup> and on 31 July 2015, announced funding of CAD 35 million over three years to other organizations for projects aimed at helping Canadians with disabilities gain the necessary job skills to prepare for the job market.<sup>871</sup>

On 31 July 2015 the government announced funding through the WORBE program for additional organization to address barriers to employment for Aboriginal peoples, develop strategies for the long-term career development of employees with disabilities and educate employers on how to make workplaces more accessible and inclusive.<sup>872</sup>

Canada has taken actions to combat unemployment and offer opportunities to youth by extending or renewing funding to existing social protection programs and providing funding to initiatives to support women entrepreneurs. The Government of Canada has also exhibited an initiative to work with provinces on an individual basis to develop appropriate social protection systems and signalled its intent to begin ratifying an international convention to protect young workers. Therefore, Canada has been awarded a compliance score of +1.

*Analyst: Sabina Mihaescu*

## **China: +1**

China has fully complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

In June 2014, the State Council released the *Decision to Push Ahead the Development of Modern Vocation Education*, establishing a vocational program capable of producing 38.3 million graduates by 2020.<sup>873</sup> By way of the policy reform, 600 Chinese universities will be transformed into vocational schools with greater

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<sup>868</sup> Minister Leitch tables International Labour Organization's Convention 138 in House of Commons, Government of Canada (Ottawa) 14 May 2015. Access Date: 6 October 2015. <http://news.gc.ca/web/article-en.do?nid=974469>

<sup>869</sup> *Back to Work: Canada - Improving the Re-employment Prospects of Displaced Workers*, The Organization for Economic Cooperation and Development (Paris) 7 July 2015. Access Date: 9 October 2015. <http://www.oecd.org/employment/back-to-work-canada-9789264233454-en.htm>

<sup>870</sup> Harper Government helps Canadians with disabilities gain job skills, Government of Canada (Ottawa) 30 July 2015. Access Date: 6 October 2015. <http://news.gc.ca/web/article-en.do?nid=1012159>

<sup>871</sup> Harper Government helps Canadians with disabilities gain job skills, Government of Canada (Ottawa) 31 July 2015. Access Date: 6 October 2015. <http://news.gc.ca/web/article-en.do?nid=1014199>

<sup>872</sup> Government of Canada helps increase employment opportunities for persons with disabilities and Aboriginal peoples, Government of Canada (Ottawa) 31 July 2015. Access Date: 6 October 2015. <http://news.gc.ca/web/article-en.do?nid=1012579>

<sup>873</sup> *Employment Plan 2014: China*, G20 (Brisbane) 2014. Access Date: 14 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_china.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_china.pdf)

emphasis on applied skills to better match students' higher learning with demands of China's major industrial sectors.<sup>874,875</sup> The Ministry of Education predicts that enrolment in vocational colleges will reach 13.9 million by 2015.<sup>876</sup>

On 7 January 2015 the Ministry of Labour urged municipal governmental authorities to extend unemployment benefits to residents outside urban Hukou registrations.<sup>877</sup> The Ministry of Human Resources and Social Security stated that a lack of local registration should not be used to practice discrimination in providing workers' unemployment benefits. These decisions are in addition to developments in early October 2014, when the Chinese government simultaneously announced its intention to provide training and skills upgrading to approximately 20 million rural labourers annually until 2020 as well as resettling 100 million individuals without urban identification records in cities.<sup>878</sup> Moreover, local governments are also called upon by the central government to offer free career counselling and job seeking services to further workers' career and skills development.<sup>879</sup>

On 14 January 2015, the State Council, China's chief policy body, announced its intention to allocate CNY 40 billion towards creating a new venture capital fund to support business start-ups as a means of promoting domestic entrepreneurship and innovation.<sup>880</sup> This move fulfills a promise made by the government in May 2014, proposing to double the government-led fund capital in support of emerging industries.

On 16 January 2015, the State Council announced a new national pension plan that will require previously exempt public sector employees to pay for benefits. Prior to this revision, the dual-track state pension program saw corporate employees contribute eight per cent of their salaries, while civil servants did not contribute any.<sup>881</sup> The change seeks to address the gap in pension benefits favouring the public sector whereby government workers receive pension benefits equivalent to 80 or 90 per cent of their pre-retirement salary while others often receive benefits below 50 per cent.

On 27 January 2015, Chinese Premier Li Keqiang pledged to create ten million new jobs in 2015 despite a slowdown in economic growth.<sup>882</sup> Li stated that "large amounts of unemployment ... could lead to social instability if the economy cools down too fast."

On 5 February 2014, the State Council issued a document aimed at promoting the well-being of disabled people by enhancing employment opportunities and ensuring public services.<sup>883</sup> The council pledges to

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<sup>874</sup> Economic Policy Reforms: Going for Growth 2015, Organisation for Economic Cooperation and Development (Paris) 9 February 2015. Access Date: 27 February 2015. [http://www.keepeek.com/Digital-Asset-Management/oced/economics/economic-policy-reforms-2015/china\\_growth-2015-13-en#page1](http://www.keepeek.com/Digital-Asset-Management/oced/economics/economic-policy-reforms-2015/china_growth-2015-13-en#page1)

<sup>875</sup> Employment Plan 2014: China, G20 (Brisbane) 2014. Access Date: 14 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_china.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_china.pdf)

<sup>876</sup> School-to-Work Transition, Center on International Education Benchmarking (Washington) 2014. Access Date: 25 February 2015. <http://www.ncee.org/programs-affiliates/center-on-international-education-benchmarking/top-performing-countries/shanghai-china/shanghai-china-school-to-work-transition/>

<sup>877</sup> China Urges Cities Expand Unemployment Benefits to Migrant Workers, CRI News (Beijing) 8 January 2015. Access Date: 7 October 2015. <http://english.cri.cn/11114/2012/09/21/1261s723419.htm>

<sup>878</sup> Central Government Offers More High Quality Jobs to Migrant Workers, Shenzhen Standard (Shenzhen) 2 October 2014. Access Date: 7 October 2015. <http://www.shenzhen-standard.com/2014/10/02/central-government-offers-more-high-quality-jobs-to-migrant-workers/>

<sup>879</sup> China to expand unemployment benefits to lure migrants to cities, Reuters (Beijing) 7 January 2015. Access Date: 7 October 2015. <http://ca.reuters.com/article/topNews/idCAKBN0KG11Z20150107>

<sup>880</sup> Startup fund to allocate assets more widely, The State Council of the People's Republic of China (Beijing) 15 January 2015. Access Date: 7 October 2015. [http://english.gov.cn/premier/news/2015/01/15/content\\_281475039641414.htm](http://english.gov.cn/premier/news/2015/01/15/content_281475039641414.htm)

<sup>881</sup> China pension reform targets civil servant privileges, Financial Times (Shanghai) 15 January 2015. Access Date: 6 October 2015. <http://www.ft.com/intl/cms/s/0/3141eb64-9c97-11e4-a730-00144feabdc0.html#axzz3TGhhOm5o>

<sup>882</sup> China's Li Keqiang says to create 10 million jobs in 2015, International Business Times (United Kingdom) 27 January 2015. Access Date: 6 October 2015. <http://www.ibtimes.co.uk/chinas-li-keqiang-says-create-10-million-jobs-2015-1485293>

improve social assistance, pensions, and basic medical insurance. If implemented, these measures could affect up to 85 million disabled people, 12.3 million of which currently live below the poverty in rural areas.

On 26 February 2015, in line with goals outlined in China's G20 Employment Plan 2014, Guangdong Province's Human Resources and Social Security Department announced that it would increase its minimum wage by an average of 19 per cent on 1 May 2015.<sup>884</sup> This follows minimum wage increases in the cities of Beijing, Shanghai, and Tianjin in March 2014.<sup>885</sup> However, different cities within the province will see their wages increase at different rates. In Shenzhen, workers can expect the hourly wage rate to increase to CNY 18.5 and monthly wages to reach CNY 2030. In Guangzhou, the province's capital, wages will increase to CNY 18.3 per hour and reach CNY 1895 per month.<sup>886</sup> In second and third tier cities, monthly wages will increase to CNY 1510 and CNY 1350 respectively.

On 15 October 2015, China's Ministry of Human Resources and Social Security announced that it will gradually increase its statutory retirement age in order to relieve growing pressure on the country's pension and social security systems.<sup>887</sup>

China has initiated several actions to reduce long-term unemployment through the implementation of appropriate social protection systems. Such policies include those targeted at increasing minimum wages, training and vocational programs, pension and benefits reforms and those aimed at stimulating small and medium-sized enterprises. Therefore, China has been awarded a compliance score of +1.

*Analysts: Yinan Yang and Michael Thomas*

#### **France: 0**

France has partially complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

Following his success in creating 150,000 jobs between 2013 and 2014 through the program "Jobs of the Future," Prime Minister François Hollande committed to continuing the program, designed to increase youth employment, for 2015.<sup>888</sup>

On 1 January 2015, the government of France opened up Training Staff Accounts (CPF), replacing the previous Individual Right to Training (DIF) for new public sector employees. These accounts will monitor training hours. Each employee will be required to complete and record training hours, thereby increasing their eligibility within the job market.<sup>889</sup>

On 9 February 2015, François Rebsamen, member of the French Senate, announced an action plan to fight against long-term unemployment. It aims to assist all applicants who have lost jobs in the economic

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<sup>883</sup> China pledges to promote well-being of disabled people, China Daily (Xinhua) 5 February 2015. Access Date: 7 October 2015. [http://www.chinadaily.com.cn/china/2015-02/05/content\\_19501703.htm](http://www.chinadaily.com.cn/china/2015-02/05/content_19501703.htm)

<sup>884</sup> Guangdong finally announces plans to increase minimum wage of 19 percent, China Labour Bulletin (Hong Kong) 27 February 2015. Access Date: 7 October 2015. <http://www.clb.org.hk/en/content/guangdong-finally-announces-plans-increase-minimum-wage-19-percent>

<sup>885</sup> China raises minimum wages in Beijing, Shanghai, Tianjin: Report, Reuters (Shanghai) 31 March 2014. Access Date: 6 October 2015. <http://www.reuters.com/article/2014/04/01/us-china-salary-idUSBREA3004H20140401>

<sup>886</sup> Guangdong finally announces plans to increase minimum wage of 19 percent, China Labour Bulletin (Hong Kong) 27 February 2015. Access Date: 7 October 2015. <http://www.clb.org.hk/en/content/guangdong-finally-announces-plans-increase-minimum-wage-19-percent>

<sup>887</sup> China to increase retirement age to tackle demographic crisis, The Economic Times (Haryana) 15 October 2015. Access Date: 17 October 2015. <https://search.yahoo.com/yhs/search?p=Haryana&ei=UTF-8&hspart=mozilla&hsimp=yhs-001>

<sup>888</sup> Les Emplois D'avenir, Department of Emploi et Travail (Paris) 17 December 2014. Access Date: 18 March 2015. <http://www.gouvernement.fr/action/les-emplois-d-avenir>

<sup>889</sup> Les Emplois D'avenir, Department of Emploi et Travail (Paris) 17 December 2014. Access Date: 18 March 2015. <http://www.gouvernement.fr/action/les-emplois-d-avenir>

downturn to return to work, whatever their field may be.<sup>890</sup> This policy covers youth, seniors, and long-term job seekers. The action plan also aims to create 275,000 places in daycare for children 0-3 years old, enabling mothers to return to work.

On 4 March 2015, Manuel Valls, The Prime Minister of France, presented the key measures of the multi-annual social inclusion and anti poverty plan.<sup>891</sup> The action plan aims to allow for an activity bonus, which will come into effect in January 2016, replacing the employment tax credit and providing the right to free job training for all job seekers in the state.

On 9 June 2015, the Government of France announced a new package, encouraging SMEs and VSEs to increase hiring rates. The package includes 18 measures aimed at bolstering “the Government’s pro-business economic initiatives that favour VSEs and SMEs, in particular the Competitiveness and Employment Tax Credit (CICE) and the Responsibility and Solidarity Pact, which are designed to bring down labour costs.”<sup>892</sup> SMEs and VSEs that hire their first employee will now receive a hiring bonus of EUR 2,000. The package also introduces an initiative to “ensure that when small businesses expand into the next size class, their obligations will remain unchanged for three years.” The initiative also addresses the unfair exploitation of posted workers. Under the new package, companies who fail to provide the proper worker documentation upon inspection will be sanctioned as harshly as if it had failed to declare the posted workers.

On 5 October 2015, the Government of France tabled the 2016 Budget Bill. The bill proposes the creation of 12,500 jobs in 2016 and emphasizes the importance of education, including a benefit of EUR 500 million.<sup>893</sup>

France has taken some actions to comply with its commitment to reduce long-term unemployment through the creation of appropriate social protection systems. Therefore, France receives a compliance score of 0.

*Analyst: Mercedes Fogarassy and Mojann Zibapour*

## **Germany: +1**

Germany has fully complied with its commitment to address long-term unemployment and strengthen social protection systems by effectively activating employment policies and improving social security measures for disadvantaged people.

On 15 December 2014, Federal Minister of Labour Andrea Nahles met with representatives of the German Association for Public and Private Welfare, social partners and charities to discuss long-term unemployment and opportunities for social participation. At the meeting Minister Nahles stated that despite the German economy reaching an all-time-high employment of 43 million, the long term unemployed experienced few benefits from the economic prosperity yet they deserved to be given a chance, “time and again.”<sup>894</sup>

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<sup>890</sup> Le gouvernement promet des formations gratuites aux chômeurs de longue durée, Le Parisien (Paris) 9 February 2015. Access Date: 18 March 2015. [http://www.leparisien.fr/flash-actualite-politique/rebsamen-tous-les-chomeurs-auront-droit-a-une-formation-qualifiante-gratuite-09-02-2015-4519479.php#xtref=http%3A%2F%2Fwww.google.ca%2Furl%3Fsa%3Dt%24rct%3Dj%24q%3D%24esrc%3Ds%24source%3Dweb%24cd%3D2%24ved%3D0CCgQFjAB%24url%3Dhttp%253A%252F%252Fwww.leparisien.fr%252Fflash-actualite-politique%252Frebsamen-tous-les-chomeurs-auront-droit-a-une-formation-qualifiante-gratuite-09-02-2015-4519479.php#xtref=http%3A%2F%2Fwww.google.ca%2Furl%3Fsa%3Dt%24rct%3Dj%24q%3D%24esrc%3Ds%24source%3Dweb%24cd%3D2%24ved%3D0CCgQFjAB%24url%3Dhttp%253A%252F%252Fwww.leparisien.fr%252Fflash-actualite-politique%252Frebsamen-tous-les-chomeurs-auront-droit-a-une-formation-qualifiante-gratuite-09-02-2015-4519479.php%24ei%3DF8kJVduuEsmfNouogsAL%24usg%3DAFQjCNGDBWfNXqRRZE-oX3Nie2myub8EFA%24sig%3Dcxwao1aw1X7i37ElgYk9kg%24bvm%3Dbv.88198703%2Cd.eXY](http://www.leparisien.fr/flash-actualite-politique/rebsamen-tous-les-chomeurs-auront-droit-a-une-formation-qualifiante-gratuite-09-02-2015-4519479.php#xtref=http%3A%2F%2Fwww.google.ca%2Furl%3Fsa%3Dt%24rct%3Dj%24q%3D%24esrc%3Ds%24source%3Dweb%24cd%3D2%24ved%3D0CCgQFjAB%24url%3Dhttp%253A%252F%252Fwww.leparisien.fr%252Fflash-actualite-politique%252Frebsamen-tous-les-chomeurs-auront-droit-a-une-formation-qualifiante-gratuite-09-02-2015-4519479.php%24ei%3DF8kJVduuEsmfNouogsAL%24usg%3DAFQjCNGDBWfNXqRRZE-oX3Nie2myub8EFA%24sig%3Dcxwao1aw1X7i37ElgYk9kg%24bvm%3Dbv.88198703%2Cd.eXY)

<sup>891</sup> The fight against poverty: "The challenge is to preserve our social model and its underlying values", Government of France (Paris) 4 March 2015. Access Date: 3 October 2015. <http://www.gouvernement.fr/en/the-review-of-the-plan-to-combat-poverty-conducted-two-years-after-its-launch-is-positive-overall>

<sup>892</sup> Measures to stimulate businesses and employment in VSEs and SMEs, Government of France (Paris) 9 June 2015. Access Date: 17 October 2015. <http://www.gouvernement.fr/en/measures-to-stimulate-business-and-employment-in-vs-es-and-sm-es>

<sup>893</sup> The 2016 Budget Bill, Government of France (Paris) 5 October 2015. Access Date: 17 October 2015.

<http://www.gouvernement.fr/en/the-2016-budget-bill>

<sup>894</sup> Langzeitarbeitslosigkeit bekämpfen, Federal Ministry of Labour and Social Affairs (Berlin) 15 December 2014. Access Date: 28 February 2015. <http://www.bmas.de/DE/Themen/Arbeitsmarkt/Meldungen/zweites-gespraech-langzeitarbeitslosigkeit.html>

On 1 January 2015, Germany's first national minimum wage came into effect.<sup>895</sup> The minimum wage, adopted earlier in 2014 by parliament, came in effect at the hourly rate of EUR 8.5 with plans for an independent commission of trade union and business representatives to become responsible for future adjustments to the rate.<sup>896</sup> The minimum-wage commission met for the first time on 27 February 2015 and is expected to advise in 2016 on how much to adjust the national minimum hourly rate effective January 2017.<sup>897</sup>

On 26 January 2015, Minister Nahles launched a wide-ranging job creation scheme to tackle long term unemployment with joint funding from the German government (EUR 4.3 billion) and from the European Commission's European Social Fund (EUR 2.7 billion).<sup>898</sup> Up to 38 percent of the total resources allocated will be devoted to the promotion of social inclusion and combating poverty. Moreover, the scheme is expected to help 73,000 long-term unemployed people, 150,000 migrants, and 100,000 youth from socially disadvantaged backgrounds to get the qualifications they need to secure employment.<sup>899</sup>

On 25 February 2015, the European Commission adopted the national operational programmes for the Fund for European Aid to the Most Deprived (FEAD; "EHAP" in German) for 2014-2020, supporting efforts to help Europe's most vulnerable people. The Fund allows each Member State to define the target group of 'most deprived persons' in its national Operational Programme.<sup>900</sup> Germany's operational program for 2015 aims its focus on assistance for people suffering from (or threatened by) homelessness and the most deprived of EU migrants (e.g. access to early education and social inclusion for migrant children), by improving their access to material support and social services.<sup>901</sup> The FEAD in Germany will act as a bridge-mechanism, providing enhanced guidance and orientation services to help socially disadvantaged people to better reach existing social support measures. Germany has thus used the Fund to strengthen its national social protection framework.

On 26 March 2015, Germany presented a review on the country's progress since it ratified (in 2009) the United Nations *Convention on the Rights of Persons with Disabilities*, on advancing accessibility and promoting inclusive education and inclusive work. Parliamentary state secretary to the Labour Ministry Gabriele Lösekrug-Möller indicated Germany has further plans to draft federal legislation to increase political participation of people with disabilities and reform the *Equal Opportunities for People with Disabilities Act* to better align with the Convention and to ensure better integration assistance and to improve self-determination for people with disabilities.<sup>902</sup>

On 29 July 2015, the German government announced it was removing some legal hurdles — such as the process to verify whether no Germans or EU nationals were available to do the job — for certain foreign nationals to access internships in Germany. The measure is aimed at young asylum seekers and refugees

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<sup>895</sup> Minimum wage in effect! Federal Ministry of Labour and Social Affairs (Berlin) 1 January 2015. Access Date: 28 February 2015. <http://www.bmas.de/EN/Service/Press/recent-publications/minimum-wage-in-effect.html?nn=46180>

<sup>896</sup> German Parliament Approves Minimum Wage From 2015, The Wall Street Journal (New York) 3 July 2014. Access Date: 28 February 2015. <http://www.wsj.com/articles/german-parliament-approves-minimum-wage-from-2015-1404386860>

<sup>897</sup> Mindestlohn-Kommission stärkt die Tarifautonomie" Federal Ministry of Labour and Social Affairs (Berlin) 27 February 2014. Access Date: 28 February 2015. <http://www.bmas.de/DE/Service/Presse/Pressemitteilungen/milo-kommission-erste-sitzung.html>

<sup>898</sup> Germany's Nahles launches big job scheme, Deutsche Welle (Bonn/Berlin) 26 January 2015. Access Date: 28 February 2015. <http://www.dw.de/germanys-nahles-launches-big-job-scheme/a-18215856>

<sup>899</sup> In die Menschen in Europa investieren: Neue EU-Sozialfonds-Förderung in Deutschland gestartet, European Commission Representation in Germany (Berlin) 26 January 2015. Access Date: 28 February 2015. [http://ec.europa.eu/deutschland/press/pr\\_releases/13028\\_de.htm](http://ec.europa.eu/deutschland/press/pr_releases/13028_de.htm)

<sup>900</sup> Fighting poverty: Commission commits €3.8 billion to help the most vulnerable in Europe, European Commission (Brussels) 26 February 2015. Access Date: 1 March 2015. [http://europa.eu/rapid/press-release\\_IP-15-4513\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4513_en.htm)

<sup>901</sup> Der EHAP kann starten, Federal Ministry of Labour and Social Affairs (Berlin) 27 February 2015. Access Date: 1 March 2015. <http://www.bmas.de/DE/Service/Presse/Pressemitteilungen/ehap-kann-starten.htm>

<sup>902</sup> Statement by Gabriele Lösekrug-Möller Parliamentary State Secretary of the Federal Minister of Labour and Social Affairs Policies for People with Disabilities in Germany on the Basis of the UNCRPD (Berlin) 26 March 2015. Access Date: 15 October 2015. <http://www.genf.diplo.de/contentblob/4491606/Daten/5292210/20150326statementloesekrugmoeller.pdf>

whose deportation has temporarily been suspended and who have “a good chance of staying in Germany” to gain access to the labour market.<sup>903</sup>

On 3 August 2015 details of the pilot program to tackle long term unemployment announced in early 2015 were posted on the website of the Federal Ministry of Labour and Social Affairs. The notice included details on the target group of the program (long term unemployed men and women over 35 years of age) and the program implementation (to be delivered through 342 job centres that will provide support and occupational integration services), which is expected to extend until 2020.<sup>904</sup>

On 19 August 2015, the German government announced it would ease access for newcomers on a *Duldung* immigration status (tolerated stay, i.e. under a suspension of deportation) to vocational training and to financial support from the federal government, as a way to assist disadvantaged youth and promote integration. The planned measures would also come in effect on 1 January 2016, rather than on 1 August 2016, as was originally planned.<sup>905</sup> On 14 October 2015 the Bundestag (German Parliament) announced the legislative amendments to effect these changes to the federal social code.<sup>906</sup>

Germany has implemented initiatives targeting long term unemployment through social participation, the implementation of minimum wage legislation and improving access to social services. Therefore, Germany has been awarded a compliance score of +1.

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#### **India: +1**

India has fully complied with the commitment to address long-term unemployment through social protection systems.

On 22 January 2015 Indian Prime Minister Narendra Modi implemented the Beti Bachao Bet Padhao scheme to improve the child sex ratio. This policy is being carried out by the Women and Child Development Ministry who are in charge of respecting, protecting, and fulfilling the rights of women and children. By closing the gender gap in India this policy will be able to improve gender equality in the labour force.<sup>907</sup>

In the Prime Minister’s 23 February 2015 address, he announced the presence of One Stop Crisis Centres which are now located in every state and are used as medical centres, for police assistance, temporary shelter,

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<sup>903</sup> Germany eases access to job market for refugees, Deutsche Welle (Bonn/Berlin) 29 July 2015. Access Date: 9 October 2015. <http://www.dw.com/en/germany-eases-access-to-job-market-for-refugees/a-18617055>

<sup>904</sup> Programm zum abbau von Langzeitarbeitslosigkeit, Bundesministerium für Arbeit und Soziales (Berlin) 3 August 2015. Access Date: 9 October 2015. <http://www.bmas.de/DE/Themen/Arbeitsmarkt/Modellprogramme/esf-programm-abbau-langzeitarbeitslosigkeit.html>

<sup>905</sup> Mehr Unterstützung für Flüchtlinge in der Berufsausbildung, Federal Ministry of Labour and Social Affairs (Berlin) 19 August 2015. Access Date: 16 October 2015. <http://www.bmas.de/DE/Presse/Pressemitteilungen/2015/mehr-unterstuetzung-fuer-fluechtlinge-in-berufsausbildung.html>

<sup>906</sup> Leichterere BAföG-Bezug für Geduldete, German Bundestag (Berlin) 14 October 2015. Access Date: 15 October 2015. [http://www.bundestag.de/presse/hib/2015\\_10/-/391842](http://www.bundestag.de/presse/hib/2015_10/-/391842)

<sup>907</sup> PM Modi launches 'Beti Bachao, Beti Padhao' campaign, says female foeticide is a sign of 'mental illness', The Times of India (New Delhi), 23 January 2015. Access Date: 5 April 2015. <http://timesofindia.indiatimes.com/india/PM-Modi-launches-Beti-Bachao-Beti-Padhao-campaign-says-female-foeticide-is-a-sign-of-mental-illness/articleshow/45985741.cms>

and counselling services.<sup>908</sup> A further initiative to ensure women's safety in New Delhi was launched as a mobile application — Himmat — and includes many features to ensure women's safety.<sup>909</sup>

On 23 February 2015, Prime Minister Modi stated that creating food processing infrastructure in rural areas was of the utmost importance. India has pledged “to provide affordable credit to the units in 72 ... food parks,” with two of the major ones, Tumkur and Fazilka to provide employment to 30,000 people.<sup>910</sup>

Modi also announced the promotion of micro, small and medium enterprises. He announced his commitment to expanding the Indian job market, and ensuring the welfare of all workers. In his address, Modi also raised India's statutory wage ceiling and the minimum pension to ensure fair compensation for casual workers.

In April 2015, Prime Minister Narendra Modi's government slashed the allocation for the Women and Child Development Ministry by more than 50% from last year's allocation. Finance Minister Arun Jaitley allocated INR10,382 crore for the ministry. Last year, the allocation was INR21,193 crore of which the ministry managed to spend INR18,588 crore. The allocation left the ministry flummoxed given that the expenditure on the flagship Integrated Child Development Scheme (ICDS) alone is in the INR16,000 crore range. The allocation for ICDS has come down to about INR8,000 crore. The drastic cut will now mean that several plans including an INR900 crore National Nutrition Mission and a proposal to hike the honorarium paid to anganwadi workers will have to wait till a more financially opportune time.<sup>911</sup>

In March 2015, the government announced that it is looking to replicate the success of the Jan Dhan Yojana with an ambitious social security scheme, which aims to protect the old in their sunset years and provide life and accident covers to the poor to deal with vulnerabilities.<sup>912</sup>

On 9 May 2015, Prime Minister Narendra Modi launched three social security systems relating to the insurance and pension sector, intended at widening the process of financial inclusion. On his first visit to West Bengal after taking over as Prime Minister, he kickstarted the “Pradhan Mantri Suraksha Bima Yojana” (accident insurance), “Pradhan Mantri Jeevan Jyoti Yojana” (life insurance) and “Atal Pension Yojana” at a programme in Nazrul Manch. The Jan Suraksha Yojana, under which the schemes were launched countrywide, is expected to reduce the number of zero balance bank accounts created under the Jan-Dhan Yojana. The schemes target the poor and unorganized sector who are neither covered by any form of insurance nor get pension. The three schemes were simultaneously launched at 112 centres in different states and union territories attended by respective chief ministers/governors and the union ministers.<sup>913</sup>

India has taken several measures to create appropriate social protection systems in order to comply with its commitment to long-term unemployment. These systems include those aimed at creating gender equality in

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<sup>908</sup> Full Text of President Pranab Mukherjee's Budget address, The Times of India (New Delhi) 23 February 2015. Access Date: 18 March 2015. <http://timesofindia.indiatimes.com/india/Full-text-of-President-Pranab-Mukherjees-Budget-address/articleshow/46340874.cms>

<sup>909</sup> Delhi police give 'Himmat' to women, launch safety app, The Times of India (New Delhi) 1 January 2015. Access Date: 18 March 2015. <http://timesofindia.indiatimes.com/city/delhi/Delhi-police-give-Himmat-to-women-launch-safety-app/articleshow/45716222.cms>

<sup>910</sup> Full Text of President Pranab Mukherjee's Budget address, The Times of India (New Delhi) 23 February 2015. Access Date: 18 March 2015. <http://timesofindia.indiatimes.com/india/Full-text-of-President-Pranab-Mukherjees-Budget-address/articleshow/46340874.cms>

<sup>911</sup> Activists cry foul as WCD ministry funds slashed by half, The Indian Express (New Delhi) 1 March 2015. Access Date: October 2 2015. <http://indianexpress.com/article/business/budget/activists-cry-foul-as-wcd-ministry-funds-slashed-by-half/>

<sup>912</sup> Govt plans a Jan-Dhan for social security, The Times of India (Sidhartha) 2 March 2015. Access Date: 2 October 2015. <http://timesofindia.indiatimes.com/business/india-business/Govt-plans-a-Jan-Dhan-for-social-security/articleshow/46425391.cms>

<sup>913</sup> PM Narendra Modi launches three mega social security schemes-2 on insurance, 1 on pension, The Times of India (Kolkata) 9 May 2015. Access Date: 3 October 2015. <http://timesofindia.indiatimes.com/india/PM-Narendra-Modi-launches-three-mega-social-security-schemes-2-on-insurance-1-on-pension/articleshow/47214960.cms>

the workplace, counselling services, the promotion of small and medium-sized enterprises, raising the wage ceiling and the implementation of the three social security systems. Therefore, India receives a compliance score of +1.

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## **Indonesia: 0**

Indonesia has partially complied with its commitment.

In its Individual Employment Plan, released at the Brisbane Summit, Indonesia set its core commitments to battle unemployment as enhancing the mobility of workers from the informal to the formal sector, enhancing the capacity of training institutions, improving skills development, adjusting labour relations and ensuring sufficient training to enhance the negotiation skills of both employers and employees.<sup>914</sup>

On 8 January 2015, President Joko Widodo signed the Presidential Decree No. 2 of 2015, entitled the National Medium Term Development Plan (RPJMN) for the period 2015-2019.<sup>915</sup> The RPJMN reaffirms Indonesia's efforts through RPJN 2005-2025 to implement social protection systems reform by addressing areas including, but not limited to, expansion of benefits coverage, improving the quality of benefits, and the financial sustainability of social security schemes.<sup>916</sup> Through this initiative, Indonesia plans to double the number of workers in its employment social security program in the formal sector (from 30 million to 60 million people) and to increase the coverage in the informal sector (from 1.3 million to 3.5 million people).

On 23 February 2015, the Bank Negara Indonesia (BNI), the country's central bank, opened its House of Education for Indonesia Migrant Workers, a pilot project to empower and educate Indonesia's migrant workers and their families.<sup>917</sup> The initiative is a part of BNI's wider commitment to support programmes carried out by Financial Services Authority, Bank Indonesia and the Ministry of Women Empowerment and Child Protection.

On 1 July 2015, the Indonesian government launched the Workers' Social Security Agency (BPJS Ketenagakerjaan) aimed at providing universal social security for workers through a pension scheme, old-age benefits, workplace injury benefits and death benefits.<sup>918</sup> With the creation of the BPJS Ketenagakerjaan, pension benefits will be expanded to all workers, both salaried and non-salaried, from previously only experienced by retired civil servants, military and law enforcement personnel, and employees of major companies.

Indonesia has implemented few social protection policies within the compliance period targeting long-term unemployment. Therefore, Indonesia receives a compliance score of 0.

*Analysts: Max Stern, Caitlin Gillespie and Zachary Skeith*

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<sup>914</sup> Employment Plan 2014: Indonesia, G20 (Brisbane) November 2015. Access Date: 5 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_indonesia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_indonesia.pdf)

<sup>915</sup> Government has issued Medium Term Development Plan 2015-2019, Sekretariat Kabinet Republik Indonesia (Jakarta) 15 January 2015. Access Date: 19 March 2015. <http://setkab.go.id/en/government-has-issued-medium-term-development-plan-2015-2019/>

<sup>916</sup> Indonesia: The third National Medium Term Development Plan 2015-2019 has been released with provisions for the expansion of the social protection system, International Labour Office (Geneva) 12 February 2015. Access Date: 19 March 2015. <http://www.socialsecurityextension.org/gimi/gess/ShowNews.action;jsessionid=7ebd1e69880a75e291867be72ebaea9b87732aa01356be93e1c21e79cc67dcb3.e3aTbhulbNmSe34MchaRahaKbNz0?id=20170>

<sup>917</sup> BNI builds house of education for Indonesian migrant workers, Jakarta Globe (Jakarta) 24 February 2015. Access Date: 19 March 2015. <http://thejakartaglobe.beritasatu.com/press-release/bni-built-house-education-indonesian-migrant-workers/>

<sup>918</sup> Social security for all workers, Jakarta Post (Jakarta) 7 July 2015. Access Date: 2 October 2015. <http://www.thejakartapost.com/news/2015/07/07/social-security-all-workers.html>



## Italy: 0

Italy has partially complied with the commitment to address long-term unemployment through social protection systems.

At the 2014 G20 Brisbane Summit, Italy released an Individual Employment Plan, outlining a number of new social policy measures directed at improving economic growth conducive to reducing the unemployment rate.<sup>919</sup> The key objectives include: rationalizing and extending social welfare coverage to all workers in both temporary layoffs and involuntary unemployment, and increasing female employment, while pursuing effective gender equality in the workforce by reconciling work and family life.

On 3 December 2014, Prime Minister Matteo Renzi gained the confidence vote of the Italian Senate and passed the Jobs Act.<sup>920</sup> The Jobs Act focuses on four areas that include: weakening employment protection to reduce unemployment and increasing the employment rate; reducing dualism in the labour market; strengthening social security through an unemployment benefits program; and improving training and job-finding services.<sup>921</sup>

On 31 December 2014, employment statistics compiled by Italy's Comprehensive Growth Plan indicate an anticipated drop in the unemployment rate from 12.6% in January 2014 to 12.5% in 2015.<sup>922</sup>

On 7 January 2015, statistics revealed that the Italian unemployment rate has risen to a record high of 13.4%.<sup>923</sup>

On 7 July 2015, the International Monetary Fund commended the Italian government for its work on the Jobs Act noting that its full implementation will help reduce market segmentation and dualism, and the reallocation of facilitating workers across jobs.<sup>924</sup>

On 4 September 2015, Prime Minister Renzi completed Italy's labour reform policy, the Jobs Act. The final reforms aim to make job centers more efficient, broaden unemployment benefits and give employers greater power in monitoring their employees.<sup>925</sup>

Italy has taken action to combat long-term unemployment by having appropriate social protection systems that aim to create long-term quality jobs. Italy has taken action to implement policies focusing on job security, particularly towards youth, yet has failed to implement policies focusing on improving women or other under privileged groups' participation in the workforce within the compliance cycle. Thus, Italy receives a compliance score of 0.

*Analyst: Frances Kessler*

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<sup>919</sup> Employment Plan 2014: Italy, G20 (Brisbane) November 2014. Access Date: 27 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_italy.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_italy.pdf)

<sup>920</sup> Italy's Renzi wins confidence vote on Jobs Act, Financial Times (London) 3 December 2014. Access Date: 27 February 2015. <http://www.ft.com/intl/fastft/245611/renzi-labour-reform-passes-italian-senate>

<sup>921</sup> Italy's Job Act: where is the evidence?, Open Democracy (Italy) 13 December 2014. Access Date: 28 February 2015. <https://www.opendemocracy.net/can-europe-make-it/andrea-capussela-vito-intini/italy%27s-jobs-act-where-is-evidence>

<sup>922</sup> Comprehensive Growth Strategy: Italy, G20 (Brisbane) 2014. Access Date: 28 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_italy.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_italy.pdf)

<sup>923</sup> Italy Unemployment Rises to New High, Showing Europe Divergence, Bloomberg Business (Rome) 7 January 2015. Access Date: 28 February 2015. <http://www.bloomberg.com/news/articles/2015-01-07/italy-jobless-rate-reaches-record-amid-growth-outlook-concerns>

<sup>924</sup> IMF praises Italy for Jobs Act, full implementation to help, Italy24 (Italy) 8 July 2015. Access Date: 9 October 2015. <http://www.italy24.ilssole24ore.com/art/government-policies/2015-07-07/imf-praises-italy-for-jobs-act-full-implementation-to-help-165100.php?uuiid=ACuHaRN>

<sup>925</sup> Italy's Renzi completes labour reform, growth needed for jobs, Reuters (Rome) 4 September 2015. Access Date: 18 October 2015. <http://www.reuters.com/article/2015/09/04/italy-economy-reform-idUSL5N11A2IE20150904>

## Japan: 0

Japan has partially complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

At the 2014 Brisbane Summit, Japan released an Individual Employment plan for social protection reform. It focuses on the safety net system and includes a proposal for substantial expansion in job assistance and independence support for needy households.<sup>926</sup> The proposed programs aim to help welfare recipients leave assistance programs by taking on stable jobs, as well as providing comprehensive consultation and training to prepare for employment.

On 12 February 2015, Prime Minister Shinzo Abe delivered a policy speech to the 189th session of the Diet that outlined a number of measures related to social protection plans. These measures include: assistance for medical expenses for people suffering from incurable diseases and low-income earners; new childcare services for low-income households raising families, the promotion of men's participation in childcare services; and the encouragement of women's participation in the workforce.<sup>927</sup>

Prime Minister Abe has addressed the importance of women's participation in a number of speeches since the 2014 Brisbane Summit, in addition to the 189th session of the Diet. On 7 December 2014, Prime Minister Abe announced he will be pursuing "womenomics" as a core part of social and economic policies that focuses on raising the participation of women in the workforce.<sup>928</sup>

On 28 August 2015, Japan's upper house approved legislation to implement policies towards "womenomics."<sup>929</sup> The legislation will require companies with 301 or more employees to set numerical targets for a percentage of female hires and promotions into managerial positions. The companies are required to meet these targets which must also be made publicly accessible. The failure to comply or to provide false information will result in government fines. The legislation is to be fully implemented in April 2016.

In September 2015, education minister Hakuban Shimomura urged Japan's universities to take "active steps to abolish [social science and humanities] organisations or to convert them to serve areas that better meet society's needs."<sup>930</sup> As of 14 September 2015, 26 universities have confirmed that they will either scale back or close these faculties based on the government's recommendations.

On 24 September 2015, Shinzo Abe announced three more "arrows" related to his programme of reform, "Abenomics."<sup>931</sup> The third proposed reform aims to increase social security by increasing access to old-age care for Japan's ageing population. Abe contends that this policy will aid young workers in remaining in the job market rather than having to stop work to care for older family members.

Japan has announced actions to combat long-term unemployment through social protection programs, and has made the encouragement of women in the workforce and gender equality key parts of its economic growth plan. However, Japan has not been able to start implementing these policies during the compliance

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<sup>926</sup> Employment Plan 2014: Japan, G20 (Brisbane) 2014. 22 November 2014. Access Date: 28 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_japan.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_japan.pdf)

<sup>927</sup> Policy Speech by Prime Minister Shinzo Abe to the 189th Session of the Diet, Prime Minister and his Cabinet (Tokyo) 12 February 2015. Access Date: 27 February 2015. [http://japan.kantei.go.jp/97\\_abe/statement/201502/policy.html](http://japan.kantei.go.jp/97_abe/statement/201502/policy.html)

<sup>928</sup> Japan leans in: Shinzo Abe's push for womenomics, World Finance (London) 21 January 2014. Access Date: 27 February 2015. <http://www.worldfinance.com/strategy/japan-leans-in-shinzo-abes-push-for-womenomics>

<sup>929</sup> A Step Forward for 'Womenomics' in Japan, The Wall Street Journal (United States) 28 August 2015. Access Date: 10 October 2015. <http://www.wsj.com/articles/a-step-forward-for-womenomics-in-japan-1440729418>

<sup>930</sup> Social sciences and humanities faculties 'to close' in Japan after ministerial intervention, Times Higher Education (Japan) 14 September 2015. Access Date: 20 October 2015. <https://www.timeshighereducation.com/news/social-sciences-and-humanities-faculties-close-japan-after-ministerial-decree>

<sup>931</sup> Shinzo Abe vows to boost Japan output by 22% with new reforms, Financial Times (Tokyo) 24 September 2015. Access Date: 20 October 2015. <http://www.ft.com/cms/s/0/6a3a8db0-62bf-11e5-9846-de406ccb37f2.html#axzz3p82ssLFh>

period and has promoted the scaling back of higher education opportunities. Thus, Japan has been awarded a score of 0.

*Analyst: Frances Kessler*

### **Korea: +1**

Korea has taken steps to address long-term unemployment and to create an appropriate social protection system.

In its 2015 *Going for Growth* report evaluating structural reforms of members, the Organisation for Economic Development and Co-operation (OECD) advised Korea to increase women's participation in the labour market so as to mitigate the negative impact of the rapid population aging.<sup>932</sup> The OECD also noted Korea's low productivity while having some of the longest working hours in the organization as a problem and criticized the large gap in wages, job protection and social insurance between regular and non-regular contracts.<sup>933</sup>

On 22 December 2014, the Ministry of Strategy and Finance released the 2015 *Economic Policy Directions*, which focuses on fostering customized job training and improving education to ease discrepancies in supply and demand for workers.<sup>934</sup>

On 23 December 2014, the Economic and Social Development Commission (ESDC), a national social dialogue body with participation from labour, management, government and public interest groups, agreed to resolve by March 2015 priority issues such as "increasing flexibility in the labour market, improving the social safety net and solving income polarization between regular and non-regular workers." Finance Minister Choi Kyung-hwan highlighted the importance of reforms but was also quoted as saying the "overprotection of permanent workers, especially those at well-unionized companies" was one of the root causes of income polarization.<sup>935</sup> His remarks drew wide-spread criticism for suggesting that in order to enhance the rights of temporary workers regular workers would have to make some sacrifices.<sup>936</sup>

On 30 December 2014, at the Special Labour Market Restructuring Committee of the Korean Tripartite Committee, a presidential advisory body on labour, the Ministry of Employment and Labour presented proposed changes to improve non-regular work conditions.<sup>937</sup> The measures included increasing the length of non-regular contracts from two to a maximum of four years and tackling other differences in working conditions between regular and non-regular contract employees which are widely seen as a source of

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<sup>932</sup> Economic Policy Reforms 2015 - Going for Growth, Organization for Economic Development and Cooperation (Paris) 9 February 2015. Access Date: 27 February 2015. [http://www.keepeek.com/Digital-Asset-Management/ocd/economics/economic-policy-reforms-2015\\_growth-2015-en#page235](http://www.keepeek.com/Digital-Asset-Management/ocd/economics/economic-policy-reforms-2015_growth-2015-en#page235)

<sup>933</sup> OECD recommends encouraging female employment, The Korea Times (Seoul) 9 February 2015. Access Date: 27 February 2015. [http://koreatimes.co.kr/www/news/biz/2015/02/602\\_173319.html](http://koreatimes.co.kr/www/news/biz/2015/02/602_173319.html)

<sup>934</sup> 2015 Economic Policy Directions, Ministry of Strategy and Finance (Sejong-si) 22 December 2014. Access Date: 27 February 2015. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3750&bPage=1>

<sup>935</sup> Labor market reform agreed, The Korea Times (Seoul) 23 December 2014. Access Date: 27 February 2015. [http://koreatimes.co.kr/www/news/nation/2014/12/113\\_170410.html](http://koreatimes.co.kr/www/news/nation/2014/12/113_170410.html)

<sup>936</sup> Finance Ministry seeks easy way out of labor divide, The Korea Herald (Seoul) 1 December 2014. Access Date: 27 February 2015. <http://www.koreaherald.com/view.php?ud=20141201001016>

<sup>937</sup> Non-regular worker policy, The Korea Times (Seoul) 30 December 2014. Access Date: 27 February 2015. [http://koreatimes.co.kr/www/news/opinion/2014/12/137\\_170821.html](http://koreatimes.co.kr/www/news/opinion/2014/12/137_170821.html)

inequality.<sup>938</sup> Industry observers highlighted the fact that issues of employee termination had not yet been discussed and strong opposition from the Korean Confederation of Trade Unions was anticipated.<sup>939</sup>

On 30 December 2014, the government indicated it would increase fines for employers who do not comply with minimum wage laws.<sup>940</sup> On 9 January 2015, the Ministry of Employment and Labour signed an agreement with several large employers who employ sub-contract workers, regularizing social protection measures for them, such as employment security, improved health and safety in their working conditions and welfare provisions.<sup>941</sup>

On 31 December 2014, the Korean government announced the launch of Swiss-inspired dual vocational schools and expanded apprenticeship schemes to promote youth employment. The government also committed to increase funding for employers who adopt the wage peak system, an income-averaging scheme to extend the de facto retirement age of older workers, thus allowing the option for workers to remain in the labour force longer.<sup>942</sup>

On 11 January 2015, the government announced that it would launch a crackdown on the so-called “passion pay” practice whereby employers exploit young people as cheap labour, expecting them to work for their “passion” at below the minimum wage levels.<sup>943</sup>

On 18 February 2015, the Ministry of Employment and Labour announced higher penalties for employers who delay paying their employees for more than four months (from 50 percent of the owed payment to double the owed wages).<sup>944</sup>

On 20 January 2015, the state-run Industrial Bank of Korea announced it will double its number of new recruits this year, in an effort to support the government’s plan to reduce a record-high unemployment rate.<sup>945</sup>

On 24 February 2015, President Park Geun-hye stated that economic revival will be the top priority over the upcoming months, with core agenda items to include labour market reform.<sup>946</sup>

On 16 March 2015, the government announced it would implement a Second Career Program, with a budget of KRW2 billion, to assist older workers prepare for a career transition and reemployment post-retirement.

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<sup>938</sup> Irregular staff offered better terms, The Korea Times (Seoul) 29 December 2014. Access Date: 27 February 2015.

[http://koreatimes.co.kr/www/news/nation/2014/12/113\\_170727.html](http://koreatimes.co.kr/www/news/nation/2014/12/113_170727.html)

<sup>939</sup> The Asia Employment Law Landscape in 2015 - South Korea: proposed refinement of the labor market, Freshfields Bruckhaus Deringer LLP (London) 4 February 2015. Access Date: 27 February 2015.

[http://www.freshfields.com/en/knowledge/The\\_Asia\\_Employment\\_Law\\_Landscape\\_in\\_2015/?LangId=2057#southkorea:proposedrefinementofthelabormarket](http://www.freshfields.com/en/knowledge/The_Asia_Employment_Law_Landscape_in_2015/?LangId=2057#southkorea:proposedrefinementofthelabormarket)

<sup>940</sup> Ministry to slap fine on firms violating minimum wage law, The Korea Herald (Seoul) 30 December 2014. Access Date: 27 February 2015. <http://www.koreaherald.com/view.php?ud=20141230001079>

<sup>941</sup> MOEL hears opinions of field experts to seek ways to promote employment security and reduce gap for non-regular workers, Ministry of Employment and Labor (Sejong-si) 9 January 2015. Access Date: 27 February 2015.

<http://m.moel.go.kr/EngNewsView?seq=1087>

<sup>942</sup> Old, young to get more job opportunities, The Korea Herald (Seoul) 31 December 2014. Access Date: 27 February 2015.

<http://www.koreaherald.com/view.php?ud=20141230001021>

<sup>943</sup> Gov’t to crack down on possible abuse of young workers, The Korea Herald (Seoul) 11 January 2015. Access Date: 27 February 2015. <http://www.koreaherald.com/view.php?ud=20150111000258>

<sup>944</sup> Late-paying employers face bigger fines Lee Ji-hye, The Korea Times (Seoul) 18 February 2015. Access Date: 27 February 2015.

[http://koreatimes.co.kr/www/news/nation/2015/02/113\\_173846.html](http://koreatimes.co.kr/www/news/nation/2015/02/113_173846.html)

<sup>945</sup> IBK to double recruitment this year: CEO Kwon, The Korea Herald (Seoul) 20 January 2015. Access Date: 27 February 2015.

<http://www.koreaherald.com/view.php?ud=20150120000959>

<sup>946</sup> President prioritizes economic revival, Korean Culture and Information Service (Sejong-si) 24 February 2015. Access Date: 27 February 2015. <http://www.korea.net/NewsFocus/Policies/view?articleId=125801&pageIndex=1>

Many older workers, who retire due to a retirement age limit, are re-employed in low-paying, poor quality jobs.<sup>947</sup>

On 10 April 2015, talks over labour reforms within the Tripartite Committee were at risk of breaking down when union representatives walked out of the negotiations and announced the intention to call for general strike to protest the proposed reforms.<sup>948</sup> On 24 April 2015 members of the Korean Confederation of Trade Union participated in anti-government protests across Korea, denouncing the labour market reforms.<sup>949</sup>

On 20 April 2015, the government agreed to plans to actively expand the dual work-study apprenticeship system, which had so far begun as a pilot project mainly focused on recent graduates, to a total of 41 national industrial complexes by bringing more formal education courses for high school, junior college and university students.<sup>950</sup>

On 7 May 2015, the Ministry of Employment and Labour, held working-level consultations to hear public opinions in Seoul and Gangwon province before establishing the *Act on the Employment Improvement, etc., of Domestic Workers*, a plan to institutionalize employment of domestic service workers, so that they may enjoy employment protection as workers. The consultations, part of the legislative procedure for preparing the bill, were scheduled to continue across various Korean cities until the end of May 2015.<sup>951</sup>

On 9 June 2015, Cabinet passed legislative amendments to allow for better access for workers to substitute payments — payments that the State makes to the employee on behalf of an employer if the employer is unable to pay wages or retirement pay to a worker wages due to bankruptcy or other reasons.<sup>952</sup>

On 29 June 2015, President Park Geun-hye received updates from officials of the Ministry of Education and the Ministry of Employment and Labour on the uptake of new National Competency Standards (NCS) tools among companies. These measures are aimed at hiring employees based on key skills rather than educational background and on hiring 'learning employees', who then receive systematic education in the field. The president urged closer cooperation among the ministries to ensure the new system is adapted quickly and to continue to push for a "competence centred society."<sup>953</sup>

On 6 August 2015, in her Address to the Nation on Economic Resurgence, President Pak Geun-hye reiterated her focus on reform of the labour sector reform, which she identifies as her "first task" and vowing to solve the issue of youth unemployment by creating "more jobs for youth by extending the retirement age and by adopting a salary peak system in which workers make few concessions in terms of their wage." The president also extended a plea to older generation to "share the pain and to make a few concessions in terms

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<sup>947</sup> MOEL plans to support 2,000 prospective retirees this year through Second Career Program, The Ministry of Employment and Labour (Sejong-si) 16 March 2015. Access Date 4 October 2015.

[http://www.moel.go.kr/english/poli/poliNewsnews\\_view.jsp?idx=1108](http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1108)

<sup>948</sup> Labor reform in crisis, The Korea Herald (Seoul) 10 April 2015. Access Date: 30 September 2015.

<http://www.koreaherald.com/view.php?ud=20150410000686>

<sup>949</sup> South Koreans protest government's labor policies, Al Jazeera America (New York) 24 April 2015. Access Date: 30 September 2015. <http://america.aljazeera.com/articles/2015/4/24/south-koreans-protest-labor-policies.html>

<sup>950</sup> Government to actively expand Work-Study Dual System to students currently attending school, The Ministry of Employment and Labour (Sejong-si) 21 April 2015. Access Date: 4 October 2015.

[http://www.moel.go.kr/english/poli/poliNewsnews\\_view.jsp?idx=1119](http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1119)

<sup>951</sup> MOEL hears field-level opinions to institutionalize employment of domestic service workers, The Ministry of Employment and Labour (Sejong-si) 7 May 2015. Access Date: 4 October 2015.

[http://www.moel.go.kr/english/poli/poliNewsnews\\_view.jsp?idx=1123](http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1123)

<sup>952</sup> Amendment to the Enforcement Decree of the Wage Claim Guarantee Act passed at cabinet meeting on Jun. 9 The Ministry of Employment and Labour (Sejong-si) 9 June 2015. Access Date: 4 October 2015.

[http://www.moel.go.kr/english/poli/poliNewsnews\\_view.jsp?idx=1133](http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1133)

<sup>953</sup> Realizing 'competency-based society' is a core task: president, Korean Culture and Information Service (Sejong-si) 30 June 2015. Access Date: 4 October 2015. <http://www.korea.net/NewsFocus/Policies/view?articleId=128425>

of their vested interests,” stating that the ongoing reforms are “a desperate task that will determine the future of the whole nation and of [its] descendants.”<sup>954</sup>

On 11 August 2015, The Financial Times reported that Park’s labour reforms received a boost by the announcement of the country’s biggest carmaker’s group, Hyundai Motors, that it was introducing in 2016 a wage-peak system aimed at lowering the cost of retaining older workers, whereby workers aged 56 and above would receive lower wages each year in return for an extended retirement age of 60.<sup>955</sup> The wage peak system, which dozens of other companies such as Samsung Electronics, LG Electronics and Kookmin Bank have also introduced, pushes the retirement age of workers back, thus giving them extended job security; the trade-off, however, is that older workers must accept lower wages just before retirement, with companies using the money saved in this way to hire new, potentially younger employees in a kind of work-sharing arrangement.<sup>956</sup>

On 25 August 2015, the Ministry of Employment and Labour announced and began a program of subsidies to every company which takes “win-win” measures, such as introducing a wage peak scheme and supports the labour market entry of young people as regular workers. This program will be temporarily operated until the end of 2018 and pay KRW10.8 million per year to SMEs and middle-standing enterprises and KRW5.4 million per year to large companies and public institutions for two years.<sup>957</sup>

Korea has taken steps to improve the social protection system as well as make labour market reform one of its top priority for the upcoming year. Thus, it has been awarded a score of +1.

*Analyst: Sabina Mihaescu*

### **Mexico: +1**

Mexico has complied with its commitment to address long-term unemployment by implementing appropriate social protection systems.

On 21 November 2014, President Enrique Peña Nieto, announced the opening of the City for Women’s Health services centre. It will provide healthcare services, protection and aid to sexual violence victims in addition to prevention services.<sup>958</sup>

On 26 November 2014, the labour ministers and representatives of governments at the Latin American meeting of ministers of labour declared their support for the Mexican government’s actions to develop the economy through social development. They stressed the importance of dialogue about social protection programs. The ministers agreed to a Bank of Good Practices on Labour Inspection in Latin America, which would allow the transfer of information between nations to develop better strategies. They also signed the Latin American and the Caribbean Free Child Labour Regional Initiative to combat child labour.<sup>959</sup>

On 19 December 2014, the Council of Representative of the National Minimum Wage Commission (CONASAMI) agreed to an increase in minimum wage in two different geographical regions starting on 1

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<sup>954</sup> President emphasizes reform in 4 sectors, Korean Culture and Information Service (Sejong-si) 7 August 2015. Access Date: 4 October 2015. <http://www.korea.net/NewsFocus/Policies/view?articleId=129184>

<sup>955</sup> South Korea labour reform push gains traction, Song Jung-a, The Financial Times (London) 11 August 2015 . Access Date: 4 October 2015. <http://www.ft.com/cms/s/0/e55b8bec-3ffc-11e5-9abe-5b335da3a90e.html#axzz3nHYmq1WR>

<sup>956</sup> Public-sector wage peak system gains momentum: ministry, The Yonhap News Agency (Seoul) 24 August 2015. Access Date: 4 October 2015. <http://english.yonhapnews.co.kr/news/2015/08/24/0200000000AEN20150824007300320.html>

<sup>957</sup> MOEL sets out to support inter-generational win-win employment, The Ministry of Employment and Labour (Sejong-si) 25 August 2015. Access Date: 4 October 2015. [http://www.moel.go.kr/english/poli/poliNewsnews\\_view.jsp?idx=1146](http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1146)

<sup>958</sup> Inauguration of the City for Women’s Health, The President of Mexico Information Bulletin (Mexico City) 11 November 2014. Access Date: 17 February 2015. <http://en.presidencia.gob.mx/inauguration-of-the-city-for-womens-health/>

<sup>959</sup> Ministros Iberoamericanos Respaldan Reformas Estructurales Impulsadas Por El Gobierno Federal, Mexican Secretariat of Labour and Social Welfare Information Bulletin (Cancún) 26 November 2014. Access Date: 17 February 2015. [http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2014/noviembre/bol\\_332.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/noviembre/bol_332.html)

January 2015. In one region, the new minimum wage will be 70.10 pesos a day, and in the other, 66.45 pesos per day.<sup>960</sup>

On 7 January 2015, the President, Enrique Peña Nieto, and US President Barack Obama signed a letter of intent for the Mexico-United States Internship Program. This program encourages student internships in both countries and encourages the link between education and job prosperity.<sup>961</sup>

On 19 January 2015, Alfonso Navarrete Prida, the Secretary of Labour and Social Welfare, signed a General Collaboration Agreement for Persons with Disabilities with the Director General of the Institute of National Housing Fund for Workers (INFORAVIT). It promotes the “Home Made Measure” program that would provide housing for workers with disabilities. It would also offer tax incentives to companies that hire people with disabilities.<sup>962</sup>

On 9 February 2015, the Mexican Social Security Institute (IMSS) and the Institute for Social Security and Services for State workers (ISSSTE) introduced a voucher program for pharmaceutical drugs. The program would provide the public with access to safe medicines.<sup>963</sup>

On 16 February 2015, Paula Hernandez Olmos, the National Coordinator of the PROSPERA Social Inclusion Programme, announced a change in tactics in the Opportunity Program. She stressed the change from simply providing assistance to promoting the accumulation of income.<sup>964</sup>

On 25 February 2015, Ruby Ignacio Salazar, the Secretariat of Labour and Social Welfare, called for workplaces to follow the Family Friendly Company 2015, that aims to provide better living conditions for workers and encourages a work-family balance. The goal for 2015 is to get 350 companies to commit.<sup>965</sup>

On 4 March 2015, the Department of the Secretary of Labour and Social Welfare, presented the “Family Friendly Company” program with 340 job centers that focus on better living conditions for workers. This program encourages a family-work balance. Companies are now committed by Federal Labour Law to ensure decent jobs that provide services and benefits to those with families.<sup>966</sup>

On 17 March 2015, President Peña Nieto announced the success of education reforms throughout the country. These programs provide more technology for schools, food services for students and post-secondary

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<sup>960</sup> Boletín Informativo. Comisión Nacional De Los Salarios Mínimos (CONASAMI) Salarios Mínimos 2015, The Mexican Secretariat of Labour and Social Welfare Information Bulletin (México) 19 December 2014. Access Date: 17 February 2015.

[http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2014/diciembre/bol\\_conasami.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/diciembre/bol_conasami.html)

<sup>961</sup> Mexico and United States, Committed to Joint Prosperity, The President of Mexico Information Bulletin (Mexico City) 7 January 2015. Access Date: 17 February 2015. <http://en.presidencia.gob.mx/mexico-and-the-united-states-committed-to-joint-prosperity/>

<sup>962</sup> Firmán STPS E Infonavit Convenio De Colaboración en favor de personas con discapacidad, Mexican Secretariat of Labour and Social Welfare Information Bulletin (Mexico City) 19 January 2015. Access Date: 17 February 2015.

[http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2015/enero/bol\\_362.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2015/enero/bol_362.html)

<sup>963</sup> Voucher Program Medicines for IMSS and ISSSTE, Mexican Social Security Institution (Mexico City) February 2015. Access Date: 17 February 2015. <http://www.imss.gob.mx/prensa/archivo/201502/012>

<sup>964</sup> PROSPERA encourage productive capacities, the best way to end poverty, PROSPERA Social Inclusion Programme (Veracruz) 16 February 2015. Access Date: 17 February 2015.

[https://www.prospera.gob.mx/Portal/wb/Web/prospera\\_fomenta\\_las\\_capacidades\\_productivas](https://www.prospera.gob.mx/Portal/wb/Web/prospera_fomenta_las_capacidades_productivas)

<sup>965</sup> Emite STPS Convocatoria Para Obterner El “Distintivo Empresa Familiarmente Responsable 2015”, Mexican Secretariat of Labour and Social Welfare Information Bulletin (Mexico City) 25 February 2015. Access Date: 28 February 2015.

[http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2015/febrero/bol\\_383.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2015/febrero/bol_383.html)

<sup>966</sup> Entrega STPS Distintivo “Empresa Familiarmente Responsable,” The Mexican Secretariat of Labour and Social Welfare Information Bulletin (México) 4 March 2015. Access Date: 27 September 2015.

[http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2015/marzo/bol\\_386.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2015/marzo/bol_386.html)

scholarships and job opportunities. These also included the construction of multiple centers for disable student services.<sup>967</sup>

On 26 March 2015, President Peña Nieto introduced the Actions to Support Employment as a part of the Strategy for the Development of Southern Mexico. This program encourages young people to gain work experience in Mexico's tourism and agriculture industries.<sup>968</sup>

On 26 April 2015, the Department of the Secretary of Labour and Social Welfare announced the National Program for Human Development and Emotional Welfare at Work (PRONABET.) This program focuses on improving the overall workplace condition by developing worker's capabilities to make businesses more competitive. It will also work with the Self-Management Program, Safety and Health at Work (PASST) to address factors that cause emotional distress.<sup>969</sup>

On 11 May 2015, the Department of the Secretary of Labour and Social Welfare reported the success of their Distance Learning Program for Workers (PROCAD IST) which is committed to providing accessible education and promoting labour productivity. This program offers free online training for many jobs.<sup>970</sup>

On 3 June 2015, the Department of the Secretary of Labour and Social Welfare announced job guarantees to seniors and people with disabilities through the "Making Room" strategy. This strategy involves job fairs and job posting websites to aid Mexico's elderly and disabled peoples find formal jobs.<sup>971</sup>

On 21 September 2015, the Secretary of Labour and Social Welfare, Alfonso Navarrete Prida, announced the reversion of the minimum wage. The Council of Representative of the National Minimum Wage Commission (CONASAMI) stated that they were in the progress of agreeing upon a general minimum for the whole country.<sup>972</sup>

Mexico has implemented a number of social protection programs, including those targeted at living conditions, access to healthcare services, minimum wage increases and international internship partnership agreements. Mexico has fully complied with its commitment and is thus awarded a score of +1.

*Analyst: Emily Shaw*

## **Russia: +1**

Russia has fully complied with the commitment on addressing long-term unemployment.

On 22 January 2015, Russian Government adopted the procedure of providing subsidies to the Russian regions aimed at reducing tensions in the labor market through active policies. The state budget provides for

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<sup>967</sup> Education Reforms Already Generating Benefits, The President of Mexico Information Bulletin (Mexico City) 17 March 2015. Access Date: 27 September 2015. <http://en.presidencia.gob.mx/financiamiento-reforma-ya-generando-beneficios-3/>

<sup>968</sup> Actions to Support Employment, The President of Mexico Information Bulletin (Mexico City) 26 March 2015. Access Date: 27 September 2015. <http://en.presidencia.gob.mx/acciones-to-support-employment/>

<sup>969</sup> Presenta STPS Programa Nacional De Bienstar Emocional y Desarrollo Humano en el Trabajo, The Mexican Secretariat of Labour and Social Welfare Information Bulletin (México) 26 April 2015. Access Date: 27 September 2015. [http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2015/abril/bol\\_405.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2015/abril/bol_405.html)

<sup>970</sup> Fortalece Stps Capacitación En Línea Para Mejorar La Empleabilidad De Los Mexicanos, The Mexican Secretariat of Labour and Social Welfare Information Bulletin (México) 11 May 2015. Access Date: 27 September 2015. [http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2015/mayo/bol\\_410.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2015/mayo/bol_410.html)

<sup>971</sup> Estrategia "Abriendo Espacios" Garantiza Inclusión Laboral De Personas Con Discapacidad Y Adultos Mayores, The Mexican Secretariat of Labour and Social Welfare Information Bulletin (México) 3 June 2015. Access Date: 27 September 2015. [http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2015/junio/bol\\_junio\\_2015.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2015/junio/bol_junio_2015.html)

<sup>972</sup> El Consejo De Representantes De La Comisión Nacional De Los Salarios Mínimos Resolvió Avanzar En El Proceso Para Fijar Un Solo Salario Mínimo General Para Todo El País, The Mexican Secretariat of Labour and Social Welfare Information Bulletin (México) 21 September 2015. Access Date: 27 September 2015. [http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2015/septiembre/bol\\_conasami\\_2109.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2015/septiembre/bol_conasami_2109.html)



more than RUB52 billion to carry out these policies.<sup>973</sup> On 28 March 2015, RUB1,870 of funds were allocated to help four Russian regions keep 35,000 people in employment.<sup>974</sup> On 29 May 2015, additional RUB635 million were allocated to the other four regions benefitting more than 20,000 employed people.<sup>975</sup>

On 2 April 2015, Russian president Vladimir Putin held a meeting to discuss the situation in the labour market. The participants discussed the employment programmes implemented in the regions, measures to reduce unemployment and support for small and medium-sized enterprises implemented as part of the Government's action plan for sustainable development of the national economy and stability in the social sector in 2015. Russian Labor and Social Security minister Maksim Topilin mentioned that RUB15 billion had been reserved in the state budget to implement extraordinary measures, including the provision of additional unemployment benefits if the situation in the labor market worsens.<sup>976</sup>

On 9 July 2015, Vladimir Putin met with BRICS trade union representatives. He announced the first meeting of the BRICS labour ministers that will take place in January 2016 on Russia's initiative and focus on "creating new quality jobs, enhancing labour mobility and adjusting social integration processes." Additionally, he highlighted the Russian proposal to establish a single BRICS information resource on key labor indicators.<sup>977</sup>

On 13 October 2015, Russian president held a meeting with Government members. The participants discussed issues related to Transaero company that is likely to go bankrupt, in particular, resolving social issues dealing with the employment of its staff. Transport minister Maxim Sokolov informed that Transaero's training centre is already operating a special Moscow and Moscow Region employment office, jointly with federal executive agencies, the Federal Labour and Employment Service, and the Federal Air Transport Agency to help employ about 11,000 people.<sup>978</sup>

Russia has implemented policies to address long-term unemployment through both ALMPs and relevant social protection measures. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **Saudi Arabia: +1**

Saudi Arabia has complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

At the 2014 Brisbane Summit, Saudi Arabia released an Individual Employment Plan stating that it would launch Telework, a program to establish a technological platform for long-distance work in sectors such as accounting, telemarketing, and customer support. This program would provide employment for women and people with disabilities in particular.<sup>979</sup> The Saudi Arabian government followed through on the promised

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<sup>973</sup> On additional measures to reduce tensions in the labor market, Government of Russia 26 January 2015. Access date: 14 May 2015. <http://government.ru/docs/16603/>

<sup>974</sup> On allocation of subsidies to the Russian regions in 2015 to implement additional measures in the labor market, Government of Russia 31 March 2015. Access date: 14 May 2015. <http://government.ru/docs/17466/>.

<sup>975</sup> On allocation of subsidies to the Russian regions in 2015 to implement additional measures in the labor market, Government of Russia 3 June 2015. Access date: 16 June 2015. <http://government.ru/docs/18336/>.

<sup>976</sup> Meeting on labour market, President of Russia 2 April 2015. Access date: 16 June 2015. <http://kremlin.ru/events/president/news/49059>.

<sup>977</sup> Meeting with BRICS trade union representatives, President of Russia 9 July 2015. Access date: 21 October 2015. <http://en.kremlin.ru/events/president/news/49890>.

<sup>978</sup> Meeting with Government members, President of Russia 13 October 2015. Access date: 21 October 2015. <http://en.kremlin.ru/events/president/news/50499>.

<sup>979</sup> Employment Plan 2014: Saudi Arabia, G20 (Brisbane) November 2015. Access Date: 18 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_saudi\\_arabia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_saudi_arabia.pdf)

project launch/trial at the end of 2014, with a full-scale roll out anticipated in 2015.<sup>980</sup> Saudi Arabia's Individual Employment Plan stated that it would provide or subsidize daycare centres in order to allow mothers to work and to develop early childhood education. The plan commits to a pilot stage launched in 2015 and a full-scale roll out in 2016.

Saudi Arabia's Individual Employment Plan also promised to ease the costs of employee transportation on employers. Since women are not permitted to drive in Saudi Arabia, this assistance would allow more of them to enter the workforce. Draft policy options were promised for the first quarter of 2015 with implementation throughout the year.<sup>981</sup>

In their Individual Employment Plan, Saudi Arabia also committed to facilitating a smooth transition from education to work through two career education programs: the Strategy Track and the Fast Track.<sup>982</sup> The Strategy Track is meant to develop a comprehensive career education and development system. According to their Individual Employment Plan, this program is still in development and is expected to trial in 2015. The Fast Track is meant to provide career education and development providers with the means to grow capacity and achieve "fast impact."

On 19 November 2014, the Ministry of Housing pledged SR2.5 billion to build 6,204 units of affordable housing.<sup>983</sup> However, affordable housing and such programs are only intended for families. Single citizens are not eligible to apply for housing support programs.<sup>984</sup>

In December 2014, the Ministry of Labour announced new measures to decrease the number of barriers that prevent women from joining the work force. One prominent new measure allows breastfeeding in the workplace.<sup>985</sup>

On 4 January 2015, Minister of Labour Adel Fakeih announced that the government planned to create 300,000 private sector jobs and "launch 36 initiatives as part of the scheme."<sup>986</sup> These include initiatives to employ women and summer training programs for university students.<sup>987</sup> No roll out timeline has been announced.

The Saudi Arabian government added a measure to the existing Nitaqat program — a program geared towards incentivizing Saudi Arabia's private sector to create more job opportunities for nationals — that provides incentives for employers to hire people with disabilities.<sup>988</sup>

On 27 January 2015, Labour Minister Adel Fakeih stressed the need of reducing the country's dependence on expatriate workers and awarding more jobs to nationals at the Global Competitiveness Forum 2015 in Riyadh.

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<sup>980</sup> 'Work from Home' Project to Begin Next Month, Arab News (Riyadh) 6 December 2014. Access Date: 20 February 2015. <http://www.arabnews.com/saudi-araba/news/670456>

<sup>981</sup> Employment Plan 2014: Saudi Arabia, G20 (Brisbane) November 2015. Access Date: 18 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_saudi\\_arabia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_saudi_arabia.pdf)

<sup>982</sup> Employment Plan 2014: Saudi Arabia, G20 (Brisbane) November 2015. Access Date: 18 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_saudi\\_arabia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_saudi_arabia.pdf)

<sup>983</sup> SR2.5bn to be Disbursed to Build 6204 Housing Units, Arab News (Riyadh) 20 November 2014. Access Date: 21 February 2015. <http://www.arabnews.com/news/662671>

<sup>984</sup> For Housing Ministry, Families Are Top Priority, Arab News (Jeddah) 9 February 2015. Access Date: 24 February 2015. <http://www.arabnews.com/saudi-arabia/news/701791>

<sup>985</sup> Breast-Feeding Break at Work, Arab News (Riyadh) 16 December 2014. Access Date: 20 February 2015. <http://www.arabnews.com/news/675171>

<sup>986</sup> Govt To Create 300,000 Jobs for Saudis, Arab News (Jeddah) 4 January 2015. Access Date: 24 February 2015. [http://www.arabnews.com/featured/news/684171?quicktabs\\_stat2=0](http://www.arabnews.com/featured/news/684171?quicktabs_stat2=0)

<sup>987</sup> Saudi Arabia To Create 300,000 Private Sector Jobs For Locals, Gulf Business (Dubai) 4 January 2015. Access Date: 24 February 2015. <http://gulfbusiness.com/2015/01/saudi-arabia-create-300000-private-sector-jobs-locals/#.VO0MGYdN3zL>

<sup>988</sup> Nitawat: Terms for the Disabled to be Counted As More Than One, Saudi Gazette (Riyadh) 30 November 2014. Access Date: 22 February 2015. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20141201226130>

He stated that Saudi Arabia's focus was "to train the local manpower with the needed skills to phase out the foreign workers."<sup>989</sup>

On 7 January 2015, the Council of Saudi Chambers asked the labour minister to delay the third phase of the Nitaqat program, extending the deadline by two to three years from the initial start date of 20 April 2015. This request came after the previous phase of the program showed a low turnout of Saudi nationals pursuing private sector jobs. The council feared that this lack of participation would also be an issue for the next phase of the program.<sup>990</sup>

On 9 May 2015, the Ministry of Labor announced a job creation plan that would provide 8 million jobs, which would be mostly geared towards women and youth under 22 years old.<sup>991</sup>

On 29 May 2015, the Human Resources Development Fund reported that while 1.86 million Saudi's have applied for the Taqat job placement program in place, there were only 11,300 jobs available. <sup>992</sup>

On 29 June 2015, the Ministry of Commerce and Industry, and the Ministry of Education announced the "Your Job and Scholarship" program that provides 1,000 engineering scholarships and guarantees work in the engineering sector after post-secondary graduation.<sup>993</sup>

On 16 August 2015, the Ministry of Health announced a plan to create 20,000 jobs in the health sector by providing scholarships for both undergraduate and masters program students.<sup>994</sup>

On 16 August 2015, the Labor Ministry of Saudi Arabia identified 19 job titles that are off-limits to expat workers in an effort to create more job opportunities for Saudi nationals.<sup>995</sup>

On 16 August 2015, the Chamber of Commerce and Industry signed 39 agreements with various companies to hire Saudi women with disabilities. This would allow women with disabilities to do telecommunication and IT work from their home, and also provide them with medical insurance.<sup>996</sup>

On 1 September 2015, at the National Business Women Forum, Labour Minister Mufrej Al-Haqabani facilitated a discussion on how the government can provide and improve job opportunities for women.<sup>997</sup> On 22 September 2015 a study conducted by the Saudization committee began that investigated the possibility of assigning more jobs to women in the Makkah region. <sup>998</sup>

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<sup>989</sup> Skills Drive Needed to Boost Saudi Work Force, Arab News (Riyadh) 28 January 2015. Access Date: 21 February 2015. <http://www.arabnews.com/news/695841>

<sup>990</sup> CSC Asks Labor Ministry to Delay 3<sup>rd</sup> Phase of Nitaqat By 3 Years, Arab News (Jeddah) 7 January 2015. Access Date: 20 February 2015. <http://www.arabnews.com/featured/news/685796>

<sup>991</sup> MoL Plans Jobs for 8 Million Citizens, Arab News (Jeddah) 9 May 2015. Access Date: 1 October 2015. <http://www.arabnews.com/saudi-arabia/news/744396>

<sup>992</sup> Over 1.8 million Saudis Vie for 11,300 Jobs, Arab News (Jeddah) 29 May 2015. Access Date: 30 September 2015. <http://www.arabnews.com/saudi-arabia/news/753736>

<sup>993</sup> Scholarship Students Wont Have to Look for Jobs, Arab News (Riyadh) 29 June 2015. Access Date: 30 September 2015. <http://www.arabnews.com/saudi-arabia/news/769031>

<sup>994</sup> Bid to Create 20,000 Jobs in the Health Sector, Arab News (Jeddah) 16 August 2015. Access Date: 1 October 2015. <http://www.arabnews.com/saudi-arabia/news/792041>

<sup>995</sup> More Jobs Off-Limits to Expats, Arab News (Jeddah) 16 August 2015. Access Date: 30 September 2015. <http://www.arabnews.com/featured/news/792061>

<sup>996</sup> Makkah Chamber Helps Women With Special Needs Find Jobs, Arab news (Jeddah) 16 August 2015. Access Date: 1 October 2015. <http://www.arabnews.com/saudi-arabia/news/791996>

<sup>997</sup> Jobs for Women Top Priority, Arab News (Riyadh) 3 September 2015. Access Date: 1 October 2015. <http://www.arabnews.com/saudi-arabia/news/800866>

<sup>998</sup> 200,000 Jobs to Be Set Aside For Women in Haj, Umrah Sector, Arab News (Jeddah) 22 September 2015. Access Date: 30 September 2015. <http://www.arabnews.com/saudi-arabia/news/809946>

Saudi Arabia has announced many initiatives for social protection programs, such as those targeting female labour force participation, training programs and increased transportation networks. Therefore, Saudi Arabia receives a compliance score of +1.

*Analyst: Katerina Stamadianos*

### **South Africa: 0**

South Africa has partially complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

On 25 November 2015, the labour minister and the Department of Labour developed a new wage structure for domestic workers allowing for the upward adjustment of the minimum wage. The minimum wage will now be between R9.80 and R10.59 if the workers work more than 27 hours per week and between R10.86 and R.12.40 if they work less than 27 hours per week, depending on geographical location.<sup>999</sup>

On 2 December 2015, Labour Deputy Minister iNkosi Phathekile Holomisa launched a new employment service for citizens of Richards Bay and nearby areas. It includes job training services and job search services. It also includes self-help kiosks facilities that will be free for employers and job seekers.<sup>1000</sup>

On 7 January 2015, the Department of Labour implemented a new minimum wage for contract cleaners. They will now earn between R15.47 per hour and R16.98.<sup>1001</sup>

On 28 January 2015, Labour Minister Mildred Oliphant announced adjustments to farmworkers' minimum wage. They would now earn a wage of R2606.78 per month, with an hourly rate of R13.37. The policy is in effect as of 1 March 2015.<sup>1002</sup>

On 3 February 2015, the Department of Labour held discussions with the private security sector to review minimum wage and to improve working conditions.<sup>1003</sup>

On 3 February 2015, the Department of Labour increased the minimum wage for worker in the Wholesale and Retail sectors. The increase in wages is between 6.1% and 8.1% and it is under the terms of the Basic Conditions of Employment Act.<sup>1004</sup>

On 17 February 2015, the Department of Labour stated that, under the Employment Service Act of 2014, private employment services are no longer able to charge for their services to those looking for work.<sup>1005</sup>

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<sup>999</sup> Labour Minister Oliphant upwardly adjusts domestic workers; annual wages, The Republic of South Africa Department for Labour (Pretoria) 25 November 2014. Access Date: 17 February 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2014/labour-minister-oliphant-upwardly-adjusts-domestic-workers2019-annual-wages>

<sup>1000</sup> Labour Deputy Minister iNkosi Holomisa to officially launch a self-help service in Richards Bay, The Republic of South Africa Department for Labour (Pretoria) 3 December 2014. Access Date: 17 February 2015. <http://www.labour.gov.za/DOL/media-desk/media-alerts/labour-deputy-minister-inkosi-holomisa-to-officially-launch-a-self-help-service-for-work-seekers-in-richards-bay>

<sup>1001</sup> New minimum wage for contract cleaning in 2015. The Republic of South Africa Department for Labour (Pretoria) 7 January 2015. Access Date: 17 February 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/new-minimum-wage-for-contract-cleaning-in-2015>

<sup>1002</sup> Labour Minister Oliphant increases farmworkers wage by 7.7% percent in 2015/16, The Republic of South Africa Department of Labour (Pretoria) 28 January 2015. Access Date: 17 February 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/labour-minister-oliphant-increases-farmworkers-minimum-wage-by-7-7-percent-in-2015-16>

<sup>1003</sup> Department of Labour invites private security stakeholders to public hearings to review minimum wage, The Republic of South Africa Department of Labour (Pretoria) 3 February 2015. Access Date: 17 February 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/department-of-labour-invites-private-security-stakeholders-to-public-hearings-to-review-minimum-wage>

<sup>1004</sup> Wholesale and Retail Sector minimum wage adjusted upward from beginning of February, The Republic of South Africa Department of Labour (Pretoria) 3 February 2015. Access Date: 17 February 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/wholesale-and-retail-sector-minimum-wage-adjusted-upward-from-beginning-of-february>

On 26 February 2015, the National Senior Commissioner, Winnie Evert, of the Commission for Conciliation, Mediation, and Arbitration announced that the discrimination of workers through unequal pay was officially prohibited under the Employment Equity Act.<sup>1006</sup>

On 1 March 2015, the Department of Labour increased the minimum hourly wage of farm workers by 7.7%.<sup>1007</sup> This brings the minimum wage for farm workers to R2606.78 per month, a weekly minimum wage of R601.61, a daily rate of R120.32 and an hourly rate of R13.37.

On 11 March 2015, the Department of Labour was called by its stakeholders to create a single minimum wage for the entire nation, not just for single sectors of the economy. They claim this would reduce the exploitation of the workers in each sector.<sup>1008</sup>

On 28 May 2015, the Department of Labour increased South Africa's Hospitality Sector minimum wage under the Basic Conditions of Employment Act (BCEA). But the new wage will be in effect until 30 June 2016.<sup>1009</sup> Hourly rates for employers with 10 or less employees will increase to R14.5 and for employers with 10 or more employees to R15.77.

On 5 August 2015, the Department of Social Development announced a social relief program to the De Doorns region of South Africa. Seasonal workers largely occupy this area and this program will provide assistance to these families. It will provide education and aims to result in an increase in long-term jobs for youths.<sup>1010</sup>

On 17 August 2015, the Labour Minister, Mildred Oliphant, announced the statement of the Employment Services Act, which came into effect on 9 August 2015. This act will help reduce the cost associated with finding a job and legalize the Sheltered Employment Factories, which provides jobs for disabled individuals.<sup>1011</sup>

South Africa has implemented initiatives targeting minimum wage standards in various sectors of its economy, but has not taken action on other social protection systems aimed at combating long-term unemployment. Therefore, South Africa receives a compliance score of 0.

*Analyst: Emily Shaw*

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<sup>1005</sup> Private employment agencies (PEAs) are prohibited from charging work seekers any fees for service rendered, The Republic of South Africa Department of Labour (Pretoria) 17 February 2015. Access Date: 17 February 2015.

<http://www.labour.gov.za/DOL/media-desk/media-statements/2015/private-employment-agencies-peas-are-prohibited-from-charging-work-seekers-any-fees-for-service-rendered>

<sup>1006</sup> Unfair remuneration and discriminatory treatment in the workplace illegal- delegates told the Department of Labour/CCMA roadshow, The Republic of South Africa Department of Labour (Pretoria) 26 February 2015. Access Date: 28 February 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/unfair-remuneration-and-discriminatory-treatment-in-the-workplace-illegal-delegates-told-at-department-of-labour-ccma-roadshow>

<sup>1007</sup> Labour Minister Oliphant increases farmworkers wage by 7.7% percent in 2015/16, The Republic of South Africa Department of Labour (Pretoria) 28 January 2015. Access Date: 17 February 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/labour-minister-oliphant-increases-farmworkers-minimum-wage-by-7-7-percent-in-2015-16>

<sup>1008</sup> Stakeholders call for a single National Sectoral Determination for Private Security in the Department of Labour public hearings, The Republic of South Africa Department of Labour (Pretoria) 11 March 2015. Access Date: 30 September 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/stakeholders-call-for-a-single-national-sectoral-determination-for-private-security-in-the-department-of-labour-public-hearings>

<sup>1009</sup> Hospitality Sector has a new minimum wage, The Republic of South Africa Department of Labour (Pretoria) 28 May 2015. Access Date: 30 September 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/hospitality-sector-has-a-new-minimum-wage>

<sup>1010</sup> Over 4000 De Doorns Seasonal Farm Worker Families Benefit From Government Support, The Republic of South Africa Department of Social Development (Pretoria) 5 August 2015. Access Date: 30 September 2015. [http://www.dsd.gov.za/index.php?option=com\\_content&task=view&id=734&Itemid=106](http://www.dsd.gov.za/index.php?option=com_content&task=view&id=734&Itemid=106)

<sup>1011</sup> Landmark New Employment Services Act comes into operation, says Minister of Labour, The Republic of South Africa Department of Labour (Pretoria) 17 August 2015. Access Date: 30 September 2015. <http://www.labour.gov.za/DOL/media-desk/media-statements/2015/landmark-new-employment-services-act-comes-into-operation-says-minister-minister-of-labour>

## Turkey: 0

Turkey has partially complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protections systems.

In its G20 Employment Plan 2014, Turkey outlined the country's goal to raise female participation in the labour force from 30.8% to 41% by 2023, while reducing the informal employment of women from 54.2% to 30% by the same year.<sup>1012</sup>

On 26-27 November 2014, the Turkish Employment Agency (İŞKUR) hosted an International Job and Vocational Counselling Congress in Antalya, Turkey. In his opening speech, the Director General of İŞKUR Dr. Nusret Yazıcı, pointed out that in the first 10 months of 2014, İŞKUR provided employment guidance and counselling services to approximately 1,540,000 people.<sup>1013</sup> In the same time period, the İŞKUR visited 340,000 workplaces and gave employers information on vocational training and on-the-job training.

On 8 December 2014, the opening conference of “Financing and Counselling Support for Women Enterprises Programme,” a project aimed at promoting female entrepreneurship in Turkey, was jointly carried out by İŞKUR and the European Bank for Reconstruction and Development. Dr. Yazıcı stated that financial and counselling support for women enterprises marked a “significant milestone in economic and social development of the country,” and reaffirmed İŞKUR's role in this project of enhancing female entrepreneurship and employment.<sup>1014</sup>

On 30 December 2014, the Minister of Labour and Social Security Faruk Çelik announced that Turkey's minimum wage for workers over the age of 16 will be raised in two phases in 2015. Monthly wages will increase from YTL846 to YTL949 in the first half of 2015 before reaching YTL1000 by the year's end.<sup>1015</sup> As a result, 5 million people's salaries will increase by approximately 12.3% in 2015.<sup>1016</sup>

On 27 February 2015, the Deputy Undersecretary of Turkey's Ministry for European Union Affairs, Ahmet Yucel, signed a 7-year employment plan with the EU Commission alongside Marianne Thyssen, the EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility. The EUR 930 million “Employment and Social Innovation Program” aims to provide Turkey with long-term sustainable and quality employment, while combating poverty, improving work conditions, and ensuring decent social protection.<sup>1017</sup> The program is part of Turkey's plan to accede to the EU and will be coordinated by the Turkish Ministry of Labour and Social Security.

On 2 April 2015, Prime Minister Ahmet Davutoglu announced a new employment plan to create 120,000 new jobs.<sup>1018</sup> The programme will cost TRY7.5 billion. The employment plan includes a job-training program

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<sup>1012</sup> Employment Plan 2014: Turkey, G20 (Brisbane) 2014. Access Date: 14 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_turkey.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_turkey.pdf)

<sup>1013</sup> International Job and Vocation Counselling Congress held in Antalya on November 26-27, 2014, Turkish Employment Agency (Ankara) 8 December 2014. Access Date: 26 February 2015. <http://www.iskur.gov.tr/News/TabId/190/ArtMID/1300/ArticleID/459/II-International-Job-and-Vocational-Counselling-Congress-held-in-Antalya-on-November-26th-27th-2014.aspx>

<sup>1014</sup> Opening Conference of “Financing and Counselling Support for Women Enterprises Programme,” Turkish Employment Agency (Ankara) 8 December 2014. Access Date: 26 February 2015. <http://www.iskur.gov.tr/News/TabId/190/ArtMID/1300/ArticleID/460/Opening-Conference-of-%E2%80%9CFinancing-and-Counselling-Support-for-Women-Enterprises-Programme%E2%80%9D.aspx>

<sup>1015</sup> Turkish minimum wage to be set at TL 949 for early 2015, BGN News (Istanbul) 30 December 2014. Access Date: 25 February, 2015. <http://business.bgnnews.com/turkish-minimum-wage-to-be-set-at-tl-949-for-early-2015-haberi/2531>

<sup>1016</sup> Five million Turkish workers to get higher minimum wage, Anadolu Agency (Ankara) 30 December 2014. Access Date: 25 February 2015. <http://www.aa.com.tr/en/s/443200--five-million-turkish-workers-to-get-higher-minimum-wage>

<sup>1017</sup> Turkey, EU Commission agree on a 7-year employment program, Anadolu Agency (Ankara) 27 February 2015. Access Date: 28 February 2015. <http://www.aa.com.tr/en/turkey/471777--turkey-eu-commission-agree-on-7-year-employment-program>

<sup>1018</sup> Turkish PM unveils measures to boost employment, TurkeyAgenda (Istanbul) 2 April 2015. Access Date: 10 October 2015. <http://www.turkeyagenda.com/turkish-pm-unveils-measures-to-boost-employment-2220.html>

in which private businesses pay minimum wage to their trainees during a period of 6 months of vocational training.<sup>1019</sup> The Turkish government will cover the trainees' social security premiums for up to 42 months if the trainees are hired by same the company that trained them.

On 23 April 2015, the Turkish Parliament published Law No. 6645, expanding the scope of paid leave introduced in Labour Law No. 4857.<sup>1020</sup> Working parents are now allowed paid leave concerning adoption leave, paternity leave and shared parental leave for disabled child.

On 20 May 2015, the Turkish Employment Agency (İŞKUR) signed a cooperation agreement with the Macedonian Public Employment Agency for improved cooperation and information/experience exchange on employment issues.<sup>1021</sup> The agreement targets “cooperation protocol that includes issues such as working conditions and standards, facilities to be provided for joint jobs and operations and communication, cooperation, information and experience exchange between agencies.”

On 5 May 2015, İSKUR signed a cooperation agreement with the Korean Employment Information Service for improved cooperation and information/experience exchange on employment issues.<sup>1022</sup> The agreement is targeted at working life standards and conditions.

On 18 September 2015, İSKUR hosted a public employment services workshop in Ankara where Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan were participants. The conference aimed to increase cooperation/information exchange amongst the participating states, examine labour market policies and analyze models of employment services and job placement.<sup>1023</sup>

Turkey is committed to addressing long-term and structural unemployment, underemployment, and low-quality, secure jobs in the informal economy by introducing a new employment plan to create jobs, but has yet to implement this plan. Therefore, Turkey receives a compliance score of 0.

*Analyst: Yinan Yang and Joy Aguilar*

## **United Kingdom: 0**

The United Kingdom has partially complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

At the 2014 Brisbane Summit, the United Kingdom released an Individual Employment plan, stating that it would 1) develop passive strategies and redesign benefits to avoid distorting labour market behaviour; 2) create active strategies that would draw people closer to work as a condition of benefits; 3) Increase transparency, flexibility and mobility of job searches through The Public Employment Service (JobCentre

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<sup>1019</sup> Turkey Unveils Investment, Employment Plan to Boost Growth, The Wall Street Journal (New York City) 2 April 2015. Access Date: 10 October 2015. <http://www.wsj.com/articles/turkey-unveils-investment-employment-plan-to-boost-growth-1427974495>

<sup>1020</sup> New types of parental leave in Turkish labor law, Turkish Labour Law (Turkey) 29 April 2015. Access Date: 20 October 2015. <http://turkishlaborlaw.com/news/legal-news/323-new-types-of-parental-leave-in-turkish-labor-law>

<sup>1021</sup> Cooperation Agreement signed with Macedonia, Turkish Employment Agency (Ankara) 20 May 2015. Access Date: 10 October 2015. <http://www.iskur.gov.tr/News/TabId/190/ArtMID/1300/ArticleID/501/Cooperation-Agreement-signed-with-Macedonia.aspx>

<sup>1022</sup> İSKUR signs a Cooperation Agreement with South Korea, Turkish Employment Agency (Ankara) 4 June 2015. Access Date: 10 October 2015. <http://www.iskur.gov.tr/News/TabId/190/ArtMID/1300/ArticleID/509/%C4%B0%C5%9EKUR-signs-a-Cooperation-Agreement-with-South-Korea.aspx>

<sup>1023</sup> Turkic Republics Public Employment Services Workshop Organised Under the Leadership of İSKUR in Ankara, Turkish Employment Agency (Ankara) 18 September 2015. Access Date: 10 October 2015. <http://www.iskur.gov.tr/News/TabId/190/ArtMID/1300/ArticleID/534/Turkic-Republics-Public-Employment-Services-Workshop-Organised-Under-The-Leadership-Of-%C4%B0%C5%9EKUR-In-Ankara.aspx>

Plus); and 4) improve the employability of selected groups by linking supply and demand and overcoming barriers, such as work place adjustment for disabled people.<sup>1024</sup>

On 25 November 2014, the Universal Credit welfare reforms were expanded to dual and single parent families. The credit allows families on the program to claim up to 70% of their childcare expenses, with a monthly limit for one child of GBP 532, and GBP 912 for two or more children. The program is accessible through job centres and merges benefits to simplify the system and encourage those on benefits to enter the workforce.<sup>1025</sup>

On 1 December 2014, Shared Parental Leave (SPL) became available to parents. The new rules allow parents to choose if they want to share 50 weeks of leave and up to 37 weeks of pay, following the mother's two weeks maternity leave.<sup>1026</sup>

On 18 December 2014, employment figures released by the Department of Work and Pensions accredited record employment to the Work Programme. The policy, launched in 2011, transfers claimants from JobCentre Plus to public or private companies to aid them find employment.<sup>1027</sup> The program pays companies for finding claimants long-term employment and has contributed to a significant decrease in the number of unemployed people.<sup>1028</sup>

On 5 February 2015, The Department of Work and Pensions announced that hundreds of people previously on benefits have entered the work force as a result of the benefit cap. The policy was introduced in April 2013 and limits the amount of benefits, such as Housing Benefits, a household can receive to increase the incentives of claimants to work. Secretary of State for Work and Pensions, Iain Duncan Smith, said that this part of the government's long-term economic development plan had restored fairness to the system and saved the taxpayer money.<sup>1029</sup>

On 16 February 2015, The Department of Work and Pensions released an assessment of the impact of the Universal Credit program on increasing employment. The report notes that the credit has been effective in incentivizing claimants to look for work and move towards greater financial independence. In 2015 the department will be expanding the program to single unemployed claimants and to benefits such as housing.<sup>1030</sup>

On 20 February 2015, Department of Work and Pensions announced an increase in the number of disabled people working as a result of the government's Disability Confidence campaign. Minister of State for Disabled People, Mark Harper noted that it was encouraging to see an increasing number of disabled women

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<sup>1024</sup> Employment Plan 2014: United Kingdom, G20 (Brisbane) November 2014. Access Date: 18 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_united\\_kingdom.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_united_kingdom.pdf)

<sup>1025</sup> Welfare revolution rolls out to families: Universal Credit to be in a third of Jobcentres by spring, Department of Work and Pensions and The Rt Hon Iain Duncan Smith MP (London) 25 November 2014. Access Date: 28 February 2015. <https://www.gov.uk/government/news/welfare-revolution-rolls-out-to-families-universal-credit-to-be-in-a-third-of-jobcentres-by-spring>

<sup>1026</sup> Parents can now apply for Shared Parental Leave, Department for Business, Innovation & Skills, Jo Swinson MP and Advisory, Conciliation and Arbitration Service (London) 1 December 2014. Access Date: 1 March 2015. <https://www.gov.uk/government/news/new-shared-parental-leave-regulations-come-into-effect>

<sup>1027</sup> Work Programme statistics, Department for Work and Pensions (London) 18 December 2014. Access Date: 2 March 2015. <https://www.gov.uk/government/collections/work-programme-statistics--2>

<sup>1028</sup> The Work Programme has contributed to bringing the number of long-term unemployed people down to the lowest it has been for 5 years, Department of Work and Pensions and The Rt Hon Iain Duncan Smith MP (London) 18 December 2014. Access Date: 1 March 2014. <https://www.gov.uk/government/news/work-programme-contributes-to-record-employment>

<sup>1029</sup> Benefit cap: 200 people into work or off Housing Benefit every week, Department of Work and Pensions and The Rt Hon Iain Duncan Smith MP (London) 5 February 2015. Access Date: 28 February 2015. <https://www.gov.uk/government/news/benefit-cap-200-people-into-work-or-off-housing-benefit-every-week>

<sup>1030</sup> Universal Credit at Work Spring 2015, Department of Work and Pensions (London) February 2015. Access Date : 1 March 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/405921/uc-at-work-spring-2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/405921/uc-at-work-spring-2015.pdf)



in employment. The campaign works to remove barriers of employment by tackling the misconceptions of employers.<sup>1031</sup>

On 5 April 2015, the Shared Parental Leave (SPL) law came into effect. The new rules allow parents to choose if they want to share 50 weeks of leave and up to 37 weeks of pay, following the mother's two weeks maternity leave.<sup>1032</sup>

On 13 May 2015, the Department of Work and Pensions announced that unemployment has dropped to 5.5% and that more than half a million people are employed compared to last year.<sup>1033</sup> As a result of the Work Programme, long-term unemployment has experienced the largest annual fall in 17 years. The policy, launched in 2011, transfers claimants from JobCentre Plus to public or private companies to aid them find employment.<sup>1034</sup> The program pays companies for finding claimants long-term employment and has contributed to a significant decrease in the number of unemployed people.<sup>1035</sup>

On 8 June 2015 the Universal Credit welfare program was made available at 50% of all Scottish job centres.<sup>1036</sup> The Universal Credit welfare reforms were expanded on 25 November 2014 to dual and single parent families, allowing families on the program to claim up to 70% of their childcare expenses, with a monthly limit for one child of GBP 532, and GBP 912 for two or more children.<sup>1037</sup>

On 15 June 2015, the Universal Credit welfare program was made available through 6 more job centres.<sup>1038</sup>

On 13 July 2015, the Universal Credit welfare program was made available through 14 more job centres.<sup>1039</sup>

On 6 August 2015, the Department of Work and Pensions announced that over 25,000 people who had their benefits capped have moved into work, no longer claim housing benefit or have reduced their Housing Benefit claim.<sup>1040</sup> The policy was introduced in April 2013 and limits the amount of benefits, such as Housing Benefits, a household can receive to increase the incentives of claimants to work.

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<sup>1031</sup> 400 more disabled people in work every day, Department of Work and Pensions and Mark Harper MP (London) 20 February 2015. Access Date : 1 March 2015. <https://www.gov.uk/government/news/400-more-disabled-people-in-work-every-day>

<sup>1032</sup> Shared parental leave law comes into effect, BBC (London) 5 April 2015. Access Date: 10 October 2015. <http://www.bbc.com/news/business-32183784>

<sup>1033</sup> Priti Patel: Employment at an all-time high, creating a more prosperous future for Britain, Department for Work and Pensions and The Rt Hon Priti Patel MP (London) 13 May 2015. Access Date: 10 October 2015. <https://www.gov.uk/government/news/priti-patel-employment-at-an-all-time-high-creating-a-more-prosperous-future-for-britain>

<sup>1034</sup> Work Programme statistics, Department for Work and Pensions (London) 18 December 2014. Access Date: 10 October 2015. <https://www.gov.uk/government/collections/work-programme-statistics--2>

<sup>1035</sup> The Work Programme has contributed to bringing the number of long-term unemployed people down to the lowest it has been for 5 years, Department of Work and Pensions and The Rt Hon Iain Duncan Smith MP (London) 18 December 2014. Access Date: 10 October 2015. <https://www.gov.uk/government/news/work-programme-contributes-to-record-employment>

<sup>1036</sup> Universal Credit now available at 50% of all Scottish Jobcentres, Department for Work and Pensions (London) 8 June 2015. Access Date: 10 October 2015. <https://www.gov.uk/government/news/universal-credit-now-available-at-50-of-all-scottish-jobcentres-from-today>

<sup>1037</sup> Welfare revolution rolls out to families: Universal Credit to be in a third of Jobcentres by spring, Department of Work and Pensions and The Rt Hon Iain Duncan Smith MP (London) 25 November 2014. Access Date: 10 October 2015. <https://www.gov.uk/government/news/welfare-revolution-rolls-out-to-families-universal-credit-to-be-in-a-third-of-jobcentres-by-spring>

<sup>1038</sup> Universal credit now available at 6 more Jobcentres in Cornwall and Newcastle, Department for Work and Pensions (London) 15 June 2015. Access Date: 10 October 2015. <https://www.gov.uk/government/news/universal-credit-now-available-at-6-more-jobcentres-in-cornwall-and-newcastle>

<sup>1039</sup> Universal Credit in 14 more Jobcentres in London, Cornwall and Wales, Department for Work and Pensions (London) 13 July 2015. Access Date: 10 October 2015. <https://www.gov.uk/government/news/universal-credit-in-14-more-jobcentres-in-london-cornwall-and-wales>

<sup>1040</sup> Benefit cap: thousands of people move into work or off Housing Benefit, Department for Work and Pensions and The Rt Hon Iain Duncan Smith MP (London) 6 August 2015. Access Date: 10 October 2015. <https://www.gov.uk/government/news/universal-credit-in-15-more-jobcentres-in-suffolk-berkshire-and-yorkshire>

On 28 September 2015, the Universal Credit welfare program was made available through 15 more job centres.<sup>1041</sup>

The United Kingdom has implemented a small number of social protection systems aimed at decreasing long-term unemployment, while noting the success of previously implemented social protection systems. Therefore, the United Kingdom receives a compliance score of 0.

*Analyst: Joy Aguilar*

### **United States: +1**

The United States has fully complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

At the 2014 Brisbane Summit, the United States released an Individual Employment Plan stating that they would take measures to combat long-term unemployment by “working with the private sector to develop a set of best practices for hiring and recruiting the long-term unemployed” and reforming federal hiring practices.<sup>1042</sup> The United States released their “Best Practices For Recruiting and Hiring the Long-Term Unemployed” before the compliance cycle, in January 2014.<sup>1043</sup> Other important social protection measures implemented before the compliance period include the Affordable Care Act and paid leave initiatives.

In accordance with their Individual Employment Plan, the United States granted USD 170 million to the Ready to Work Partnership, a project set up to help the long-term unemployed find jobs. This grant occurred outside of the compliance period, on 15 October 2014.<sup>1044</sup>

On 15 September 2015 the United States Senate blocked the Paycheck Fairness Act that supported equal pay laws for women.<sup>1045</sup>

On 11 December 2014, US President Barack Obama pledged USD 100 million to apprenticeships for American workers as a “path to the middle class.”<sup>1046</sup>

On 21 January 2015, President Obama unveiled a plan to provide affordable childcare, which included expanding the access to childcare to all families with a child less than four years of age, and increasing the possible credit received from the government per child up to USD 3,000. The President also promised USD 100 million to childcare subsidy research.<sup>1047</sup>

On 23 January 2015, in accordance with the USD 158 million investment for re-employment for insurance beneficiaries mentioned in the Individual Action Plan, the Department of Labor granted USD 4.6 million to

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<sup>1041</sup> Universal Credit in 15 more jobcentres in Norfolk, Suffolk, Berkshire and Yorkshire, Department for Work and Pensions (London) 28 September 2015. Access Date: 10 October 2015. <https://www.gov.uk/government/news/universal-credit-in-15-more-jobcentres-in-suffolk-berkshire-and-yorkshire>

<sup>1042</sup> Employment Plan 2014: United States, G20 (Brisbane) November 2015. Access Date: 18 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_united\\_states.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_united_states.pdf)

<sup>1043</sup> Best Practices For Recruiting and Hiring the Long-Term Unemployed, White House (Washington) January 2014. Access Date: 25 February 2015. [http://www.whitehouse.gov/sites/default/files/docs/best\\_practices\\_recruiting\\_longterm\\_unemployed.pdf](http://www.whitehouse.gov/sites/default/files/docs/best_practices_recruiting_longterm_unemployed.pdf)

<sup>1044</sup> Nearly \$170M in Ready to Work Partnership Grants Awarded To Help Long-Term Unemployed Americans Find Work, Department of Labor (Washington) 15 October 2014. Access Date: 24 February 2015. <http://www.dol.gov/opa/media/press/eta/ETA20141956.htm>

<sup>1045</sup> Paycheck Fairness Act Blocked Again By Senate GOP, Huffington Post (United States) 15 September 2014. Access Date: 24 February 2015. [http://www.huffingtonpost.com/2014/09/15/paycheck-fairness-act\\_n\\_5825644.html](http://www.huffingtonpost.com/2014/09/15/paycheck-fairness-act_n_5825644.html)

<sup>1046</sup> President Obama Launches Competitions for New Manufacturing Innovation Hubs and American Apprenticeship Grants, White House (Washington) 11 December 2014. Access Date: 23 February 2015. <http://www.whitehouse.gov/the-press-office/2014/12/11/fact-sheet-president-obama-launches-competitions-new-manufacturing-innov>

<sup>1047</sup> Helping All Working Families With Young Children Afford Child Care, White House (Washington) 21 January 2015. Access Date: 23 February 2015. <http://www.whitehouse.gov/the-press-office/2015/01/21/fact-sheet-helping-all-working-families-young-children-afford-child-care>

Kentucky workers displaced by widespread layoffs of the Paducah Gaseous Diffusion Plant and GE Aviation. These funds will go towards providing these individuals with “comprehensive re-employment services.”<sup>1048</sup>

On 28 January 2015, the United States Office of Federal Contract Compliance Programs proposed an update to the rules designed to prohibit workplace discrimination based on sex. This updates would tackle pay discrimination, sexual harassment, hostile work environments, the provision of workplace accommodations for pregnant women, discrimination based on gender identity, and family caregiving discrimination.<sup>1049</sup>

On 29 January 2015, the United States Department of Labor announced that it would award USD 38 million in grants to enhancing their Short-Time Compensation program. This is intended to help states avoid layoffs by implementing measures such as work sharing, where workers are given less hours as an alternative to being laid off, but are also given a percentage of the unemployment compensation they would receive had they been laid off, due to their decrease in income.<sup>1050</sup> On 3 February 2015, the United States released “Recruiting, Hiring, and Promoting People with Disabilities,” a resource guide for employers and a product of the ‘Curb Cuts to the Middle Class Initiative,’ which works to provide employment opportunities and financial independence for those with disabilities.<sup>1051</sup> This was an update to the creation of the “Curb Cuts to the Middle Class Initiative,” launched on 22 July 2014. Despite Congress failing to raise the minimum wage from USD 7.25 to USD 10.10 as proposed in their Individual Employment Plan, 21 states raised the minimum wage in January 2015.<sup>1052</sup>

On 13 April 2015 the Department of Labor announced USD 4 million in job training grants for veterans to secure employment and avoid homelessness. On 23 June 2015, a further USD 35 million was awarded.<sup>1053</sup>

On 13 April 2015, the Department of Labor announced USD 15 million in grants through the Disability Employment Initiative, which aims to increase the participation of people with disabilities in federally funded education and training programs.<sup>1054</sup>

On 28 April 2015, the Obama Administration announced eight ‘Promise Zones’ where the federal government will team with local leaders to “increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health, and address other priorities

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<sup>1048</sup> Kentucky Workers Displaced by Paducah Gaseous Diffusion Plant and GE Aviation Layoffs Helped By \$4.6M Labor Department Re-Employment Grant, Department of Labor (Washington) 23 January 2015. Access Date: 23 February 2015.

<http://www.dol.gov/opa/media/press/eta/ETA20150131.htm>

<sup>1049</sup> OFCCP Proposes Updated Sex Discrimination Rule, Department of Labor (Washington) 28 January 2015. Access Date: 23 February 2015. <http://www.dol.gov/ofccp/SDNPRM/index.html>

<sup>1050</sup> Short-time Compensation Programs Expand in 13 States With Nearly \$38 in Grants to Prevent Layoffs, Department of Labor Employment and Training Administration (Washington) 29 January 2015. Access Date: 25 February 2015.

[http://www.doleta.gov/ETA\\_News\\_Releases/20150155.cfm](http://www.doleta.gov/ETA_News_Releases/20150155.cfm)

<sup>1051</sup> Recruiting, Hiring, Retraining, and Promoting People with Disabilities, Curb Cuts to the Middle Class Initiative, White House (Washington) 3 February 2015. Access Date: 25 February 2015.

[http://www.whitehouse.gov/sites/default/files/docs/employing\\_people\\_with\\_disabilities\\_toolkit\\_february\\_3\\_2015\\_v4.pdf](http://www.whitehouse.gov/sites/default/files/docs/employing_people_with_disabilities_toolkit_february_3_2015_v4.pdf)

<sup>1052</sup> Forget Congress, These US States Raised the Minimum Wage on their Own, The Guardian (United States) 1 January 2015.

Access Date: 23 February 2015. <http://www.theguardian.com/money/2015/jan/01/forget-congress-states-raise-minimum-wage-2015>

<sup>1053</sup> \$4M in Job-Driven Training Grants Available to Help More than 2,000 Veterans Overcome Homelessness and Secure Employment, Department of Labor (Washington) 13 April 2015. Access Date: 30 September 2015.

<http://www.dol.gov/opa/media/press/vets/VETS20150638.htm>

<sup>1054</sup> \$15M in Disability Employment Initiative Grants to Better Serve the Needs of Youth and Adults With Disabilities Seeking Employment, Department of Labor (Washington) 13 April 2015. Access Date: 1 October 2015.

<http://www.dol.gov/opa/media/press/eta/ETA20150627.htm>

identified by the community.: These include Camden, Hartford, Indianapolis, Minneapolis, Sacramento, St Louis, the Pine Ridge Indian Reservation, and the South Carolina Low Country.<sup>1055</sup>

On 29 April 2015, the Department of Labor announced USD 150 million to be available through the Sector Partnerships National Emergency Grant program which will “help states develop innovative employment and training services that focus on enhanced regional and industry-specific collaborations,” specifically for laid off workers looking to reenter the workforce.<sup>1056</sup>

On 11 June 2015 The U.S. Department of Labor, as a part of the Partnerships for Opportunity and Workforce and Economic Revitalization, announced USD 35.5 million will go towards to helping communities and workers adapt to changes in the coal industry and power sector.<sup>1057</sup>

On 25 June 2015, the Department of Labor awarded USD 59 million to developing programs that help integrate adults and youth with a history in the criminal justice system into the labor force. This includes: case management, mentoring, education and training.<sup>1058</sup>

On 29 June 2015, the Department of Labor announced USD 80 million would go towards Unemployment Insurance benefits and state workforce agencies, and towards the implementation of the new Reemployment Services and Eligibility Assessments program. This will help individuals develop re-employment plans and provide information.<sup>1059</sup>

On 24 August 2015, the Department of Housing announced USD 8 million will go towards providing housing for low-income victims of domestic violence living with HIV/AIDS.<sup>1060</sup>

On 3 September 2015, the Department of Labor awarded USD 30.5 million in grants to the “Face Forward” initiative, which is geared towards helping youth with previous court experience “overcome barriers early on and provide occupational training and credentials that will help them open the door to career success.” Preference will be given to high-poverty and high-crime areas.<sup>1061</sup>

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<sup>1055</sup> Obama Administration Announces Eight Additional Promise Zones to Build Community Prosperity, Department of Housing and Urban Development (Washington) 28 April 2015. Access Date: 30 September 2015.

[http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2015/HUDNo\\_15-049](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2015/HUDNo_15-049)

<sup>1056</sup> \$150M Available to States to Strengthen and Expand Innovative Job Training and Reemployment Strategies for Laid-off Workers, Department of Labor (Washington) 29 April 2015. Access Date: 30 September 2015.

<http://www.dol.gov/opa/media/press/eta/ETA20150794.htm>

<sup>1057</sup> Up to \$35M in Grants Available to Assist Workers and Communities Affected by Changes in the Coal Industry and Energy Sector, Department of Labor (Washington) 11 June 2015. Access Date: 1 October 2015.

<http://www.dol.gov/opa/media/press/opa/OPA20150927.htm>

<sup>1058</sup> \$59M in Grants Will Improve Employment Opportunities for Formerly Incarcerated Adults and Youth, Department of Labor (Washington) 25 June 2015. Access Date: 1 October 2015. <http://www.dol.gov/opa/media/press/eta/ETA20151264.htm>

<sup>1059</sup> \$80M Awarded to Help Unemployment Insurance Beneficiaries Through Improved Reemployment Services, Eligibility Assessments, Department of Labor (Washington) 29 June 2015. Access Date: 30 September 2015.

<http://www.dol.gov/opa/media/press/eta/ETA20151289.htm>

<sup>1060</sup> Hud Offers \$9 Million To Provide Stable Housing To Low-Income Victims Of Domestic Violence Living With HIV/AIDS, Department of Housing and Urban Development (Washington) 24 August 2015. Access Date: 29 September 2015.

[http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2015/HUDNo\\_15-113](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2015/HUDNo_15-113)

<sup>1061</sup> \$30.5M In 'Face Forward' Grants Available To Help Youth With Juvenile Records Gain Job Skills And Start New Careers, Department of Labor (Washington) 3 September 2015. Access Date: 30 September 2015.

<http://www.dol.gov/opa/media/press/eta/ETA20150371.htm>

On 15 September 2015, the Office of Disability Employment Policy and the Administration for Community Living signed an agreement “to continue to jointly expand and promote competitive, integrated employment as the first employment option for individuals with significant disabilities.”<sup>1062</sup>

On 22 September 2015, USD 39.3 million in federal grants was assigned to the enhancement of unemployment insurance programs in 45 states.<sup>1063</sup>

On 29 September 2015, the Department of Labor awarded USD 1.55million to research on how paid leave programs can be improved and implemented. This includes caregiving for children and the seriously ill.<sup>1064</sup>

On 30 September 2015, the Department of housing announced a USD 38 million grant that will go towards fighting housing discrimination with the Fair Housing Initiatives Program, aiming to ensure equal access to housing.<sup>1065</sup>

The United States has implemented various social protection systems, including those targeted at access to childcare, minimum wage increases, employment and apprenticeship programs, and reemployment measures. Therefore, the United States receives a compliance score of +1.

*Analyst: Katerina Stamadianos*

### **European Union: 0**

The European Union has partially complied with its commitment to remain focused on addressing long-term unemployment by having appropriate social protection systems.

At the 2014 Brisbane Summit, the European Union released an Individual Employment Plan stating its commitment to help member states in their recovery through social protections to address poverty and long-term unemployment. The 2014 European Semester package of Country Specific Recommendations: Building Growth, published on 2 June 2014 outlined the need to address inequalities and improve the performance of social protection systems. The EU is committed to helping its member states achieve the Europe 2020 strategy to bring 20 million people out of poverty by the end of the decade. In February 2013, the European Commission produced the Social Investment Package to provide guidance to member states. The 2014 priorities are the adequacy and design of employment benefits and social assistance in several member states.<sup>1066</sup>

On November 28 2014, the European Commission published the 2015 Annual Growth Survey on the Union’s path to sustainable job creation and Economic growth. As part of the European Commission’s

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<sup>1062</sup> Joint Effort Expands Competitive, Integrated Employment Opportunities For People With Disabilities, Department of Labor (Washington) 15 September 2015. Access Date: 1 October 2015.

<http://www.dol.gov/opa/media/press/odep/ODEP20151813.htm>

<sup>1063</sup> More Than \$39 Million In Grants Awarded To Improve Performance, Integrity Of State Unemployment Insurance Programs And Reduce Worker Misclassification, Department of Labor (Washington) 22 September 2015. Access Date: 29 September 2015.

<http://www.dol.gov/opa/media/press/eta/ETA20151888.htm>

<sup>1063</sup> Department Awards \$1.55M To Study Paid Family, Medical Leave Implementation, Department of Labor (Washington) 29 September 2015. Access Date: 30 September 2015. <http://www.dol.gov/opa/media/press/wb/WB20151927.htm>

<sup>1064</sup> More Than \$39 Million In Grants Awarded To Improve Performance, Integrity Of State Unemployment Insurance Programs And Reduce Worker Misclassification, Department of Labor (Washington) 22 September 2015. Access Date: 29 September 2015.

<http://www.dol.gov/opa/media/press/eta/ETA20151888.htm>

<sup>1064</sup> Department Awards \$1.55M To Study Paid Family, Medical Leave Implementation, Department of Labor (Washington) 29 September 2015. Access Date: 30 September 2015. <http://www.dol.gov/opa/media/press/wb/WB20151927.htm>

<sup>1065</sup> Hud Awards \$38 Million To More Than 100 Groups To Fight Housing Discrimination, Department of Housing and Urban Development (Washington) 30 September 2015. Access Date: 1 October 2015.

[http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2015/HUDNo\\_15-221](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2015/HUDNo_15-221)

<sup>1066</sup> Employment Plan 2014: European Union, G20 (Brisbane) November 2014.. Access Date: 1 March 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_european\\_union.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_european_union.pdf)

approach to support job creation, the survey proposes an investment plan to mobilise EUR 315 billion of public and private investment over the next three years. The commission recommends member state level reforms to make labour markets more dynamic and tackle unemployment, and ensure the efficiency and adequacy of social protection systems.<sup>1067</sup>

On 13 January 2015, the European Commission provided guidance to member states as to the application of the stability and growth pact to strengthen links between structural reforms, investment and fiscal responsibility. The guidance has three aims 1) to encourage effective implementation of structural reforms; 2) to promote investment in the context of the new European Fund for Strategic Investments (EFSI); and 3) the fiscal responsibility of member states as a necessary condition of jobs and growth. The commission remains committed to steps towards pooled sovereignty in economic governance as outlined under the Work Programme for 2015.<sup>1068</sup>

On 19 January 2015, the European Commission report on Employment and Social Developments in Europe 2014 emphasized the need for new jobs, skills, and social protections for the restoration of economic outcomes and employment creation following the recession. The report notes the need for investment and reforms in social protection systems to create human capital and labour market inclusion. The European Social Fund can provide support for member state reforms to stabilize social protection systems.<sup>1069</sup>

On 30 January 2015, The European Commission delivered a legislative proposal for the European Fund for Strategic Investments in partnership with the European Investment Bank. The fund will mobilize EUR 315 billion in public and private investment to serve member states and industry sectors in most need of job creation and growth.<sup>1070</sup>

On 13 February 2015, The European Commission committed EUR 66 billion to the Cohesion Policy to support 40 new programmes to boost economic competitiveness, enhance research and innovation, promote entrepreneurship, tackle unemployment, fight social exclusion and support the shift towards a low-carbon economy in Europe. Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen announced that these investments would contribute to job creation, skills and education, and improving public administration.<sup>1071</sup>

On 19 February 2015, European Commission President Jean-Claude Juncker pledged support for the EU Investment Plan to boost job creation and growth, and commitment to cooperation with the European Economic and Social Committee in the context of the 2015 Work Programme. Published on 6 November 2014, the report found the need for greater convergence of social policies to implement Article 3 of the Treaty to avoid social and regional imbalances. The investment plan prioritizes education and skills acquisition, innovation, entrepreneurship, energy transition and the green economy, and includes the involvement of social partners and civil society in employment reforms.<sup>1072</sup>

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<sup>1067</sup> EU Annual Growth Survey 2015: A new Momentum for Jobs, Growth and Investment, European Commission (Brussels) 28 November 2014. Access Date: 2 March 2015. [http://europa.eu/rapid/press-release\\_IP-14-2235\\_en.htm](http://europa.eu/rapid/press-release_IP-14-2235_en.htm)

<sup>1068</sup> Stability and Growth Pact: Commission issues guidance to encourage structural reforms and investment, European Commission (Strasbourg) 13 January 2015. Access Date: 2 March 2015 [http://europa.eu/rapid/press-release\\_IP-15-3220\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3220_en.htm)

<sup>1069</sup> Commission report highlights new jobs, new skills and social protection as drivers for restoring employment and incomes, European Social Fund (Brussels) 19 January 2015. Access Date: 2 March 2015. <http://ec.europa.eu/esf/main.jsp?catId=67&langId=en&newsId=8539>

<sup>1070</sup> Delivery of €315 billion Investment Plan on track: Commission presents law for the European Fund for Strategic Investments, European Commission (Strasbourg) 13 January 2015. Access Date: 2 March 2015. [http://europa.eu/rapid/press-release\\_IP-15-3222\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3222_en.htm)

<sup>1071</sup> Cohesion Policy: Commission commits more than 66 billion euro to promote economic development across Europe, European Commission (Brussels) 13 February 2015. Access Date: 2 March 2015. [http://europa.eu/rapid/press-release\\_IP-15-4425\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-15-4425_en.htm?locale=en)

<sup>1072</sup> European Commission and EESC – Working hand in hand to deliver solutions for Europe, European Economic and Social Committee (Brussels) 19 February 2015. Access Date: 2 March 2015. <http://www.eesc.europa.eu/?i=portal.en.press-releases.34839>

On 23 September 2015, the European Platform for Investing in Children announced that it is beginning a new initiative entitled New Start “to modernise and adapt the current legal and policy framework of the European Union (EU) so that parents with children or those with dependent relatives can better balance their caring responsibilities and professional life.”<sup>1073</sup> The initiative also aims to increase the labour market participation of women across the European Union. The European Commission will create an Impact Assessment to evaluate the future of the directive by evaluating input from its Social Partners, SMEs, micro-businesses, stakeholders, EU Parliament, EU member states and non-governmental organizations.

On 14 October 2015, the European Commission announced a new trade and investment policy entitled “Trade for All: Towards a more responsible trade and investment policy.”<sup>1074</sup> The policy “will make trade agreements more effective and that will create more opportunities means supporting jobs in Europe.” The policy aims to mitigate jobs lost due to international competition and give Europeans confidence in social protection systems.<sup>1075</sup>

On 19 October 2015, the European Commission launched a new phase of the EUR OSociAL+ programme. The programme will have a budget of EUR 32 million for the 2016-2021 period.<sup>1076</sup> The programme aims to target inequality through social policies and democratic governance, with a focus on gender equality.

The European Union has taken steps to improve long-term employment rates through social policy by announcing the initiation of several social protection policies, but has yet to concretely implement these policies, and thus receives a compliance score of 0.

*Analyst: Alison Blagden and Caitlin Gillespie*

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<sup>1073</sup> NEW START to address the challenges of work-life balance faced by working families, European Platform for Investing in Children (Brussels) 23 September 2015. Access Date: 23 October 2015. [http://europa.eu/epic/news/2015/20150923-new-start\\_en.htm](http://europa.eu/epic/news/2015/20150923-new-start_en.htm)

<sup>1074</sup> Trade for All: European Commission presents new trade and investment strategy, European Commission (Brussels) 14 October 2015. Access Date: 23 October 2015. <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1381>

<sup>1075</sup> Trade of All- New EU Trade and Investment Strategy, European Commission (Brussels) 22 October, 2015. Access Date: 23 October 2015. <http://ec.europa.eu/trade/policy/in-focus/new-trade-strategy/>

<sup>1076</sup> New phase launched of EU programme to increase social cohesion in Latin America, NewEurope (Brussels) 19 October 2015. Access Date: 23 October 2015. <http://neurope.eu/wires/new-phase-launched-of-eu-programme-to-increase-social-cohesion-in-latin-america/>

## 7. Climate Change

“We reaffirm our support for mobilising finance for adaptation ... such as the Green Climate Fund.”

*G20 Brisbane Leaders' Communiqué*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina		0	
Australia			+1
Brazil	-1		
Canada			+1
China		0	
France			+1
Germany		0	
India	-1		
Indonesia		0	
Italy	-1		
Japan			+1
Korea			+1
Mexico			+1
Russia	-1		
Saudi Arabia	-1		
South Africa		0	
Turkey	-1		
United Kingdom			+1
United States		0	
European Union			+1
Average Score		+0.10	

### Background

The G20 first addressed the issue of climate change at its inaugural summit in Washington DC in 2008.<sup>1077</sup> The topic remains of enormous importance for all members moving forward. It is recognized that, “climate change represents an urgent and potentially irreversible threat to human societies and the planet, and thus requires to be urgently addressed by all [countries].”<sup>1078</sup> Many commitments made at past G20 summits have either dealt directly with climate change, or have had climate change as an underlying theme. These include commitments relating to clean energy, food and agriculture, among others. At the London Summit in 2009, G20 members expressed their support for the United Nations Framework Convention on Climate Change (UNFCCC).<sup>1079</sup>

The UNFCCC is an international treaty joined by countries in 1992 in their effort to “cooperatively consider what they could do to limit average global temperature increases and the resulting climate change, and to cope

<sup>1077</sup> Declaration of the Summit on Financial Markets and the World Economy, 2008 Washington Summit, 15 November 2008. Access Date: 7 December 2012. <http://www.g20.utoronto.ca/2008/2008declaration1115.html>.

<sup>1078</sup> Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Access Date: 7 December 2012. <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

<sup>1079</sup> Global Plan for Recovery and Reform, 2009 London Summit, 2 April 2009. Access Date: 7 December 2012. <http://www.g20.utoronto.ca/2009/2009communiqué0402.html>.



with whatever impacts were, by then, inevitable.”<sup>1080</sup> The Conference of the Parties (COP) is the supreme decision-making body of the convention. All countries that are parties to the Convention are represented at the COP. The COP is tasked with reviewing the national communications and emission inventories submitted by parties to the Convention. Based on the information gathered, the COP evaluates the effects of measures taken by parties as well as the progress made on the road to the ultimate goal of the convention. The COP meets annually and is set to reconvene under COP21 in Paris during September 2015.<sup>1081</sup>

During the 16th session of the COP to the UNFCCC, from 20 November to 10 December 2010, in Cancun, Mexico, the parties decided to establish the Green Climate Fund (GCF) — decision 1/CP.16.<sup>1082</sup> The GCF was established as an operating entity of the financial mechanism of the convention under Article 11. The objective of the GCF is to “support projects, programmes, policies and other activities in developing country Parties.” The GCF Board governs the GCF, however a trustee will administer its assets only for the purposes of, and in accordance with, the relevant decisions of the GCF Board. The COP invited the World Bank to serve as the interim trustee of the GCF, but is subject to review after three years of the GCF’s operationalization. Further, the COP decided that an independent secretariat will support the operations of the GCF and that it was to be designed by the Transitional Committee.<sup>1083</sup>

During the 17th session of the COP to the UNFCCC from 20 November to 11 December 2011, in Durban South Africa, the parties adopted decision 3/CP.17, which approved the governing instrument for the GCF proposed by the Transitional Committee.<sup>1084</sup> Upon adopting the governing instrument of the GCF under decision 3/CP.17, the GCF was launched.<sup>1085</sup>

At the 20th session of the COP to the UNFCCC on the 9th of December 2014, in Lima, Peru,<sup>1086</sup> participating parties highlighted the beginning of the successful resource mobilization phase of the GCF which at that point had raised over USD 10.2 billion.<sup>1087</sup> As a result, the GCF is the largest fund of its kind in the world.<sup>1088</sup> In addition, parties to COP20 requested that the GCF ensure that the ongoing resource mobilization phase was commensurate with the ambitions of the fund, with specific mention of the desire for financial support from other developed country parties.<sup>1089</sup>

At the most recent G20 2014 summit in Brisbane, G20 leaders reaffirmed their commitment to the UNFCCC and its agreed outcomes, including support for sustainable development, economic growth, and certainty for

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<sup>1080</sup> Background on the UNFCCC: The international response to climate change, United Nations Framework Convention on Climate Change (Bonn) 2012. Access Date: 8 December 2012. [http://unfccc.int/essential\\_background/items/6031.php](http://unfccc.int/essential_background/items/6031.php).

<sup>1081</sup> G20 Leaders’ Communique, 2014 Brisbane Summit, 16<sup>th</sup> November 2014. Access: 4 February 2014. <http://www.g20.utoronto.ca/2014/2014-1116-communique.html>.

<sup>1082</sup> Background, Green Climate Fund (Incheon City) 2014 Access: 18 February 2014. <http://gcfund.net/about-the-fund/background.html>.

<sup>1083</sup> Background: Green Climate Fund, United Nations Framework Convention on Climate Change (Bonn). Access Date: 18 February 2014. [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/green\\_climate\\_fund/items/5869.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php).

<sup>1084</sup> Background: Green Climate Fund, United Nations Framework Convention on Climate Change (Bonn). Access Date: 18 February 2014. [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/green\\_climate\\_fund/items/5869.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php).

<sup>1085</sup> Background, Green Climate Fund (Incheon City) 2014. Access Date: 18 February 2014. <http://gcfund.net/about-the-fund/background.html>.

<sup>1086</sup> About COP20, Sustainable Innovation Forum 2014, Climate Action 2014. Access: 4 February 2015. <http://www.cop20lima.org/about/cop20/>.

<sup>1087</sup> Green Climate Fund, United Nations Framework Convention on Climate Change 2014. Access: 4 February 2015. [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/green\\_climate\\_fund/items/5869.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php).

<sup>1088</sup> Green Climate Fund, United Nations Framework Convention on Climate Change 2014. Access: 4 February 2015. [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/green\\_climate\\_fund/items/5869.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php).

<sup>1089</sup> Green Climate Fund, United Nations Framework Convention on Climate Change 2014. Access: 4 February 2015. [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/green\\_climate\\_fund/items/5869.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php).

business and investment.<sup>1090</sup> The commitment also included support for mobilizing finance for adaptation and mitigation, such as the GCF.<sup>1091</sup>

The G20 Climate Finance Study Group (CFSG) was created in 2012 by a group of foreign ministers from G20 members to “to consider ways to effectively mobilize resources taking into account the objectives, provisions and principles of the UNFCCC.”<sup>1092</sup> In the 2013 CFSG Report to the Finance Ministers, four broad areas were highlighted for focus:<sup>1093</sup>

- Financing for adaptation, with a focus on the barriers in scaling up private sector involvement and investment and the possible ways to overcome them, notwithstanding the fact that public finance will continue to be a key financing source for adaptation;
- Alternative sources and approaches to enhance climate finance and its effectiveness, with a focus on best practices in risk allocation between the public and private sector, taking into account the objectives, provisions and principles of UNFCCC;
- Enabling environments, in developing and developed countries, to facilitate the mobilization and effective deployment of climate finance, including from developed to developing countries and also domestic activities;
- Examining the role of relevant financial institutions and multilateral development banks (MDBs) in mobilizing climate finance, with the understanding that the priority of MDBs is development.

The 2014 CFSG study made policy recommendations that placed financing for adaptation as the first priority for Finance Leaders.<sup>1094</sup> This includes public sector actions along with incentivizing the private sector to incorporate climate risks and adaptation costs in planning, financing and investment decisions.<sup>1095</sup> The CFSG clarified the role that public finance is expected to play in adaptation financing, suggesting as an example the activities that support those most vulnerable to climate change.<sup>1096</sup>

### **Commitment Features**

This commitment requires G20 member states to support financial mobilization for adaptation.

In 2014, the GCF become operational and launched the Initial Resource Mobilization phase. In 2014, the GCF conducted its first Initial Resource Mobilization pledging conferences on 20 November 2014 in Berlin.<sup>1097</sup> The purpose of the conferences was to encourage participating contributors to provide a pledge of

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<sup>1090</sup> G20 Leaders’ Communique, 2014 Brisbane Summit, 16<sup>th</sup> November 2014. Access: 4 February 2014.

<http://www.g20.utoronto.ca/2014/2014-1116-communiqu.html>.

<sup>1091</sup> G20 Leaders’ Communique, 2014 Brisbane Summit, 16<sup>th</sup> November 2014. Access: 4 February 2014.

<http://www.g20.utoronto.ca/2014/2014-1116-communiqu.html>.

<sup>1092</sup> Report to the Finance Ministers, G20 Climate Finance Study Group, September 2014. Access: 4 February 2015.

<https://g20.org/wp-content/uploads/2014/12/18%20Climate%20Finance%20Study%20Group%20-%20Report%20to%20Ministers.pdf>.

<sup>1093</sup> Report to the Finance Ministers, G20 Climate Finance Study Group, September 2014. Access: 4 February 2015.

<https://g20.org/wp-content/uploads/2014/12/18%20Climate%20Finance%20Study%20Group%20-%20Report%20to%20Ministers.pdf>.

<sup>1094</sup> Report to the Finance Ministers, G20 Climate Finance Study Group, September 2014. Access: 4 February 2015.

<https://g20.org/wp-content/uploads/2014/12/18%20Climate%20Finance%20Study%20Group%20-%20Report%20to%20Ministers.pdf>.

<sup>1095</sup> Report to the Finance Ministers, G20 Climate Finance Study Group, September 2014. Access: 4 February 2015.

<https://g20.org/wp-content/uploads/2014/12/18%20Climate%20Finance%20Study%20Group%20-%20Report%20to%20Ministers.pdf>.

<sup>1096</sup> Report to the Finance Ministers, G20 Climate Finance Study Group, September 2014. Access: 4 February 2015.

<https://g20.org/wp-content/uploads/2014/12/18%20Climate%20Finance%20Study%20Group%20-%20Report%20to%20Ministers.pdf>.

<sup>1097</sup> Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change\*, Green Climate Fund, 28 November 2014. Access: 4 February 2015.

[http://www.gcfund.org/fileadmin/00\\_customer/documents/MOB201410-8th/GCF\\_Report\\_to\\_COP\\_20\\_-\\_28NOV2014\\_final.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/MOB201410-8th/GCF_Report_to_COP_20_-_28NOV2014_final.pdf).

financial support.<sup>1098</sup> Within the current compliance cycle, G20 members will be deemed in full compliance of the climate change commitment if they pledge contributions towards the GCF.

A GCF report on 28 November 2014 highlighted the objective of the fund to mobilize resources specifically to assist vulnerable developing countries to adapt to the effects of climate change.<sup>1099</sup> Outside of the GCF, there are external sources of financing for adaptation. Climate Investment Funds (CIFs) for example, are disbursed through multilateral development banks (MDBs) and aim to financially support developing countries in their capacity to address issues involving adaptation to climate change.<sup>1100</sup> Programs such as the Pilot Program for Climate Resilience assist developing countries in including climate-related risk in development planning and provide financial support to the implementation of these programs.<sup>1101</sup> G20 members that pledge support to CIFs or similar organizations will also be considered to be in compliance with this climate change commitment.

In addition, the most recent CFSG study (2014) indicated the role that the public sector can play in assisting the private sector in both reducing barriers to and incentivizing sufficient investment in adaptation.<sup>1102</sup> Significant contributions from G20 members to encourage private sector investment will indicate compliance with the climate change commitment.

### Scoring Guidelines

-1	Member does not pledge any financial commitment to the Green Climate Fund for adaptation AND does not contribute to external adaptation financing mechanisms.
0	Member pledges to support the Green Climate Fund OR an external funding mechanism BUT does not specifically support adaptation. Member pledges to support the Green Climate Fund OR an external funding mechanism BUT does not provide a timeline on the disbursement of funds.
+1	Member pledges a contribution to the Green Climate Fund OR an external financing mechanism specifically for adaptation with a clear timeline for disbursement of funds.

*Lead Analyst: Matthew Gumley*

### Argentina: 0

Argentina has partially complied with its commitment to support mobilizing funds for climate change adaptation.

As of October 1, 2015, Argentina had not pledged to invest in the Green Climate Fund (GCF).<sup>1103</sup>

After the November 2013 COP 19 meeting, the Argentinian government stated that many developing countries had to cut their budgets for climate change, and that they would like to see the structure, principles and regulations of the 2020 plan to be funded by the GCF prior to investing in it.<sup>1104</sup>

<sup>1098</sup> Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change\*, Green Climate Fund, 28 November 2014. Access: 4 February 2015.

[http://www.gcfund.org/fileadmin/00\\_customer/documents/MOB201410-8th/GCF\\_Report\\_to\\_COP\\_20\\_-\\_28NOV2014\\_final.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/MOB201410-8th/GCF_Report_to_COP_20_-_28NOV2014_final.pdf).

<sup>1099</sup> Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change\*, Green Climate Fund, 28 November 2014. Access: 4 February 2015.

[http://www.gcfund.org/fileadmin/00\\_customer/documents/MOB201410-8th/GCF\\_Report\\_to\\_COP\\_20\\_-\\_28NOV2014\\_final.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/MOB201410-8th/GCF_Report_to_COP_20_-_28NOV2014_final.pdf).

<sup>1100</sup> About the Climate Investment Funds, Climate Investment Funds, World Bank Group, 2015. Access: 4 February 2015.

<https://www.climateinvestmentfunds.org/cif/aboutus>.

<sup>1101</sup> About the Climate Investment Funds, Climate Investment Funds, World Bank Group, 2015. Access: 4 February 2015.

<https://www.climateinvestmentfunds.org/cif/aboutus>.

<sup>1102</sup> Report to the Finance Ministers, G20 Climate Finance Study Group, September 2014. Access: 4 February 2015.

<https://g20.org/wp-content/uploads/2014/12/18%20Climate%20Finance%20Study%20Group%20-%20Report%20to%20Ministers.pdf>.

<sup>1103</sup> Green Climate Fund, Status of Pledges and Contributions made to the Green Climate Fund - Status Date: 1 October 2015.

Access date: 1 October 2015. <http://news.gcfund.org/wp-content/uploads/2015/04/Status-of-Pledges-2015.10.1.pdf>

In its February 2015 meeting, the National Commission for Agricultural Disaster continued to address the provision of funding for farmers, with particular attention to those most vulnerable. The commission also seeks to address issues related to water and road infrastructure.<sup>1105</sup>

The government officials who are addressing agriculture, disaster preparedness and other climate-related areas are also continuing their work with the private sector to help encourage the viability of businesses, such as beef export, and international partnerships, with countries such as with Russia.<sup>1106</sup>

As of October 1, 2015, Argentina has additionally submitted its climate action plan to the UNFCCC, an Intended Nationally Determined Contribution (INDC) document which outlined Argentina's related two high-level goals:

Unconditional goal: To reduce greenhouse gas emissions (GHG) by 2030 with respect to projected emissions, through actions related to sustainable forest management, biofuels, energy efficiency, renewal energy, nuclear power, and changes in mass transportation.

Conditional goal: To increase its reduction goal to a 30% reduction in GHG emissions if it receives sufficient international financing and assistance and support in technology development, transfer and capacity building.<sup>1107</sup>

Although Argentina has taken a multi sector approach to address climate change, because no specific quantifiable pledge was made, Argentina is awarded a score of 0.

*Analyst: Carol Ramchuram*

#### **Australia: +1**

Australia has fully complied with its commitment to support mobilizing funds for adaptation by pledging and delivering financial resources to the Green Climate Fund.

In November 2014, at the pledging conference held in Berlin, Australia pledged AUD 200 million (USD 186.94 million) to the Green Climate Fund to help address climate change.<sup>1108</sup> This came as a surprise after Australia's initial refusal to contribute to the fund at the 2014 Brisbane Summit.<sup>1109</sup> Australia has committed

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<sup>1104</sup> Jefatura de Gabinete de Ministros, Presidencia de la Nacion. Secretaria de Ambiente y Desarrollo Sostenible de la Nacion. Informe final del Decimonoveno Período de Sesiones de la Conferencia de las Partes de la Convención Marco de las Naciones Unidas sobre Cambio Climático (COP 19). Access date: 28 February 2015.

[http://www.ambiente.gov.ar/archivos/web/UCC/file/19\\_12\\_2013\\_COP%20XIX\\_VARSOVIA.doc](http://www.ambiente.gov.ar/archivos/web/UCC/file/19_12_2013_COP%20XIX_VARSOVIA.doc)

<sup>1105</sup> Ministerio de Agricultura, Ganaderia y Pesca - Argentina y Francia avanzan en la cooperación educativa en el sector agropecuario. La Comisión Nacional de Emergencias y Desastres Agropecuarios analizó la situación de las producciones afectadas en Corrientes. 24 February 2015. Access date: 19 February 2015.

[http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit\\_accion=noticia&id\\_info=150224175250](http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=150224175250)

<sup>1106</sup> Ministerio de Agricultura, Ganaderia y Pesca - Argentina y Francia avanzan en la cooperación educativa en el sector agropecuario. El MAGyP y el sector privado repasaron los logros 2014 y trazaron las líneas de trabajo para el año 2015. 11 February 2015. Access date: 28 February 2015.

[http://www.minagri.gob.ar/site/areas/DNRAI/index.php?edit\\_accion=noticia&id\\_info=150212123635](http://www.minagri.gob.ar/site/areas/DNRAI/index.php?edit_accion=noticia&id_info=150212123635)

<sup>1107</sup> United Nations Framework Convention on Climate Change, Republica Argentina, Contribucion Prevista y Determinada a Nivel Nacional. 1 October 2015. Access date: 2 October 2015.

<http://www4.unfccc.int/submissions/INDC/Published%20Documents/Argentina/1/INDC%20Argentina.pdf>

<sup>1108</sup> Outcome of the First GCF Pledging Conference and Pledges as of 31 December 2014, Green Climate Fund (Berlin), 18 February 2015. Access Date: 26 February 2015.

[http://www.gcfund.org/fileadmin/00\\_customer/documents/In\\_between/Inf.01\\_Rev.01\\_-\\_Outcome\\_of\\_the\\_First\\_GCF\\_Pledging\\_Conference\\_20150218\\_fin.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/In_between/Inf.01_Rev.01_-_Outcome_of_the_First_GCF_Pledging_Conference_20150218_fin.pdf)

<sup>1109</sup> Climate Change: Europe and US press G20 leaders for strong action, the Guardian Australia (London) 15 November 2014.

Access Date: 1 March 2015. <http://www.theguardian.com/world/2014/nov/15/climate-change-europe-and-us-press-g20-leaders-for-strong-action>

to disbursing the AUD 200 million over four years, and has transferred the first installment in December 2014.<sup>1110</sup>

As of 31 December 2014, the Green Climate Fund reported receiving AUD 0.5 million (USD 0.51 million) from Australia, and is awaiting further funds.<sup>1111</sup>

On June 16, 2015, the Green Climate Fund reported that Australia signed contribution arrangements for its pledge in full.<sup>1112</sup>

Australia has fully complied with the commitment made at the Brisbane Summit to mobilize finances for climate adaptation and mitigation. Thus, Australia has been awarded a score of +1.

*Analyst: Aylin Manduric*

### **Brazil: –1**

Brazil has failed to comply with its commitment to support mobilizing funds for adaptation by pledging and delivering financial resources to the Green Climate Fund. Brazil has not pledged any financial contribution to the Green Climate Fund.

In 2012, the Brazilian Ministry of the Environment and the Brazilian Development Bank created lines of credit for the Brazilian Climate Change Fund Program (Fundo Clima), which funds projects that reduce greenhouse gas emissions and promote adaptation to climate change. The lines of credit aim to encourage private, municipal and state investments.<sup>1113</sup> The Fund's main source of finance is taxes from oil companies, but it also receives funding from public and private donations. In 2014, Fundo Clima's financial resources amounted to approximately BRL390 million, or EUR 134 million.<sup>1114</sup> However, it is unclear what the Brazilian government's contribution has been, if any, beyond administering the Fund.

By the end of 2014, the Brazilian government indirectly contributed BRL10.4 million to its Amazon Fund through the semi-publicly owned energy company Petrobras. Administered by The Brazilian Development Bank, the fund was created to attract investments to promote conservation of the Amazonian forests.<sup>1115</sup>

Thus, Brazil is awarded a score of –1.

*Analyst: Hannab Cohen*

### **Canada: +1**

Canada has fully complied with its commitment to mobilize finance for climate change adaptation.

On 20 November 2014, Minister of the Environment Leona Aglukkaq announced that the government of Canada was pledging a contribution of CAN300 million to the Green Climate Fund.<sup>1116</sup> Aglukkaq

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<sup>1110</sup> Media Release: Assisting the global response to climate change, Office of the Minister for Foreign Affairs (Barton ACT) 10 December 2014. Access Date: 1 March 2015. [http://foreignminister.gov.au/releases/Pages/2014/jb\\_mr\\_141210.aspx](http://foreignminister.gov.au/releases/Pages/2014/jb_mr_141210.aspx)

<sup>1111</sup> Green Climate Fund Trust Fund Financial Report as of 31 December 2014, Green Climate Fund (Incheon), 19 February 2015. Access Date 26 February 2015. <http://www.gcfund.org/documents/between-session-documents.html>

<sup>1112</sup> Status of the Initial Resource Mobilization Process, Green Climate Fund (Songdo), 16 June 2015. Access Date 4 October 2015. <http://www.gcfund.org/documents/all-board-documents.html>

<sup>1113</sup> Brazil: The Brazilian Climate Change Fund Program, Mondaq. 21 February 2012. Access: 3 October 2015. <http://www.mondaq.com/brazil/x/165594/Fund+Management+Hedge+Mutual+Investment/The+Brazilian+Climate+Change+Fund+Program>

<sup>1114</sup> Fundo Clima – The Brazilian National Fund for Climate Change, EnergyPedia. October 2014. Access 3 October 2015. [https://energypedia.info/images/5/5b/National\\_Fund\\_for\\_Climate\\_Change\\_Brazil.pdf](https://energypedia.info/images/5/5b/National_Fund_for_Climate_Change_Brazil.pdf)

<sup>1115</sup> Amazon Fund: Annual Report 2014, Brazilian Development Bank. June 2015. Access: 3 October 2015.

[http://www.amazonfund.gov.br/FundoAmazonia/export/sites/default/site\\_en/Galerias/Arquivos/Relatorio\\_Atividades/RAFA\\_2014\\_ing.pdf](http://www.amazonfund.gov.br/FundoAmazonia/export/sites/default/site_en/Galerias/Arquivos/Relatorio_Atividades/RAFA_2014_ing.pdf)

acknowledged the importance of helping developing countries with climate change adaptation and stated that Canada “will continue to protect our environment and support our economy as we move towards a new climate agreement in 2015 that must include all major economies and major emitters.”<sup>1117</sup>

Canada has also taken climate change action outside of the Green Climate Fund. From 2010 to 2013, Canada made a contribution of CAD 1.2 billion to different initiatives and programs that addressed climate change.<sup>1118</sup> Canada also supported key international partnerships such as the Climate and Clean Air Coalition and the Major Economies Forum on Energy and Climate.<sup>1119</sup>

On 3 October 2015, Canadian Deputy Minister of Foreign Affairs Daniel Jean reiterated to the United Nations General Assembly Canada’s pledge to contribute CAN300 million to the Green Climate Fund.<sup>1120</sup> He added that Canada aims to reduce greenhouse gas emissions by 30 per cent below 2005 levels by 2030.

Canada has pledged to contribute the Green Climate Fund. Thus, Canada is awarded a score of +1.

*Analyst: Elisabeth Asselin*

### **China: 0**

China has partially complied with its commitment support mobilizing funds for adaptation by pledging financial resources to the China South-South Climate Cooperation Fund.

On 6 February 2015, data from China’s National Bureau of Statistics showed a 2.5% decline in coal output and, a 2.9% decline in coal consumption in 2014.<sup>1121</sup> In addition, China has invested USD 90 billion in solar energy in the same year.<sup>1122</sup>

On 9 December, 2014, Xie Zhenhua, China’s chief negotiator at the 2014 United Nations Climate Change Conference in Lima stated that developed countries were doing too little to raise climate finance towards the USD 100 billion goal by 2020. “The Lima Conference should adopt a clear roadmap on finance by 2020 by specifying the annual amount of public finance by every developed nation, every year.”<sup>1123</sup>

On 25 September, 2015, President Barack Obama and President Xi Jinping made a joint Presidential statement reaffirm “their shared conviction that climate change is one of the greatest threats facing humanity and that their two countries have a critical role to play in addressing it.”<sup>1124</sup> China pledged USD 2 billion to

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<sup>1116</sup> Harper Government Commits Significant Funding to International Green Climate Fund, Environment Canada (Ottawa) 20 November 2014. Access: 26 February 2015. <http://news.gc.ca/web/article-en.do?nid=906609>

<sup>1117</sup> Harper Government Commits Significant Funding to International Green Climate Fund, Environment Canada (Ottawa) 20 November 2014. Access: 26 February 2015. <http://news.gc.ca/web/article-en.do?nid=906609>

<sup>1118</sup> Canada’s Action on Climate Change, Government of Canada (Canada) 26 February 2015. Access: February 28 2015. <http://www.climatechange.gc.ca/default.asp?lang=En&n=72F16A84-1>

<sup>1119</sup> Canada’s International Action, Government of Canada (Canada) 7 November 2013. Access: February 28 2015. <http://www.climatechange.gc.ca/default.asp?lang=En&n=5497F282-0>

<sup>1120</sup> At UN, Canada urges focus on financing for climate change mitigation, adaptation. UN News Centre. 3 October 2015. Access: 4 October 2015. <http://www.un.org/apps/news/story.asp?NewsID=52157>

<sup>1121</sup> 5 China’s Coal Consumption Falls 2.9%, NASDAQ (New York City) 26 February 2015. Access: 28 February 2015. <http://www.nasdaq.com/article/chinas-coal-consumption-falls-29-20150226-00422>

<sup>1122</sup> Solar power drives renewable energy investment boom in 2014, The Guardian (London) 9 January 2015. Access: 28 February 2015. <http://www.theguardian.com/environment/2015/jan/09/solar-power-drives-renewableenergy-investment-boom-2014>

<sup>1123</sup> Green Climate Fund hits \$10 billion goal, after Australia surprise, Reuters (Lima) 9 December 2014. Access: 28 February 2015. <http://www.reuters.com/article/2014/12/10/us-climatechange-lima-fundidUSKBN0JN2D220141210>

<sup>1124</sup> U.S – China Joint Presidential Statement on Climate Change, White House (Washington DC) 25 September 2015. Access: 11 October, 2015. <https://www.whitehouse.gov/the-press-office/2015/09/25/us-china-joint-presidential-statement-climate-change>

the China South-South Climate Cooperation Fund “to help other developing countries combat climate change.”<sup>1125</sup>

However, despite pledging financial resources to the China South-South Climate Cooperation Fund, they have not released a timeline on the disbursement of funds.

Thus, China is awarded a score of 0.

*Analyst: Cindy Ou*

### **France: +1**

France has fully complied with its commitment to mobilize finance for climate change adaptation.

At the September 2014 United Nations Climate Summit, French President François Hollande stated that his country would provide USD 1 billion to the GCF over the next few years.<sup>1126</sup>

On 20 November 2014, at the official capitalization meeting, France went through with President Hollande’s commitment and announced that it would make a contribution to the GCF consisting of a EUR 489 million grant and a EUR 285 million zero-interest loan.<sup>1127</sup> It was specified that the loan would be disbursed in early 2015, and the grant over four years from 2015.<sup>1128</sup>

On 26 February 2015, President Hollande made a conjoint statement with Philippine President Benigno Aquino in which they called for the international community “to provide the poorest and most vulnerable countries with adequate means of implementation, to help them achieve their transition to resilient territories and low-carbon economies.”<sup>1129</sup>

On 1 October 2015, President Hollande met with GCF’s executive director Hela Cheikhrouhou and expressed hope that the fund would become stronger and be reinforced by new contributions.<sup>1130</sup>

France has pledged a detailed contribution to support the GCF and has specifically shown its support for adaptation. Thus, France is awarded a score of +1.

*Analyst: Elisabeth Asselin*

### **Germany: 0**

Germany has partially complied with its commitments to “support developing countries on their road to low-emission, climate-resilient development” through financial contributions to the Green Climate Fund

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<sup>1125</sup> China Pledges 3 billion USD for developing countries to fight climate change, Xinhua (Beijing), 25 September 2015. Access: 11 October, 2015. [http://news.xinhuanet.com/english/2015-09/26/c\\_134663006.htm](http://news.xinhuanet.com/english/2015-09/26/c_134663006.htm)

<sup>1126</sup> Pledges Made Towards GCF at the United Nations Climate Summit 2014, Green Climate Fund September 2014. Access: 28 February 2015. <http://news.gcfund.org/pledges/>

<sup>1127</sup> Joint communiqué issued by Laurent Fabius, Ségolène Royal, Michel Sapin and Annick Girardin on Climate Disruption Financing, Government of France (France) 20 November 2014. Access: 28 February 2015. <http://www.euractiv.fr/sections/aide-au-developpement/le-financement-du-fonds-vert-decolle-avec-lannonce-des-etats-unis>  
<http://www.gouvernement.fr/en/climate-disruption-financing>

<sup>1128</sup> Le financement du Fonds vert décolle avec l’annonce des États-Unis, EurActiv News French Edition 14 November 2014. Access : 28 February 2015. <http://www.euractiv.fr/sections/aide-au-developpement/le-financement-du-fonds-vert-decolle-avec-lannonce-des-etats-unis>

<sup>1129</sup> Manila Call to Action on Climate Change, Présidence de la république française (France) 26 February 2015. Access: 28 February 2015. <http://www.elysee.fr/declarations/article/manila-call-to-action-on-climate-change/>

<sup>1130</sup> Déclarations officielles de politique étrangère du 1er octobre 2015. Government of France (France) 1 October 2015. Access : 4 October 2015. <http://basedoc.diplomatie.gouv.fr/vues/Kiosque/FranceDiplomatie/kiosque.php?fichier=bafr2015-10-01.html#Chapitre2>

(GCF).<sup>1131</sup> No financial contributions have been made to the GCF, however Germany has pledged to support the institution. Furthermore, Germany has pledged to external financial mechanisms.

On 18 May 2015, the German Federal Government accepted its responsibility to fight climate change when the President's wife Daniela Schadt announced, "We know that the consequences of climate change hit poorer regions and countries especially hard. The international community has an obligation to provide assistance."<sup>1132</sup>

On 19 May 2015, Prime Minister Angela Merkel announced Germany's plan to double contribution to the international climate fund by 2020.<sup>1133</sup> Development made is to be increased by a total of 8.3 billion euros for the period of 2016 to 2019.<sup>1134</sup>

On 9 April 2015, Germany announced it will buy EUR 1 billion of bonds linked to projects to curb climate change through the country's KfW development bank.<sup>1135</sup>

Germany has been given a score of 0 for its compliance to the commitments made towards the GCF. While Germany has actively pledged support for the GCF's mission, as well as participated in its line of work through alternative institutions, no financial contributions have been made thus far.

Thus, Germany has been awarded a score of 0.

*Analyst: Francesca Morfini*

#### **India: -1**

India has failed to comply with its commitment to support financial mobilization for climate adaptation by failing to pledge financial support to the Green Climate Fund (GCF) or other external climate organizations.

On December 8, 2015, India insisted on early financing for the GCF. Environment Minister Prakash Javadekar said, "India and other developing countries were hoping the GCF would be funded at a rate of USD 10 billion every year until 2020 to reach the USD 100 billion target."<sup>1136</sup>

On February 3, 2015, he stated that India has begun to turn towards alternative energy, including efforts to increase solar power across the country.<sup>1137</sup> Prime Minister Narendra Modi, has set a target for India to have "100 gigawatts of solar capacity by 2022."<sup>1138</sup>

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<sup>1131</sup> Green Climate Fund an encouraging sign for climate change, Federal Ministry for Economic Cooperation and Development (Berlin) 20 November 2014. Access: 10 October 2015. [http://www.bmz.de/en/press/aktuelleMeldungen/2014/november/20141120\\_pm\\_Green-Climate-Fund-an-encouraging-sign-for-global-climate-agreement/index.html](http://www.bmz.de/en/press/aktuelleMeldungen/2014/november/20141120_pm_Green-Climate-Fund-an-encouraging-sign-for-global-climate-agreement/index.html)

<sup>1132</sup> Reception on the occasion of the Vth Petersberg Climate Dialogue, Office of the President of the Federal Republic of Germany (Schloss Bellevue) 18 May 2015. Access: 28 February 2015.

<http://www.bundespraesident.de/SharedDocs/Reden/EN/JoachimGauck/Reden/2015/150518-Petersberger-Klimadiolog.html>

<sup>1133</sup> Germany increases funding for climate action, The Federal Government (Berlin) 19 May 2015. Access: 10 October 2015. [http://www.bundesregierung.de/Content/EN/Artikel/2015/05\\_en/2015-05-19-rede-merkel-pkd\\_en.html?nn=709674](http://www.bundesregierung.de/Content/EN/Artikel/2015/05_en/2015-05-19-rede-merkel-pkd_en.html?nn=709674)

<sup>1134</sup> Germany increases funding for climate action, The Federal Government (Berlin) 19 May 2015. Access: 10 October 2015. [http://www.bundesregierung.de/Content/EN/Artikel/2015/05\\_en/2015-05-19-rede-merkel-pkd\\_en.html?nn=709674](http://www.bundesregierung.de/Content/EN/Artikel/2015/05_en/2015-05-19-rede-merkel-pkd_en.html?nn=709674)

<sup>1135</sup> Germany to Buy 1 Billion Euros of Green Bonds Through KfW Bank, Bloomberg Business (New York) 9 April 2015. Access: 10 October 2015. <http://www.bloomberg.com/news/articles/2015-04-09/germany-to-buy-1-billion-euros-of-green-bonds-through-kfw-bank>

<sup>1136</sup> India for early financing of Green Climate Fund, The Economic Times (Lima) 8 December 2014. Access: 28 February 2015. [http://articles.economictimes.indiatimes.com/2014-12-08/news/56839464\\_1\\_green-climate-fundclimate-finance-indcs](http://articles.economictimes.indiatimes.com/2014-12-08/news/56839464_1_green-climate-fundclimate-finance-indcs)

<sup>1137</sup> India 'Walking the talk' on climate change, says environment minister, The Guardian (London) 3 February 2015. Access: 28 February 2015. <http://www.theguardian.com/environment/2015/feb/03/india-walking-the-talk-onclimate-change-says-environment-minister>



On 2 October 2015, India unveiled their climate change plan. India commits to cut “emissions intensity of its economy — a ratio of carbon emissions per unit of GDP — by up to 35% by 2030.”<sup>1139</sup> In addition, the plan outlined how the country will source 40% of its electricity from renewable and other low-carbon sources by 2030.

However, despite setting significant alternative energy goals and releasing a comprehensive climate change plan, India has not pledged financial contributions to GCF or other external climate organizations.

Thus, India is awarded a score of -1.

*Analyst: Cindy Ou*

### **Indonesia: 0**

Indonesia has partially complied with its commitment to support climate change adaptation by pledging and delivering financial resources to the Green Climate Fund.

As of 31 December 2014, Indonesia signed off on its USD 0.25 million contribution, but the Green Climate Fund has yet to report its receipt of the country’s contribution.<sup>1140</sup>

At the 2014 Green Climate Fund pledging conference in Berlin, Indonesia pledged USD 0.25 million but did not immediately release a timeline for disbursement of the funds.<sup>1141</sup>

On 16 June 2015, however, the Green Climate Fund reported that Indonesia signed contribution arrangements for its pledge in full.<sup>1142</sup>

Thus, Indonesia has been awarded a score of 0.

*Analyst: Aylin Manduric*

### **Italy: -1**

Italy has failed to comply with its commitment to support climate change adaptation by pledging and delivering financial resources to the Green Climate Fund (GCF).

On 20 November 2014, Italy pledged USD 310 million at the GCF conference in Berlin. However, no contributions had been made between 27 November 2014 and 28 February 2015.<sup>1143</sup>

On 8 December 2014, at the United Nations Climate Change Conference in Lima, Director General for Sustainable Development, Energy and Climate at the Italian Ministry of Environment, Land & Sea Francesco

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<sup>1138</sup> India ‘Walking the talk’ on climate change, says environment minister, *The Guardian* (London) 3 February 2015. Access: 28 February 2015. <http://www.theguardian.com/environment/2015/feb/03/india-walking-the-talk-onclimate-change-says-environment-minister>

<sup>1139</sup> India Unveils Climate Change Plan, *The Guardian* (London) 2 October 2015. Access: 11 October 2015. <http://www.theguardian.com/world/2015/oct/02/india-pledges-40-percent-electricity-renewables-2030>

<sup>1140</sup> Green Climate Fund Trust Fund Financial Report as of 31 December 2014, Green Climate Fund, 19 February 2015. Access Date 26 February 2015. <http://www.gcfund.org/documents/between-session-documents.html>

<sup>1141</sup> Outcome of the First GCF Pledging Conference and Pledges as of 31 December 2014, Green Climate Fund (Berlin), 18 February 2015. Access Date: 26 February 2015. [http://www.gcfund.org/fileadmin/00\\_customer/documents/In\\_between/Inf.01\\_Rev.01\\_-\\_Outcome\\_of\\_the\\_First\\_GCF\\_Pledging\\_Conference\\_20150218\\_fin.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/In_between/Inf.01_Rev.01_-_Outcome_of_the_First_GCF_Pledging_Conference_20150218_fin.pdf)

<sup>1142</sup> Status of the Initial Resource Mobilization Process, Green Climate Fund (Songdo), 16 June 2015. Access Date 4 October 2015. <http://www.gcfund.org/documents/all-board-documents.html>

<sup>1143</sup> Countries pledge \$9.4bn for Green Climate Fund, *The Guardian* (London) 20 November 2014. Access: 3 March 2015. <http://www.theguardian.com/environment/2014/nov/20/countries-pledge-93bn-for-green-climate-fund>

La Camera announced that the GCF “funds are hugely important as indicators of delivery.”<sup>1144</sup> Despite this announcement, no contributions have been to the GCF or other external financial mechanisms.

Further, no action has been made to contribute to the GCF’s goal to “support projects, programs, policies and other activities in developing country Parties” through external financial mechanisms.<sup>1145</sup>

Italy has failed to make a concrete financial pledge to the GCF. Thus, Italy is awarded a score of –1.

*Analyst: Francesca Morfini*

## **Japan: +1**

Japan has fully complied with its commitment to support climate change adaptation by pledging and delivering financial resources to the Green Climate Fund (GCF).

On 20 November 2014, at the GCF Pledging Conference in Germany, the Japanese Minister Takayuki Miyashita pledged that Japan would contribute up to USD 1.5 billion (approximated JPY 154 billion) to the GCF. This represented 15% of the total contributions, thus far. The intention behind Japan’s significant investment is to provide momentum to climate change initiatives, in particular, curbing greenhouse gas emissions. Specifically, Japan is hoping that this climate finance can establish a post-2020 agreement where all countries, including developing countries, will make “ambitious” and “transparent” commitments to reduce their emissions.<sup>1146</sup>

On March 18, 2014, according to “Japan’s Climate Change Policies” released by the Ministry of the Environment, Japan has committed to undertake a number of short-, medium- and long-term initiatives that extend as far as 2050.<sup>1147</sup>

Japan’s Joint Crediting Mechanism (JCM), a body to support the UNFCCC objective of reducing greenhouse gas emissions, continues to take action to disseminate Japanese low-carbon technologies to developing countries with three-year projects, to build their technological capacity and also to accurately evaluate Japan’s emission reductions. The 2015 JCM budget is approximately USD 30 million. Recent updates to JCM projects in 2015 include:

- Japan and Cambodia held their first JCM committee meeting;
- Japan and Palau solicited public input on their project “Displacement of Grid and Captive Genset Electricity by a Small-scale Solar PV System”; and
- Ahead of the 2015 21<sup>st</sup> Conference of the Parties (COP21), Japan has pledged its goal to reduce GHG by 26% by 2020, up to 30% by 2030 and up to 50% by 2050. Their INDC identifies the energy sector as a primary focus, though Japan’s initiative with focus on multiple sectors, and will include its reductions, intending to emission reductions achieved by the JCM in foreign countries.<sup>1148</sup>

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<sup>1144</sup> Speaking’s EU press briefing, Lima, Ministry of the Environment, Land and Sea (Rome) 5 December 2014. Access: 3 March 2015. <http://www.minambiente.it/sites/default/files/archivio/notizie/Intrevento%20La%20Camera%20eng.docx>

<sup>1145</sup> Background: Green Climate Fund, United Nations Framework Convention on Climate Change (Bonn). Access Date: 3 March 2015. [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/green\\_climate\\_fund/items/5869.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php)

<sup>1146</sup> Ministry of Foreign Affairs Japan, United States and Japan announce \$4.5 billion in pledges to GCF. Access date: 15 February 2015. <http://www.mofa.go.jp/mofaj/files/000059837.pdf>

<sup>1147</sup> Japan’s Ministry of the Environment, Japan’s Climate Change Policies. Access date: 15 February 2015. <http://www.env.go.jp/en/focus/docs/files/20140318-83.pdf>

<sup>1148</sup> United Nations Framework Convention on Climate Change, Submission of Japan’s Intended Nationally Determined Contribution (INDC). Access date: 2 October 2015.

[http://www4.unfccc.int/submissions/INDC/Published%20Documents/Japan/1/20150717\\_Japan's%20INDC.pdf](http://www4.unfccc.int/submissions/INDC/Published%20Documents/Japan/1/20150717_Japan's%20INDC.pdf)

Because Japan has both made a substantial pledge to the GCF, set ambitious goals to address its GHG emissions and undertaken extensive work to build capacities of developing countries, Japan is awarded a score of +1.

*Analyst: Carol Ramchuram*

### **Korea: +1**

Korea has fully complied with its commitment to support climate change adaptation by pledging and delivering financial resources to the Green Climate Fund (GCF).

As of November 2014, Korea had pledged to invest up to USD 100 million towards the GCF, which includes the USD 50 million contribution currently being invested. Korean President Park Geun-hye, expressed his desire to share Korea's experiences with other nations, and stressed the fund's importance to the republic's 2015 plans. The President also expressed interest in investing in the Global Green Growth Institute and other similar organizations working to combat climate change.<sup>1149</sup>

In December 2014 at the United Nations climate conference in Lima (Peru), Korea's Environment Minister Yoon Seong-kyu announced a 2020 greenhouse gas (GHG) reduction target of 30%, and the launch of its Emission Trading Scheme. Korea will be the first Asian country to adopt this type of scheme. The minister also announced that Korea would submit its Intended Nationally Determined Contribution extending past 2020.<sup>1150</sup>

In December 2014, the Ministry of Environment (MOE) and Korea Environment Corporation, in support of its nation's expertise and research in climate change mitigation, designated five universities as graduate schools climate change specialists. The MOE will provide consultation and support to these schools' curriculums, as well as provide them with funding up to the approximate amount of USD 136,000 per year for up to five years.<sup>1151</sup>

In February 2015, the Korea Environmental Industry and Technology Institute continued its initiative to raise awareness about carbon dioxide emissions. It will assess 30 small or medium-sized companies and create "carbon labels" for their products, which reflect these emissions.<sup>1152</sup>

In April 2015, Minister of Environment of Korea, Yoon Seongkyu, attended the 17th Tripartite Environment Ministers Meeting (TEMM17) between Korea, Japan and China. At the meeting, the three nations established that their Joint Action Plan for 2015-2019 period would focus on nine Priority Areas adopted at the 16<sup>th</sup> TEMM. The Action Plan highlights the need for jointly addressing problems and challenges in the following priority areas:

- Response to climate change and emergencies
- Air quality
- Biodiversity, the marine environment and water conservation

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<sup>1149</sup> Green Climate Fund, Pledges made towards GCF at the United Nations Climate Summit 2014. Access: 15 February 2015. <http://news.gcfund.org/pledges/>

<sup>1150</sup> Republic of Korea, Ministry of Environment, Minister Yoon Seong---kyu Delivered a Keynote Speech at UNFCCC COP20/CMP 10 (Lima) 12 December 2014. Access: 15 February 2015. <http://eng.me.go.kr/eng/web/board/read.do?menuId=21&boardMasterId=522&boardId=467250&searchKey=titleOrContent&searchValue=climate>

<sup>1151</sup> Republic of Korea, Ministry of the Environment, MOE to Designate Five Graduate Schools Specialized in Climate Change (Seoul) 19 December, 2014. Access: 15 February 2015. <http://eng.me.go.kr/eng/web/board/read.do?menuId=21&boardMasterId=522&boardId=469450&searchKey=titleOrContent&searchValue=climate>

<sup>1152</sup> Republic of Korea, Ministry of Environment, Respond to Climate Change by Calculating Emissions (Seoul) 2 February 2015. Access: 15 February 2015. <http://eng.me.go.kr/eng/web/board/read.do?menuId=21&boardMasterId=522&boardId=482230&searchKey=titleOrContent&searchValue=climate>

- Collaborative management of circulating chemicals and waste
- Environmental education, public awareness and corporate social responsibility
- Rural environmental management and
- Corporate social responsibility and building green economies<sup>1153</sup>

In June 2015, Korea submitted its Intended Nationally Determined Contribution (INDC) to the UNFCCC. Korea's INDC commits to reducing its GHG emissions by 37 per cent from the typical level by 2030 across all economic sectors. The INDC also emphasizes Korea's commitment to promoting cost-effective measures for mitigation by launching a nation-wide Emissions Trading Scheme (ETS) in 2015. The Scheme covers 525 business entities accounting for 67.7 per cent of Korea's national greenhouse gas emissions.<sup>1154</sup>

In September 2015, Korean President Geun-hye Park met with European Union President Mr. Donald Tusk at the Eight Bilateral Summit, where the two expressed their aim to cooperate bilaterally with each other and with other countries to realize an "ambitious" and "effective" agreement that must "address adaptation to climate change and climate finance, in particular through the Green Climate Fund." In addition, the two leaders also solidified their intention to "make the Green Climate Fund fully operational and the main operating entity of the financial mechanism" under the UNFCCC for the Post-2020 climate regime.<sup>1155</sup>

Korea has made a substantial contribution to the GCF and has undertaken extensive work to build its national awareness and expertise, and collaboration with neighboring countries.<sup>1156</sup>

Thus, Korea is awarded a score of +1.

*Analyst: Atul Menon*

### **Mexico: +1**

Mexico has contributed a total of USD 10 million to the Green Climate Fund (GCF) and has therefore fully complied with its commitment of mobilizing finance for adaptation.<sup>1157</sup>

In March 2015, Mexico became the first developing country to release its post-2020 Intended Nationally Determined Contribution (INDC), thus further demonstrating its commitment to environmental sustainability.<sup>1158</sup> In its INDC, Mexico has pledged to "reduce its greenhouse gas emissions by 22 percent and its black carbon (soot) by 51 percent by 2030."<sup>1159</sup>

Thus, Mexico is awarded a score of +1.

*Analyst: Maryam Rabimi Shabmirzadi*

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<sup>1153</sup> Joint Communiqué of the 17<sup>th</sup> Tripartite Environment Ministers Meeting Among China, Japan and Korea, Ministry of Environment of Japan (Shanghai) April 2015. Access: 29 September 2015. <http://www.env.go.jp/press/files/jp/26978.pdf>

<sup>1154</sup> INDCs as communicated by Parties, Climate Change Newsroom from the UNFCCC. Access: 29 September 2015.

<http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx>

<sup>1155</sup> EU, South Korea See Central Role for GCF in Global Climate Finance, Green Climate Fund (Songdo, South Korea) 17 September 2015. Access: 29 September 2015. <http://news.gcfund.org/eu-south-korea-see-central-role-for-gcf/>

<sup>1156</sup> Republic of Korea, Ministry of the Environment, Environmental Ministers of Korea, China and Japan agreed to combat DSS (Daegu, South Korea) 29 April 2014. Access: 15 February 2015. <http://eng.me.go.kr/eng/web/board/read.do?menuId=21&boardMasterId=522&boardId=347526&searchKey=titleOrContent&searchValue=>

<sup>1157</sup> Pledges made towards GCF at the United Nations Climate Summit 2014. Access: 4 October 2015.

<http://news.gcfund.org/pledges/>

<sup>1158</sup> Mexico Becomes First Developing Country to Release New Climate Plan (INDC) 31 March 2015. Access: 4 October 2015. <http://www.wri.org/blog/2015/03/mexico-becomes-first-developing-country-release-new-climate-plan-indc>

<sup>1159</sup> Mexico Becomes First Developing Country to Release New Climate Plan (INDC) 31 March 2015. Access: 4 October 2015. <http://www.wri.org/blog/2015/03/mexico-becomes-first-developing-country-release-new-climate-plan-indc>

### **Russia: -1**

Russia has failed to comply with its commitment on climate change.

Russia has not made financial contributions to the Green Climate Fund (GCF) during the compliance period.<sup>1160</sup>

No facts of Russia's intent to provide financial contribution to GCF have been registered. Thus Russia is awarded a score of -1.

*Analyst: Andrei Sakharov*

### **Saudi Arabia: -1**

Saudi Arabia has failed to comply with its commitment to support climate change adaptation by pledging and delivering financial resources to the Green Climate Fund (GCF).

In August 2014, the King Abdullah City for Atomic and Renewable Energy (K-A.CARE), a Saudi royal agency that oversees renewable energy development, implemented an agreement with the Chinese National Nuclear Corporation to develop renewable and nuclear energy.<sup>1161</sup> This plan would result in 41 gigawatts of photovoltaic solar energy capacity by 2032, supplying 30% of its total power consumption. Saudi Arabia, the world's largest exporter of crude oil, relies on hydrocarbon fossil fuels for power. By 2032, however, power demands will exceed 120 gigawatts per year. The Saudi government projects approximately 41 gigawatts to be supplied by solar energy, 17 gigawatts by nuclear and 9 gigawatts by wind. However, within the current compliance cycle, Saudi Arabia delayed its renewable energy program by eight years.<sup>1162</sup> At a 2015 energy conference in Abu Dhabi, K-A.CARE President Hashim Yamani announced that he had "revised the outlook together with our stakeholders to focus on 2040 as the major milestone for long-term energy planning in Saudi Arabia."

While Saudi Arabia has maintained its long-term goal of divestment from hydrocarbons for domestic energy production, it has not pledged any financial contribution to the GCF or to similar adaptation mechanisms, as of 1 October 2015.

Thus, Saudi Arabia is awarded a score of -1.

*Analyst: Elisabeth Asselin*

### **South Africa: 0**

South Africa has partially complied with its commitment to support climate change adaptation by pledging and delivering financial resources to the Green Climate Fund (GCF).

As of 31 December 2014, South Africa had not made any financial contribution to the GCF nor has it contributed to external adaptation financing mechanisms, failing to comply with its commitment to mobilize funds for adaptation.<sup>1163</sup>

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<sup>1160</sup> Green Climate Fund (GCF): Contributions, World Bank. Access: 15 May 2015.  
<http://fiftrustee.worldbank.org/index.php?type=contributionpage&ft=gcf>.

<sup>1161</sup> China, Saudi Arabia to Cooperate on Renewable Energy Development, PV Magazine 19 August 2014. Date Accessed: 27 February 2014 [http://www.pv-magazine.com/news/details/beitrag/china--saudi-arabia-to-cooperate-on-renewable-energy-development\\_100016140/#axzz3TBLQoMI7](http://www.pv-magazine.com/news/details/beitrag/china--saudi-arabia-to-cooperate-on-renewable-energy-development_100016140/#axzz3TBLQoMI7)

<sup>1162</sup> Saudi Arabia Delays \$109 Billion Solar Plant by 8 Years, Bloomberg January 20, 2015. Date Accessed: 28 February 2015  
<http://www.bloomberg.com/news/articles/2015-01-20/saudi-arabia-delays-109-billion-solar-plant-by-8-years>

<sup>1163</sup> Attachment III: Pledge Table – Green Climate Fund Initial Resource Mobilization Pledges as at 31 December 2014, Green Climate Fund News 31 December 2014. Access: 27 February 2015. [http://news.gcfund.org/wp-content/uploads/2015/02/pledges\\_GCF\\_dec14.pdf](http://news.gcfund.org/wp-content/uploads/2015/02/pledges_GCF_dec14.pdf)

In 2015, South Africa has taken steps towards mitigating the affects in climate change, such as its submission of its Intended Nationally Determined Contribution (INDC)<sup>1164</sup>. In this, South Africa addresses its priorities as a poor nation in addressing quality of life, as well as the its climate change priorities, such as addressing GHG's in a highly coal-dependent country.

As of October 2015, while South Africa had not has not made any contribution to the Green Climate Fund,<sup>1165</sup> its INDC presents numerous past and planned financial investments to address climate change, as part of its development of a cross-sectoral National Climate Change Adaptation Strategy and Plan based (NCCASP) on the UNFCCC National Adaptation Plan.

Examples of its accomplishments and commitments include<sup>1166</sup>:

- Launch of its first solar thermal electricity plant as of 2 March 2015, the largest in Africa and able to power 80,000 South African homes.
- Pledged estimated spending of \$0.17 billion USD annually towards NCCASP establishment of goals and planning between 2020 and 2030.
- Pledged estimated spending of between \$0.42 billion and \$29.8 USD annually towards NCCASP adaptation and needs and costs between 2020 and 2030, and \$0.29 billion and \$1.4 billion USD annually between 2030 and 2050.
- Increased spending on: its Working for Water and Working for Fire, estimated at \$1.2 billion per year; Working on Wetlands, estimated at \$0.12 billion per year; Water Conservation and Demand Management at \$5.3 billion per year; and, land restoration at \$0.07 billion per year.
- Approval of 79 renewable energy power producer projects, valued at approximately \$16 billion USD .

South Africa has not made a financial contribution to the GCF or to other external mechanisms to support adaptation, and has instead focused on national adaptation. Thus, South Africa is awarded a score of 0.

*Analyst: Carol Ramchuram*

## **Turkey: -1**

Turkey has failed to comply with its commitment to support raising finances for climate change adaptation and mitigation.

As of 31 December 2014, Turkey did not have a representative on the board of the Green Climate Fund (GCF), and did not attend the pledging conference in November 2014 in Berlin.<sup>1167</sup>

After the 2014 G20 Brisbane Summit, Turkey put climate change finance on the list of priority areas it planned to focus on during its G20 presidency.<sup>1168</sup> Although the Turkish government has not started any new initiatives to further climate change finance, it is continuing its previous projects and commitments.

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<sup>1164</sup>United Nations Framework Convention on Climate Change, South Africa's Intended Nationally Determined Contribution. Access date: 2 October 2015.

<http://www4.unfccc.int/submissions/INDC/Published%20Documents/South%20Africa/1/South%20Africa.pdf>

<sup>1165</sup>Green Climate Fund. Status of Pledges and Contributions to the Green Climate Fund. Status Date: 5 October 2015. Access Date: 10 October 2015. <http://news.gcfund.org/wp-content/uploads/2015/04/Status-of-Pledges-2015.10.5.pdf>

<sup>1166</sup>United Nations Framework Convention on Climate Change, South Africa's Intended Nationally Determined Contribution. Access date: 2 October 2015.

<http://www4.unfccc.int/submissions/INDC/Published%20Documents/South%20Africa/1/South%20Africa.pdf>

<sup>1167</sup>Outcome of the First GCF Pledging Conference and Pledges as of 31 December 2014, Green Climate Fund (Incheon), 18 February 2015. Access Date: 26 February 2015. [http://www.gcfund.org/fileadmin/00\\_customer/documents/In\\_between/Inf.01\\_Rev.01\\_-\\_Outcome\\_of\\_the\\_First\\_GCF\\_Pledging\\_Conference\\_20150218\\_fin.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/In_between/Inf.01_Rev.01_-_Outcome_of_the_First_GCF_Pledging_Conference_20150218_fin.pdf)

<sup>1168</sup>Turkish G20 Presidency Priorities for 2015, G20.org (Istanbul), 3 December 2014. Access Date: 1 March 2015.

<https://g20.org/wp-content/uploads/2014/12/2015-TURKEY-G-20-PRESIDENCY-FINAL.pdf>

Between 2015 and 2016, Turkey, in partnership with the United Kingdom Prosperity Fund, is working on funding programs that promote sustainable development. The Prosperity Fund, based in Ankara, aims to fund projects in Turkey that take action against climate change through “low-carbon economic development.”<sup>1169</sup>

Turkey has been awarded a score of -1.

*Analyst: Aylin Manduric*

### **United Kingdom: +1**

The United Kingdom has fully complied with its commitment to support the operationalization of the Green Climate Fund (GCF).

In November 2014, the UK pledged GBP 720 million in support of the GCF.<sup>1170</sup> As of the April 30 2015, the UK had converted this pledge into a contribution agreement as required by the GCF.<sup>1171</sup>

As of December 2014, the UK also has allocated GBP 40 million to the bio-carbon fund, which is overseen by the World Bank.<sup>1172</sup> This donation is intended to assist the BCF Initiative on Sustainable Forest Landscapes, a program to combat greenhouse gas emission resulting mainly from deforestation. In addition, the UK’s contribution is an investment into more environmentally friendly and sustainable agriculture.

The UK has contributed to various climate change initiatives, and has provided financing for the Green Climate Fund.

Thus, the United Kingdom receives a score of +1.

*Analyst: Andrew Aulthouse*

### **United States: 0**

The United States has partially complied with its commitment to support the operationalization of the Green Climate Fund (GCF).

On 2 February 2015, the Obama Administration proposed a budget, which included a contribution of USD 500 million to the GCF and USD 230 million to the Climate Investments Fund.<sup>1173</sup> The budget was introduced in early February 2015 and included this contribution that would be the country’s first installment of the USD 3 billion it has pledged to the GCF.<sup>1174</sup> The White House has also expressed support for the continuation of the fund into the future, stating, “The United States expects that the GCF will become a

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<sup>1169</sup> UK Prosperity Fund: Turkey, United Kingdom Foreign and Commonwealth Office (London), 15 December 2014. Access Date: 1 March, 2015. <https://www.gov.uk/uk-prosperity-fund-turkey>

<sup>1170</sup> UK Pledges to Help Hardest Hit by Climate Change, Department of Energy & Climate Change (London) November 20 2014. Access: October 3 2015. <https://www.gov.uk/government/news/uk-pledges-to-help-hardest-hit-by-climate-change>

<sup>1171</sup> Governments Requested to Accelerate Signing of Contributions to Green Climate Fund, Green Climate Fund (Songdo International Business District) April 30 2015. Access: October 3 2015. [http://news.gcfund.org/wp-content/uploads/2015/04/release\\_GCF\\_2015\\_contributions\\_status\\_30\\_april\\_2015.pdf](http://news.gcfund.org/wp-content/uploads/2015/04/release_GCF_2015_contributions_status_30_april_2015.pdf)

<sup>1172</sup> Intervention Summary: Biocarbon Fund Initiative for Sustainable Forest Landscapes, Department for Environment, Food, and Rural Affairs (London) December 2014. Access: October 3 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/399714/intervention-summary-biocarbon-fund-initiative.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/399714/intervention-summary-biocarbon-fund-initiative.pdf)

<sup>1173</sup> Amy Harder, “Obama Budget Would Pour Funds into Climate, Renewable Energy”, Wall Street Journal 3 February 2015. Access Date: 03 October 2015. <http://www.wsj.com/articles/obama-budget-would-pour-billions-into-climate-renewable-energy-1422903421>

<sup>1174</sup> James West, “Obama’s Budget Calls for Billions in Climate Funding”, Mother Jones 2 February 2015. Access Date: 26 February 2015. <https://www.whitehouse.gov/the-press-office/2015/09/25/fact-sheet-united-states-and-china-issue-joint-presidential-statement>

preeminent, effective, and efficient channel for climate finance.”<sup>1175</sup> In advance of the 2015 United Nations Climate Change Conference, the Obama Administration has reaffirmed its pledge to the GCF.<sup>1176</sup>

However, the United States missed the April 30 deadline for a firm commitment of funds to the GCF.<sup>1177</sup> Although the pledge of a specific amount of money to the Fund outlines the Obama Administration’s intention to follow through on its promised contributions, its proposed budget has not been approved by the US Congress.

Therefore, the United States is awarded a score of 0.

*Analysts: Daniel Hart, D. Alex Nyikos*

### **European Union: +1**

The European Union has fully complied with its commitment to mobilize funds for adaptation.

As of December 9, 2014, the European Commission had pledged EUR 80 million to the Private Finance for Energy Efficiency program. This program aims to “increase private financing for investments in energy efficient projects.”<sup>1178</sup> The recipients of the funding include “small and medium sized enterprises, private individuals, small municipalities and other public sectors.”<sup>1179</sup>

Also on 19 December 2014, the European Commission and the European Investment Bank launched a new financing instrument called the Natural Capital Financing Facility for “projects promoting the preservation of natural capital, including adaptation to climate change.”<sup>1180</sup> The commission pledged EUR 50 million as guaranteed investment and EUR 10 million for a support facility.

In addition, three EU member states have individually pledged contributions to the GCF. On 25 July 2014, Germany announced a pledge of EUR 750 million to the GCF.<sup>1181</sup> On 28 November 2014, Spain announced a pledge of EUR 120 million<sup>1182</sup> and, on 11 December 2014, Austria announced a pledge of USD 25 million<sup>1183</sup> with the possibility of an additional USD 25 million in 2015.

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<sup>1175</sup>Office of the Press Secretary, “FACT SHEET: United States Support for Global Efforts to Combat Carbon Pollution and Build Resilience”, The White House November 15 2014. Access Date: 03 October 2015. <https://www.whitehouse.gov/the-press-office/2014/11/15/fact-sheet-united-states-support-global-efforts-combat-carbon-pollution>

<sup>1176</sup>Office of the Press Secretary, “U.S.-China Joint Presidential Statement on Climate Change”, the White House 25 September 2015. Access Date: 03 October 2015. <https://www.whitehouse.gov/the-press-office/2015/09/25/us-china-joint-presidential-statement-climate-change>

<sup>1177</sup>Alister Doyle and Megan Rowling, “US and Japan Miss Deadline on Cash for UN Green Climate Fund”, Reuters 30 April 2015. Access Date: 03 October 2015. <http://www.reuters.com/article/2015/04/30/uk-climatechange-finance-un-idUSKBNONL1RN20150430>

<sup>1178</sup>Range of LIFE funding has been expanded, European Commission (Brussels) 9 December 2014. Access: 28 February 2015. [http://ec.europa.eu/clima/news/articles/news\\_2014120901\\_en.htm](http://ec.europa.eu/clima/news/articles/news_2014120901_en.htm)

<sup>1179</sup>Range of LIFE funding has been expanded, European Commission (Brussels) 9 December 2014. Access: 28 February 2015. [http://ec.europa.eu/clima/news/articles/news\\_2014120901\\_en.htm](http://ec.europa.eu/clima/news/articles/news_2014120901_en.htm)

<sup>1180</sup>New Funding under the Natural Capital Financing Facility, European Commission (Brussels) 19 December 2014. Access: 28 February 2015. [http://ec.europa.eu/clima/news/articles/news\\_2014121902\\_en.htm](http://ec.europa.eu/clima/news/articles/news_2014121902_en.htm)

<sup>1181</sup>Green Climate Fund Welcome German Pledge, Green Climate Fund (Incheon) 25 July 2014. Access: 28 February 2015. [http://www.gcfund.org/fileadmin/00\\_customer/documents/Press/GCF\\_PR\\_07\\_25\\_July\\_2014\\_German\\_Pledge.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/Press/GCF_PR_07_25_July_2014_German_Pledge.pdf)

<sup>1182</sup>Spain Announces Contribution to Green Climate Fund, Green Climate Fund (Incheon) 28 November 2014. Access: 28 February 2015.

[http://www.gcfund.org/fileadmin/00\\_customer/documents/Press/GCF\\_Press\\_Release\\_2014\\_11\\_28\\_Spain\\_pledge.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/Press/GCF_Press_Release_2014_11_28_Spain_pledge.pdf)

<sup>1183</sup>Total Pledges nearing 10.2 billion. New Pledges from Peru, Colombia, Austria, Green Climate Fund (Incheon) 10 December 2014. Access: 28 February 2015

[http://www.gcfund.org/fileadmin/00\\_customer/documents/Press/release\\_GCF\\_2014\\_12\\_10\\_austria\\_pledge.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/Press/release_GCF_2014_12_10_austria_pledge.pdf)



The EU and its member states have demonstrated their commitment to improving energy efficiency and environmental protection. Financial investments have been made to encourage the public and private sector in energy-efficient projects and in developing measures to counteract climate-related risks through adaptation.

Thus, the European Union is awarded a score of +1.

*Analyst: Cindy Ou*

## 8. Energy: Fossil Fuels

“We reaffirm our commitment to rationalise and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, recognising the need to support the poor.”

*G20 Brisbane Leaders’ Declaration*

### Assessment

Country	No Compliance	Work in Progress	Full Compliance
Argentina	-1		
Australia	-1		
Brazil		0	
Canada	-1		
China	-1		
France			+1
Germany	-1		
India		0	
Indonesia		0	
Italy	-1		
Japan	-1		
Korea		0	
Mexico		0	
Russia	-1		
Saudi Arabia	-1		
South Africa	-1		
Turkey	-1		
United Kingdom		0	
United States			+1
European Union		0	
Average Score		-0.45	

### Background

At Brisbane Summit G20 leaders reiterated their commitment to rationalize and phase out, over the medium term, inefficient fossil fuel subsidies that encourage wasteful consumption.

At the Toronto Summit in 2010, Finance and Energy ministers completed a comprehensive review of fossil fuel subsidy programs for their respective countries in which they discussed the various ways to address social and economic impacts of possible reforms. Among the members invited to submit progress reports in 2011, eleven members failed to report any fossil fuel subsidies. Other members however, reported continued progress and notable progress is being made with regards to implementation of strategies that will phase out fossil fuel. Summary of Progress Reports to G-20 Leaders on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies. Because such statements are declarative and not supported by material evidence, this report will not consider them as credible sources. Thus, they will not be taken into account towards the setting of G20 members’ scores.

G20 members continued their discussion of possible next steps in the second half of 2012 and beyond. The discussions included the possibility of a peer-review process whereby a member could invite another member to assess its fossil fuel subsidy reform progress. They would seek to improve the definition of fossil fuel subsidies while finding a way to standardize reporting from G20 countries. The G20 finance ministers agreed at their 15-16 February 2013 meeting to undertake a voluntary peer-review process for fossil fuel subsidies and report outcomes to Leaders in St. Petersburg in 2013.

## Commitment Features

This commitment requires G20 members to rationalize and phase out inefficient fossil fuel subsidies over the medium term. Specific policies depend on the member state's national circumstances and require the concurrent provision of targeted support for the poor.

There is currently no common benchmark or definition of inefficient fossil fuel subsidies that may encourage wasteful consumption.<sup>1184</sup>

In 2011, the Organisation for Economic Co-operation and Development (OECD) Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels identified types of government support for energy production.<sup>1185</sup> These are:

- Intervening in markets in a way that affects costs or prices;
- Transferring funds to recipients directly ;
- Assuming part of their risk;
- Selectively reducing the taxes governments would otherwise have to pay;
- Undercharging for the use of government-supplied goods or assets.

There is also no single approach to measure subsidy efforts. The two most common approaches are 1) price-gap measurements to “examine differences between the observed price for a good ... against what the price ‘should be’ without the government programs”; and 2) transfer measurements that “quantify the subsidy flows associated with particular government programs, regardless of whether they end up changing fuel prices.”<sup>1186</sup> These two methods can track the potential decline of a member's fossil fuel subsidy program.

In this commitment, the G20 also recognized the need to support the poor. The World Bank found that even though fossil fuel subsidies are economically inefficient, “price increases from the removal of fossil-fuel subsidies are likely to adversely affect lower-income households who are already struggling.”<sup>1187</sup> The report by the World Bank, submitted to the G20, identified two broad types of approaches available to countries seeking to reduce subsidies and support the poor: 1) improving the poverty targeting of existing subsidies, including limiting the number of subsidized goods to those used by the poor or limiting the quantities subsidized; and 2) introducing or strengthening other forms of support for the livelihoods of the poor, in cash or in-kind.<sup>1188</sup>

Given the absence of a common structure, the compliance of each G20 member will be assessed on its individual implementation strategy and recent progress. Members that have declared that they do not have inefficient fossil fuel subsidies will be subject to different criteria. These members will still be evaluated on their efforts to provide support for the poor. However, research will be conducted to ensure that members

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<sup>1184</sup> Joint Report by IEA, OPEC, OECD and World Bank on Fossil-Fuel and Other Energy Subsidies: An Update of the G20 Pittsburgh and Toronto Commitments, IEA, OECD, World Bank, OPEC, OECD (Paris) 14 October 2011. Access: 2 February 2015. [www.oecd.org/dataoecd/14/18/49006998.pdf](http://www.oecd.org/dataoecd/14/18/49006998.pdf).

<sup>1185</sup> Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels, OECD (Paris) 2011. Access: 2 February 2015. <http://www.oecd.org/site/tadffss/48805150.pdf>.

<sup>1186</sup> Measuring Energy Subsidies Using the Price-Gap Approach: What Does it leave out?, International Institute for Sustainable Development (Winnipeg) August 2009. Access: 2 February 2015. [http://www.iisd.org/gsi/sites/default/files/bali\\_2\\_copenhagen\\_ff\\_subsidies\\_pricegap.pdf](http://www.iisd.org/gsi/sites/default/files/bali_2_copenhagen_ff_subsidies_pricegap.pdf).

<sup>1187</sup> Transitional Policies to Assist the Poor While Phasing Out Inefficient Fossil Fuels that Encourage Wasteful Consumption, World Bank (Washington D.C.) 18 September 2014. Access: 2 February 2015. <http://www.worldbank.org/content/dam/Worldbank/document/Climate/Transitional-Policies-Assist-Poor-Phasing-Out-Inefficient-Fossil-Fuel-Subsidies.pdf>.

<sup>1188</sup> Transitional Policies to Assist the Poor While Phasing Out Inefficient Fossil Fuels that Encourage Wasteful Consumption, World Bank (Washington D.C.) 18 September 2014. Access: 2 February 2015. <http://www.worldbank.org/content/dam/Worldbank/document/Climate/Transitional-Policies-Assist-Poor-Phasing-Out-Inefficient-Fossil-Fuel-Subsidies.pdf>.

who have declared to not have inefficient fossil fuel subsidies have not introduced any since their declaration. Members that have declared they have efficient fossil fuel subsidies but are found to have inefficient fossil fuel subsidies will be awarded a score of 0, provided they have take measures to support the poor. If these members have also not taken action to support the poor they will be awarded a score of -1.

Table 6 describes the most recent member-specific implementation strategies from the 2012 Los Cabos Summit.<sup>1189</sup>

**Table 6: Member-Specific Implementation Strategies**

G20 Member	Implementation Strategy
Argentina	Proposes to reduce household subsidy for propane gas consumption as natural gas access is expanded.
Canada	Proposes to implement recently released draft legislation to phase out the accelerated capital cost allowance for oil sands assets over the 2011-15 period. Previously phased out other tax preferences applying to fossil fuel producers.
China	Proposes to gradually reduce the urban land use tax relief for fossil fuel producers.
Germany	Proposes to discontinue subsidized coal mining in a socially acceptable manner by the end of 2018.
India	Proposes to work out implementation strategies and timetables for rationalizing and phasing out inefficient fossil fuel subsidies based on the recommendation of the Empowered Group of Ministers that has been constituted.
Indonesia	Proposes to phase out inefficient fossil fuel subsidies in a gradual manner in parallel through managing demand by adopting measures that will reduce fossil fuel energy consumption and by gradually narrowing the gap between domestic and international prices.
Italy	Proposes to continue with planned expiration of subsidy for certain cogeneration plants, and negotiate on a voluntary basis with private operators of these plants on the timing of their recess from the subsidy scheme.
Korea	Proposes to phase out subsidies to anthracite coal and briquette producers.
Mexico	By continuing current policies and based on current market conditions, subsidies to gasoline, diesel, and LP gas are expected to disappear in the medium term.
Russia	Proposes to implement the commitment to rationalize and phase out inefficient fossil fuel subsidies through national economic and energy policy, within the framework of its Energy Strategy 2030 and the Concept of Long-Term Social and Economic Development, as well as in the context of its joining the World Trade Organization.
Turkey	Proposes to work on a restructuring plan to rationalize the inefficient producer subsidies transferred to a stated-owned hard coal producing enterprise.
United States	Proposes to pass legislation to eliminate 12 preferential tax provisions related to the production of coal, oil and natural gas.

In this report, Australia, Brazil, France, Japan, Saudi Arabia, South Africa and the United Kingdom all claim to have efficient fossil fuel subsidies.

### Scoring Guidelines

-1	Member does not provide any form of support that facilitates access of fossil fuels to vulnerable groups.
0	Member provides indiscriminate support to facilitate access to fossil fuels.
+1	Member provides target support to the vulnerable groups that do not have access on fossil fuels.

Scoring guidelines for members that have specified having inefficient fossil fuel subsidies:

<sup>1189</sup> G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies. G20 Research Group (Toronto) 4 September 2013. Access: 2 February 2015. <http://www.g20.utoronto.ca/compliance/2012loscabos-final/11-2012-g20-compliance-final.pdf>.

-1	Member takes no action to phase out inefficient fossil fuel subsidies AND does not provide support to its vulnerable groups.
0	Member takes action to phase out inefficient fossil fuel subsidies but does not provide support to its vulnerable groups OR member does not take action to phase out inefficient fossil fuel subsidies but provides support to its vulnerable groups.
+1	Member takes action to phase out inefficient fossil fuel subsidies <i>and</i> provides support to its vulnerable groups.

### Argentina: -1

Argentina has not taken measures to rationalize and phase out inefficient fossil fuel subsidies.

On 4 February 2015 Argentina’s government announced it would subsidize oil production and exports by as much as USD 6 a barrel as part of a stimulus program to prevent a drop in output given the context of lower international crude prices. The program is retroactive to 1 January 2015 and is supposed to last until the end of this year, but may be extended for an additional 12 months.<sup>1190</sup>

Strategy Officer Fernando Giliberti said the state-run Argentine energy company YPF was looking for partners to develop. It is particularly looking at the Vaca Muerta shale oil and gas formation.<sup>1191</sup> The former head of Shell Argentina quit his job in June 2015 and criticised the Argentine government for focusing on energy development in Vaca Muerta but the Argentine government has not changed its position. Vaca Muerta is one of the biggest oil and gas reserves in the Western Hemisphere and the third-largest shale formation in the world.<sup>1192</sup>

Argentina has increased subsidies in the oil production and export sector during this compliance cycle and has not taken any action to support the poor. Thus it receives a score of -1.

*Analyst: Nancy Xue*

### Australia: -1

Australia has not complied with its commitment to phase out inefficient fuel subsidies and to provide targeted support for energy access for the poorest.

Twice this year, during both the reassessment phases, in February 2015 and August 2015 the rates for the fuel tax credit have been increased for liquid fuels, mineral turpentine, white spirit, kerosene, heating oil, liquefied petroleum gas and liquefied natural gas.<sup>1193</sup>

The Fuel Tax Credit Scheme was introduced in July 2006, and it reduces or removes the fuel tax paid by eligible businesses. It does so by providing these businesses with fuel tax credits exempting heavy vehicles—those over 4.5 tonnes—or private vehicles used for business on public roads. Effectively, this tax break only qualifies to heavy industry, with the government website detailing that, “commercial vehicles are

<sup>1190</sup> Argentina boosts subsidies for oil output, exports. Argus Media. 4 Feb 2015. Access: 11 May 2015.

<sup>1191</sup> Argentine energy sector good investment amid oil slump: Argentine energy sector good investment amid oil slump: YPF, Reuters (Istanbul) 5 March 2015. Access: 6 October 2015. <http://www.reuters.com/article/2015/03/05/us-argentina-ypf-idUSKBN0M11ZO20150305>

<sup>1192</sup> How the former head of Shell Argentina turned to clean energy. The Guardian (London) 22 Sept 2015. Access: 6 October 2015. <http://www.theguardian.com/environment/2015/sep/22/how-the-former-head-of-shell-argentina-turned-to-clean-energy>

<sup>1193</sup> Fuel Schemes: From 1 July 2014, Australian Taxation Office, 2 February 2015. Access: 2 October 2015 <https://www.ato.gov.au/business/fuel-schemes/fuel-tax-credits---business/>; and Fuel Tax Credits – Six Monthly Indexation Alert, 27 March 2015. Access 18 October 2015 <https://www.ato.gov.au/Media-centre/Articles/Fuel-tax-credits---six-monthly-indexation-alert/>

ineligible.”<sup>1194</sup> Because of this, the Fuel Tax Credit Scheme exempts Australian businesses from AUD 33 billion in taxes related to fossil fuel use in the heavy industry sector.<sup>1195</sup>

According to a report published by the Australian Conservation Foundation in April 2015, the mining industry received 40 per cent of the total amount of fuel tax credits claimed in 2012-2013. The coal miners are the largest recipients in the mining industry.<sup>1196</sup> These estimates are based on data publicly available on the website of the Australian Taxation Office (ATO).<sup>1197</sup> For the federal budget 2014-2015, starting 1st July 2014, the entire scheme is forecast to be the government’s 15th biggest spending program.<sup>1198</sup>

On 12 May 2015, new measures streamlining and expanding the Accelerated Depreciation Taxation Scheme, went into effect. This increases the instant write off from AUD 1,000 per unit to \$20,000 per unit.<sup>1199</sup> Accelerated depreciation is a tax break for small businesses that allow businesses to write off the cost of depreciating assets which cost less than \$20,000.<sup>1200</sup> This allows resource companies to defer paying taxes on new, or used equipment purchased and used by these companies, which costs Australian tax payers AUD 7 billion annually. When combined with the Fuel Tax Credit Scheme, it provides resource companies strong incentives to continue using older and inefficient machinery, because clean energy alternatives are not eligible for these subsidies.<sup>1201</sup>

On 24 June 2015, the Australian government reintroduced the Fuel Indexation Bill. This bill ties Australia’s excise fuel tax (per unit sales) on gasoline and liquid fuels to inflation. In 2001 the excise tax was untied from inflation, which has since allowed the effectiveness of the tax to fall relative to the 2001 rate. This bill accounts for the fall in effectiveness and implements biannual adjustments to the tax based upon inflation.<sup>1202</sup> Combined with the tax credit scheme above, the following tax changes inordinately affects Australian consumers while exempting industry.

During the compliance cycle, Australia has not made any efforts to phase out, reform, or reduce the impact of these tax credit schemes. No evidence of support for energy access for the poor has been found for the duration of the compliance cycle. Thus, Australia has been awarded a score of –1.

*Analyst: Kyle Van Hooren*

## **Brazil: 0**

Brazil has partially complied with its commitment to phase out inefficient fossil fuel subsidies and provide targeted support for vulnerable groups.

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<sup>1194</sup> Fossil Fuel Subsidies, Australian Conservation Foundation, Access: 14 May 2015 <http://www.acfonline.org.au/be-informed/climate-change/fossil-fuel-subsidies>

<sup>1195</sup> Budget chooses big polluters over community, Access: 13 October 2015. <http://www.acfonline.org.au/news-media/media-release/budget-chooses-big-polluters-over-community>

<sup>1196</sup> Fossil Fuel Subsidies, Australian Conservation Foundation, Access: 14 May 2015 <http://www.acfonline.org.au/be-informed/climate-change/fossil-fuel-subsidies>

<sup>1197</sup> Taxation Statistics 2012-2013 Detailed Tables. Australian Taxation Office (Canberra), 2012-2013. Access: 14 May 2015 <http://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Tax-statistics/Taxation-statistics-2012-13>

<sup>1198</sup> Budget 2014-2015. Statement 6: Expenses and Net Capital Investment. Australian Government (Canberra). Access: 18 October 2015. [http://budget.gov.au/2014-15/content/bp1/html/bp1\\_bst6-01.htm](http://budget.gov.au/2014-15/content/bp1/html/bp1_bst6-01.htm)

<sup>1199</sup> Small Business – expanding accelerated depreciation for small businesses, Access 13 October 2015. <https://www.ato.gov.au/General/new-legislation/in-detail/direct-taxes/income-tax-for-businesses/small-business---expanding-accelerated-depreciation/>

<sup>1200</sup> Simplified depreciation rules: Australian Taxation Office, Access: 13 October 2015. <https://www.ato.gov.au/Business/Small-business-entity-concessions/In-detail/Income-tax/Simplified-depreciation-rules/>

<sup>1201</sup> Big polluters need to pay their dues (Canberra Times) Access: October 18 2015. <http://www.acfonline.org.au/news-media/opinions/big-polluters-need-pay-their-dues-canberra-times>

<sup>1202</sup> Excise Tariff Amendment (Fuel Indexation) Bill 2014, Parliament of Australia, Access: 13 October 2015. [http://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bld=r5285](http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r5285)

An inefficient fuel subsidy has been identified as being paid by the state-owned oil company Petrobras. Neither the company nor the government have disclosed a clear policy for phasing out this subsidy. Since 2011, Petrobras has been forced by the government to sell diesel and gasoline at below market prices as an inflation fighting measure. As a result, the company has lost USD 35 billion in operating losses.<sup>1203,1204</sup>

On 7 November 2014, Petrobras sought to correct its pricing policy to regain the confidence of investors and reduce their losses. Petrobras decided to adjust the prices of petrol and diesel oil (3% and 5% on 6 November 2014) while global oil prices were decreasing.<sup>1205</sup>

On 2 December 2014, the losses caused by the payment of the subsidy resulted in a 20% fall in profits from the previous year.<sup>1206</sup> Negative effects of this encompass a lack of competitiveness on the energy market as well as rising debt.

On 13 January 2015, the Brazilian Finance Minister indicated that Petrobras will decide the prices of petrol and diesel without outside interference, but did not confirm if it means further increases. “Petrobras will make the decision to prices as a company. My sensitivity indicates that [the state] will decide according to the business reality of it.”<sup>1207</sup>

On 18 January 2015 the Brazilian Finance Minister Joaquim Levy announced tax increases for diesel and gasoline to take effect on 1 February 2015. Taxes on petrol would increase by R\$0.22 per litre and it would translate into an approximate 8.5% increase in the cost of petrol at the pump. The tax on diesel would increase by R\$0.15 and it would translate into an approximate 6.25% increase in the pump cost.<sup>1208</sup> The declaration also mentioned a secondary tax on fossil fuels to come into force 90 days after 1 February.<sup>1209</sup>

On 24 September 2015 Petrobras announced that it will increase the price of liquefied petroleum gas (LPG) for industrial, commercial and bulk consumption by 11%. The change in price has been implemented on 25 September 2015.<sup>1210</sup>

On 29 September 2015 Brazilian Finance Minister Joaquim Levy said that Petrobras “is making progress on increasing the professionalism of its management team and cutting costs”<sup>1211</sup>. There was no mention of how this would affect the subsidy the state pays oil producers through Petrobras profits.

On 30 September 2015 Petrobras announced that it will increase the price of gasoline by 6% and that of diesel by 4% at midnight. The price readjustment does not include federal (CIDE and PIS/Cofins) or state

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<sup>1203</sup> “Petrobras Turns to USD 15 Billion Question with Graft Cost Answered”, Bloomberg Business, 23 April 2015, Date Accessed 9 October 2015 <http://www.bloomberg.com/news/articles/2015-04-22/petrobras-books-brl6-19b-loss-on-graft-in-delayed-earnings>

<sup>1204</sup> “Next Petrobras CEO will have an unexpected ally”, Financial Times, February 2015, Date Accessed 9 October 2015 <http://www.ft.com/intl/fastft/273171/lower-oil-prices-can-just-be-succor-petrobras-needs>

<sup>1205</sup> “Petrobras Lifts Fuel Prices in Rouseff Subsidy Relief”, Bloomberg Business, 7 November 2014, Date Accessed 9 October 2015 <http://www.bloomberg.com/news/articles/2014-11-06/petrobras-raising-prices-as-rousseff-gives-subsidy-relief>

<sup>1206</sup> ‘Petrobras earnings fall 20%; subsidized fuel strangling the economy’, Merco Press 2014, Accessed 2 March 2015, <http://en.mercopress.com/2014/08/12/petrobras-earnings-down-20-subsidized-fuels-strangling-the-company>

<sup>1207</sup> “Petrobras decidira preco da gasoline como empresa, diz Levy”, Agencia Brasil, 13 January 2015, Date Accessed 10 October 9, 2015 <http://agenciabrasil.ebc.com.br/economia/noticia/2015-01/petrobras-decidira-preco-da-gasolina-como-empresa-diz-levy>

<sup>1208</sup> “Petrol price increases inflation fears”, Financial Times, 7 November 2014, Date Accessed 2 March 2015 <http://www.ft.com/intl/cms/s/0/ff3c9d22-a032-11e4-aa89-00144feab7de.html#axzz3T0MD0gxf>

<sup>1209</sup> “Brazil Announces Tax Increases for 2015”, The Wall Street Journal, 19 January 2015, Date Accessed, 1 March 2015, <http://www.wsj.com/articles/brazil-announces-tax-increases-for-2015-1421707755>

<sup>1210</sup> “Petrobras eleva em 11% preco do gas para uso industrial e commercial” Reuters Brasil, 24 September 2015, Date Accessed 9 October 2015 <http://br.reuters.com/article/businessNews/idBRKCNORO2PA20150924?pageNumber=1&virtualBrandChannel=0>

<sup>1211</sup> “Brazil’s Levy says Petrobras taking right steps”, Reuters, 29 September 2015, Date Accessed 9 October 2015

<http://www.reuters.com/article/2015/09/29/brazil-levy-petrobras-idUSE6N10I02W20150929>

taxes (ICMS).<sup>1212</sup> The adjustment is meant to signal the market that Petrobras now has autonomy to set its own price policy.<sup>1213</sup>

No evidence has been found to indicate that Brazil has taken steps to facilitate energy access for its vulnerable population. No fossil fuel price volatility measures or energy access policies for vulnerable groups have been identified in either case. However, Brazil has taken steps to remove existing fossil fuel subsidies.

Therefore, Brazil has been awarded a compliance score of 0.

*Analyst: Andrei Burloiu*

### **Canada: -1**

Canada has failed to comply with its commitment to rationalize and phase out inefficient fossil fuel subsidies and to recognize the need to support the poor.

On 18 November 2014, the Canadian government announced Canada's strategy for its extractive sector operating abroad, including mining, oil, and gas. The strategy aimed "to ensure that energy will continue to represent an engine of economic growth for Canadians."<sup>1214</sup> This is a continuation of the Canadian Government's pledge "to ensure the long-term success of Canada's mining and oil and gas sectors by keeping taxes low, eliminating red tape, and modernizing the regulatory regime for major projects."<sup>1215</sup>

On 2 March 2015, the Canadian government proposed changes in the treatment of the Canadian Exploration Expenses (CEE), a tax credit that facilitates petroleum and natural gas exploration in Canada. The changes proposed are in the order of CAD 21 million over the next five years and would ensure that "CEE treatment is not denied for the cost of otherwise eligible environmental studies and community consultations solely because they are a pre-condition to obtaining an exploration permit or license."<sup>1216</sup>

Ahead of the 2015 Canada federal elections, which are set to take place on 19 October, all national parties made public statements on fossil fuel subsidies and agreed on the need to reform them.<sup>1217</sup> Moreover, the Conservative party, acting as the Government of Canada, reiterated its commitment to eliminate "inefficient fossil fuel subsidies" during the 2015 G7 Summit in Elmau, Germany.<sup>1218</sup>

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<sup>1212</sup> "Price Readjustments", Petrobras – Investor Relations, 30 September 2015, Date Accessed 9 October 2015

<http://www.investidorpetrobras.com.br/en/press-releases/price-readjustment>

<sup>1213</sup> "Petrobras aumenta gasolina em 6% e diesel em 4% nas refinarias" 29 September 2015, Date Accessed 9 October 2015

<http://www.valor.com.br/empresas/4248554/petrobras-aumenta-gasolina-em-6-e-diesel-em-4-nas-refinarias>

<sup>1214</sup> Harper Government Announces Latest Actions to Support Canadian Extractive Sector Abroad, Ministry of Natural Resources (Ottawa) 18 November 2014. Access: 3 October 2015. <http://news.gc.ca/web/article-en.do?crtr.sj1D=&crtr.mnthndVI=9&mthd=advSrch&crtr.dpt1D=6683&nid=905749&crtr.lc1D=&crtr.tp1D=1&crtr.yrStrtVI=2014&crtr.kw=&crtr.dyStrtVI=1&crtr.aud1D=&crtr.mnthStrtVI=1&crtr.page=3&crtr.yrndVI=2020&crtr.dyndVI=4>

<sup>1215</sup> Harper Government Announces Latest Actions to Support Canadian Extractive Sector Abroad, Ministry of Natural Resources (Ottawa) 18 November 2014. Access: 3 October 2015. <http://news.gc.ca/web/article-en.do?crtr.sj1D=&crtr.mnthndVI=9&mthd=advSrch&crtr.dpt1D=6683&nid=905749&crtr.lc1D=&crtr.tp1D=1&crtr.yrStrtVI=2014&crtr.kw=&crtr.dyStrtVI=1&crtr.aud1D=&crtr.mnthStrtVI=1&crtr.page=3&crtr.yrndVI=2020&crtr.dyndVI=4>

<sup>1216</sup> Harper Government Reinforces Support for the Mining Industry during PDAC 2015, Natural Resources Canada (Toronto) 2 March 2015. Access: 3 October 2015. <http://news.gc.ca/web/article-en.do?crtr.sj1D=&crtr.mnthndVI=9&mthd=advSrch&crtr.dpt1D=6683&nid=941379&crtr.lc1D=&crtr.tp1D=1&crtr.yrStrtVI=2014&crtr.kw=&crtr.dyStrtVI=1&crtr.aud1D=&crtr.mnthStrtVI=1&crtr.page=1&crtr.yrndVI=2020&crtr.dyndVI=4>

<sup>1217</sup> Fossil Fuel Subsidies Reform in Canada: A Post-Partisan Issue. International Institute for Sustainable Development (Winnipeg), 4 September 2015. Access: 18 October 2015. <http://www.iisd.org/commentary/fossil-fuel-subsidy-reform-canada-post-partisan-issue>

<sup>1218</sup> Leader's Declaration G7 Summit, 7-8 June 2015. Bundesregierung (Berlin). Access: 18 October 2015.

[https://www.bundesregierung.de/Content/DE/\\_Anlagen/G8\\_G20/2015-06-08-g7-abschluss-eng.pdf?\\_\\_blob=publicationFile&v=6](https://www.bundesregierung.de/Content/DE/_Anlagen/G8_G20/2015-06-08-g7-abschluss-eng.pdf?__blob=publicationFile&v=6)



However, no evidence was found that the Canadian Government has made some progress during the compliance cycle on this agenda. Thus, Canada is awarded a score of –1.

*Analysts: Frédérique Bouchard and Kabir Bhatia*

### **China: –1**

China has not complied with its commitment to phase out its inefficient land use subsidy for energy producers while providing support to the national vulnerable groups.

Between 28 November 2014 and 29 January 2015, the Ministry of Finance raised the taxes on gasoline, naphtha, solvent oil, lubricating oil, diesel, jet fuel and fuel oil three times.<sup>1219,1220</sup> The current tax level is RMB 1.2 per litre for gasoline, naphtha, solvent oil and lubricating oil and RMB 1.52 per litre for diesel, jet fuel and fuel oil.<sup>1221</sup> The country increased its fuel-consumption tax for the first time in five years amid falling global oil prices as steps to “control environmental pollution, tackle climate change, promote energy conservation and encourage the development of new energy automobiles.”<sup>1222</sup> However, the government has come under a lot of scrutiny over its declared objectives and the legal procedure has been questioned.<sup>1223</sup>

While announcing the tax increases, the Chinese government pledged “to continue and refine subsidy policies for some groups who are in difficulties ... in order to support the healthy development of relevant industries and maintain social stability.” Yet, no evidence was found that it has taken new measures to facilitate access to energy for the vulnerable groups.<sup>1224</sup>

On 26 December 2015, the Chinese government announced that it would extend subsidies for new green vehicles to 2020 with the overall goal of having replaced 5 million cars with electric ones by 2020. The subsidies will only target locally manufactured electric cars and not imported ones and are aimed at offsetting China’s fossil fuel consumption for transportation.<sup>1225</sup> The untargeted nature of this measure makes it non-compliant with the commitment.

On 16 September 2015, the International Institute for Sustainable Development organized an event in Beijing, gathering governmental agencies, NGOs and academics, to discuss the role of coal subsidies in China’s shift to a cleaner energy mix. On this occasion, the Institute revealed their first estimate of coal subsidies to producers, totaling RMB 35.7 billion (USD 5.6 billion) in 2013. Combined with the subsidies to coal consumers, the total amount — CNY 100 billion (USD 15.7 billion) — almost equals the annual level of subsidies provided for renewable energy.

While China has increased consumption tax on oil products, it has failed to formulate a clear strategy to phase out its inefficient subsidies, especially those provided for coal consumers and producers. Furthermore, the

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<sup>1219</sup> “Chinese tax hikes slash fuel oil imports 30 pct so far this year”. Reuters (London), 25 March 2014. Date Accessed: 17 May 2015. <http://www.reuters.com/article/2015/03/25/china-oil-fueloil-idUSL3N0WP2Z720150325>

<sup>1220</sup> “Promote Air Pollution Control and Transformation of Development Patterns, The State Adjusts Consumption Tax Policy for Product Oil”. State Administration of Taxation (Beijing), 19 January 2015. Date Accessed: 18 May 2015 <http://www.chinatax.gov.cn/2013/n2925/n2957/c1465330/content.html>

<sup>1221</sup> “Fuel Tax Adjustment Must Follow Statutory Tax”. Financial Times China (Beijing), 20 January 2015. Date Accessed: 17 May 2015, <http://www.ftchinese.com/story/001060207?full=y>

<sup>1222</sup> “Promote Air Pollution Control and Transformation of Development Patterns, The State Adjusts Consumption Tax Policy for Product Oil”. State Administration of Taxation (Beijing), 19 January 2015. Date Accessed: 18 May 2015 <http://www.chinatax.gov.cn/2013/n2925/n2957/c1465330/content.html>

<sup>1223</sup> “Fuel Tax Adjustment Must Follow Statutory Tax”. Financial Times China (Beijing), 20 January 2015. Date Accessed: 17 May 2015, <http://www.ftchinese.com/story/001060207?full=y>

<sup>1224</sup> “Promote Air Pollution Control and Transformation of Development Patterns, The State Adjusts Consumption Tax Policy for Product Oil”. State Administration of Taxation (Beijing), 19 January 2015. Date Accessed: 18 May 2015 <http://www.chinatax.gov.cn/2013/n2925/n2957/c1465330/content.html>

<sup>1225</sup> “China plans to extend green vehicle subsidies until 2020”, Reuters, 30 December 2014, Date Accessed 27 February 2015, <http://www.reuters.com/article/2014/12/30/us-china-autos-environment-idUSKBN0K806B20141230>

government hasn't taken any measures to provide support to its vulnerable groups. Thus, China has been awarded a score of -1.

*Analyst: Andrei Burloiu*

### **France: +1**

France has fully complied with its commitment to rationalize and phase out inefficient subsidies that encourage wasteful consumption, while recognizing the need to support the poor.

On 8 January 2015, the National Institute of Statistics and Economic Studies issued a study that reveals 5.9 million of households or 22% in metropolitan France are in vulnerable situation in terms of affordability of energy generating resources. On average, households spend more than 8% of their total income on heating and hot water and over 4.5% on travel. In three regions energy vulnerability is the median range and represents over 25%: (1) Franche-Comté (26.0%); Auvergne (27.0%); and Lorraine (27.4%).

On 4 February 2015, Prime Minister Manuel Valls and Minister of Environment Ségolène Royal presented a new roadmap from the third environmental conference to the National Council for Ecological Transition.<sup>1226</sup> The project includes 74 measures focused on sustainable transportation, mobility, health and the environment.<sup>1227</sup> Measures in the roadmap included: 1) withdrawal of export subsidies for the coal-fired power plant projects in developing countries not equipped “without CO2 capture and storage” systems; 2) the implementation of a fund of up to EUR 10,000 for the replacement of diesel vehicles; 3) the introduction of air quality certificates — green stickers to identify clean vehicles — beginning April 2015.<sup>1228</sup>

However, Prime Minister Valls did not specify the timing or schedule for termination of export credit for coal-fired plants.<sup>1229</sup> President Hollande had made a similar announcement in 2013, when he pledged that the Agence Française de Développement (AFD) would no longer provide support for coal-fired power stations in developing countries. This pledge was incorporated into the framework law on international development and solidarity in July 2014.<sup>1230</sup> According to an OECD report, which was not made publicly available, France was the fifth-largest subsidizer of coal energy exports between 2007 and 2013 in the organisation.<sup>1231</sup>

On 25 February 2015, the French government launched Mon Projet Renovation, an online tool for French homeowners and residents. The project was developed by the French Agency for the Environment and Energy Management (ADEME) and consists of a customized online questionnaire, custom energy conservation and efficiency tips. The project also intends to provide useful information on financial aid available to homeowners based on their responses.<sup>1232</sup>

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<sup>1226</sup> The Ecological Transition: This Is a Profound Transformation of Our Ways Of Life, and The French People Are Becoming Increasingly Aware of This. Government of France (Paris), 4 February 2015. Access: 26 February 2015.

<http://www.gouvernement.fr/en/the-ecological-transition-this-is-a-profound-transformation-of-our-ways-of-life-and-the-french>.

<sup>1227</sup> The Ecological Transition: This Is a Profound Transformation of Our Ways Of Life, and The French People Are Becoming Increasingly Aware of This, Government of France (Paris) 4 February 2015. Access: 26 February 2015.

<http://www.gouvernement.fr/en/the-ecological-transition-this-is-a-profound-transformation-of-our-ways-of-life-and-the-french>.

<sup>1228</sup> The Ecological Transition: This Is a Profound Transformation of Our Ways Of Life, and The French People Are Becoming Increasingly Aware of This, Government of France (Paris) 4 February 2015. Access: 26 February 2015.

<http://www.gouvernement.fr/en/the-ecological-transition-this-is-a-profound-transformation-of-our-ways-of-life-and-the-french>.

<sup>1229</sup> The Ecological Transition: This Is a Profound Transformation of Our Ways Of Life, and The French People Are Becoming Increasingly Aware of This, Government of France (Paris) 4 February 2015. Access: 26 February 2015.

<http://www.gouvernement.fr/en/the-ecological-transition-this-is-a-profound-transformation-of-our-ways-of-life-and-the-french>.

<sup>1230</sup> <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000029210384&categorieLien=id>

<sup>1231</sup> France to Axe Coal Subsidies while EU Stalls, EurActiv (Brussels) 9 February 2015. Access: 25 February 2015.

<http://www.euractiv.com/sections/development-policy/france-axe-coal-subsidies-while-eu-stalls-311878>.

<sup>1232</sup> Actualités, Comment Réover? Par où Commencer? L'Agence de l'Environnement et de la Maîtrise de l'Énergie (Paris), 25 February 2015. Access: 26 February 2015. <http://www.ademe.fr/actualites>

On 14 April 2015, France became the first country outside the Friends of Fossil Fuel Subsidy Reform, a group of eight countries, to endorse the Fossil-Fuel Subsidies Reform Communiqué encouraging governments to prioritize the reform of fossil-fuel subsidies ahead of the United Nations Climate Change Conference in Paris this year,<sup>1233</sup> stressing the importance of fossil fuel reform as a key component energy measure to combat global warming, while also calling for the accelerated reform to protect the poor and vulnerable groups from the impact of higher energy price.<sup>1234</sup>

On 22 July 2015, the French Parliament adopted the bill on *transition énergétique*. It came into force on 17 August 2015. The 66 articles of the new “action and mobilization” legislation foresee new targets including a 40 per cent reduction of GHG by 2030; a reduction of energy consumption by 20 per cent by 2030 and 50 per cent by 2050; 32 per cent of renewables by 2030. The law also addresses fuel poverty by introducing new measures, such as interest-free credits for private building renovation, totalling EUR 10 million.<sup>1235</sup>

On 10 September 2015, French Energy and Environment Minister Ségolène Royal and Prime Minister Manuel Valls announced that France would to end subsidies allocated to firms exporting coal power plants which do not have carbon dioxide capture and stock mechanisms. This decision came after several months of prevarication, caused by concerns over the possible impact on jobs at Alstom, one of the country’s biggest energy companies and a large beneficiary of French export credits for coal projects in the global South.<sup>1236</sup>

Starting from October 2015, the Schneider Electric Foundation and Ashoka, under the aegis of the Fondation de France, launched a call for projects to identify and support social innovations to fight against fuel poverty in 6 European countries: Belgium, France, Great Britain, Italy, Poland and Czech Republic.<sup>1237</sup>

Thus, France is awarded a score of +1.

*Analysts: Julia Kochneva and Yixin Guam*

### **Germany: –1**

Germany has not complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies while providing targeted support for the poorest.

On 28 September 2010, the Federal Government of Germany launched the Energy Concept, a long term strategy to guide Germany’s energy supply towards expansion of renewable energy and boosting energy efficiency up to the year 2050. Total hard coal subsidies are expected to fall from EUR 1,649 million in 2014 to EUR 1,503 million in 2015 under this policy framework, known as *Energiewende*. Germany has also gradually scaled back production and is expected to phase out hard coal mining by 2018.<sup>1238</sup>

Germany remains heavily involved in the production and consumption of lignite (brown coal), accounting for 25.4 per cent of electricity generation, while hard coal accounted for 17.8 per cent in 2014.<sup>1239</sup>

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<sup>1233</sup> Governments Call for the Removal of Harmful Fossil-Fuel Subsidies. International Institute for Sustainable Development (Winnipeg), 17 April 2015. Access: 10 October 2015. <https://www.iisd.org/media/governments-call-removal-harmful-fossil-fuel-subsidies>

<sup>1234</sup> Fossil Fuel Subsidy Reform Communiqué. International Institute for Sustainable Development (Winnipeg), 17 April 2015. Access: 10 October 2015. [http://www.iisd.org/sites/default/files/publications/FFSR\\_Communique\\_17\\_4\\_2015.pdf](http://www.iisd.org/sites/default/files/publications/FFSR_Communique_17_4_2015.pdf)

<sup>1235</sup> La transition énergétique pour la croissance verte. French Government (Paris), 21 April 2015. Access: 10 October 2015. <http://www.gouvernement.fr/action/la-transition-energetique-pour-la-croissance-verte>

<sup>1236</sup> COP21 : l’État supprime ses subventions aux centrales à charbon. Le Figaro (Paris), 10 September 2015. Access: 10 October 2015. <http://www.lefigaro.fr/conjoncture/2015/09/10/20002-20150910ARTFIG00057-cop21-l-etat-arrete-ses-subventions-aux-centrales-a-charbon.php>

<sup>1237</sup> Un appel à projets pour lutter contre la précarité énergétique. French Ministry of Environment (Paris), 7 October 2015. Access: 16 October 2015. <http://www.developpement-durable.gouv.fr/Un-appel-a-projets-pour-lutter.html>

<sup>1238</sup> G7 Coal Phase Out: Germany, Oxfam International (London) June 2015. Access: 4 October 2015.

<sup>1239</sup> G7 Coal Phase Out: Germany, Oxfam International (London) June 2015. Access: 4 October 2015.

On 3 December 2014, the German government passed the Climate Action Programme 2020 (CAP) in response to forecasting that claimed Germany would not reach its goal of reducing CO<sub>2</sub> emissions by 40 per cent compared to 1990 levels.<sup>1240</sup> CAP measures included a reduction of 22 million tonnes of carbon dioxide emissions from the energy sector, in addition to measures already in place. This was met with opposition from power suppliers and trade unions.<sup>1241</sup>

In March 2015, Germany's Energy Minister proposed a levy on old, inefficient coal-fired power plants if they exceeded a certain threshold in order to help reach carbon dioxide emissions targets.<sup>1242</sup> Industry and trade unions lobbied strongly against the levy, claiming the levy posed a threat to livelihoods in the coal industry. This led to lengthy negotiations and a counterproposal by the industry.

On 1 July 2015, the German government agreed to a compromise with the energy industry, dropping the levy in favour of an alternative strategy to reduce emissions. Instead, some of the most harmful lignite power plants would be put on reserve, and then later decommissioned.<sup>1243</sup> This plan will account for half of the requisite reduction of 22 million tonnes of carbon dioxide and will be funded by consumers. The remaining balance will come from an array of smaller measures in various industries, mainly focussing on energy efficiency.<sup>1244</sup> It is questioned whether this strategy qualifies as a subsidy, which would require an exception from the European Commission.<sup>1245</sup>

On 2 September 2015, the German government approved the 25th subsidy report, outlining increasing subsidies for 2016, which includes subsidies for the national climate initiative. Green Budget Germany commented on the report, saying the government has no plans to fundamentally change environmentally harmful subsidies.<sup>1246</sup>

Germany has taken actions to phase out inefficient fossil fuel subsidies and support vulnerable groups through the Energiewende, however these actions have taken place prior to the compliance cycle. Thus, Germany has been awarded a score of -1.

*Analyst: Sayed Mustafa Sayedi*

## **India: 0**

India has partially complied with its commitment to rationalize and phase out inefficient subsidies that encourage wasteful consumption, while recognizing the need to support the poor.

It has completely removed subsidies on fossil fuels — petrol and diesel, and has instead levied taxes on them, transforming itself from “a carbon subsidy regime into one of carbon taxation.”<sup>1247</sup>

While releasing the Economic Survey 2014-2015 on 27 February 2015, Indian Finance Minister, Arun Jaitley said that price subsidies are regressive and are not benefitting the poor. He goes on to explain how

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<sup>1240</sup> Details of New Climate Action Programme, Clean Energy Wire, 3 December 2014. Access: 10 October 2015.

<https://www.cleanenergywire.org/factsheets/details-new-climate-action-programme>

<sup>1241</sup> Details of New Climate Action Programme, Clean Energy Wire, 3 December 2014. Access: 10 October 2015.

<https://www.cleanenergywire.org/factsheets/details-new-climate-action-programme>

<sup>1242</sup> Climate Levy – the debate and proposals for cutting CO<sub>2</sub> emissions, Clean Energy Wire, 18 September 2015. Access: 11 October 2015. <https://www.cleanenergywire.org/news/climate-levy-debate-and-proposals-cutting-co2-emissions>

<sup>1243</sup> Government opts for alternative to coal levy, Clean Energy Wire, 2 July 2015. Access: 11 October 2015.

<https://www.cleanenergywire.org/factsheets/government-opts-alternative-coal-levy>

<sup>1244</sup> Government opts for alternative to coal levy, Clean Energy Wire, 2 July 2015. Access: 11 October 2015.

<https://www.cleanenergywire.org/factsheets/government-opts-alternative-coal-levy>

<sup>1245</sup> German coal reserve plan may break EU rules, experts say, EurActiv, 13 August 2015. Access: 11 October 2015.

<http://www.euractiv.com/sections/energy/german-coal-reserve-plan-may-break-eu-rules-experts-say-316850>

<sup>1246</sup> Nachhaltigkeitsprüfung von Subventionen darf nicht Symbolpolitik bleiben, Green Budget Germany, 26 August 2015. Access: 11 October 2015. <http://www.foes.de/pdf/2015-08-26-PM-Subventionsbericht.pdf>

<sup>1247</sup> Press Information Bureau. Government of India, 27 Feb. 2015.

price subsidies distort and lead to leakages (intended beneficiaries do not receive the benefits) by giving examples like kerosene and electricity.<sup>1248</sup>

On 28 February 2015, the Finance Minister of India presented the Union Budget of India for 2015-2016. In his official speech, he talked of India raising its duty on coal to USD 3.2 a ton, starting 1 April 2015, since India is the world's third largest emitter of green-house gases. He indicated India's commitment to fight global warming by adding that the money will be used to promote clean energy. The Union Budget, 2015-16 slashes petroleum subsidy by 50 per cent. The estimated the petroleum subsidy for 2015-16 at USD 4.9 billion.<sup>1249</sup>

In terms of welfare for the poor, the Economic Survey talks of reducing the number of government departments involved in the distribution process, so as to curtail leakage. It also argues that income transfers can compensate consumers and producers for exactly the welfare benefits they derive from price subsidies without distorting their incentives.<sup>1250</sup>

In January 2015, the Oil Ministry has also urged all ministers, to give up the subsidies they are entitled to when buying LPG. Although this is mostly symbolic and not significant financially, it is still a positive gesture.<sup>1251</sup>

The Economic Survey has introduced the "JAM Trinity," consisting of "Jan Dhan Yojana, Aadhaar and Mobile numbers" JAM has potential to "wipe every tear from every eye" with direct transfer of benefits.<sup>1252</sup>

While India has reduced inefficient subsidies for fossil fuels, it has not shown enough substantial indication to use the fund for the support of the poor and development. Hence, India is awarded a score of 0.

*Analyst: Ujwal Ganguly*

## **Indonesia: 0**

Indonesia has partially complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies, while providing targeted support for vulnerable groups.

On 17 November 2014, Indonesian President Joko Widodo raised subsidized fuel prices by more than 30 per cent, which raised Indonesian fuel prices by IDR 2,000 (USD 0.16) per litre. Subsidized gasoline now costs IDR 8,500 per litre and diesel costs IDR 7,500 per litre. This decision is expected to save the Indonesian economy IDR 200 trillion (USD 8 billion).<sup>1253</sup>

The following information is from the Indonesia Energy Subsidy Briefing (IESB) February 2015 report published by the Global Subsidies Initiative (GSI) of the International Institute for Sustainable Development (IISD).

On 31 December 2014, the Coordinating Ministers of Economic and Maritime Affairs and the Ministers of Energy and Mineral Resources, Finance, and State Owned Enterprises announced that Indonesia's fuel prices would be lowered as of 1 January 2015. Specifically, the price of premium gasoline dropped from IDR 8,500 (USD 0.68) to IDR 7,600 (USD 0.61) per litre, the price of solar-brand automotive diesel also dropped from IDR 7,500 (USD 0.60) to IDR 7,250 (USD 0.20) per litre, and the price of kerosene remained at IDR 2,500 (USD 0.20) per litre.

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<sup>1248</sup> "Subsidies Helping the Rich More: Economic Survey." *The Indian Express*. 27 Feb. 2015

<sup>1249</sup> Singh, Rajesh Kumar. "Modi Commits to Clean Environment by Doubling India's Coal Tax." *Bloomberg.com*. Bloomberg

<sup>1250</sup> Economic Survey 2015 32 Key Highlights." *Parivarthan*. 27 Feb. 2015

<sup>1251</sup> "Ministers Voluntarily Opt out LPG Subsidy." *DNA India*. 14 Jan. 2015

<sup>1252</sup> Economic Survey 2015 32 Key Highlights." *Parivarthan*. 27 Feb. 2015

<sup>1253</sup> Indonesia Hikes Fuel Prices, Saving Government \$8 Billion Next Year, Reuters (London) 17 November 2014. Access: 24 October 2015. <http://www.reuters.com/article/2014/11/17/us-indonesia-subsidies-hike-idUSKCN0J11KN20141117>

Also, the Coordinating Minister of Economic Affairs, Sofyan Djalil, declared that the new premium gas prices from 1 January onwards will be free of subsidies. The new prices are to be determined based on predictions of crude oil prices at USD 60 per barrel and an IDR 12,380 per USD 1 exchange rate.

On 16 January 2015, the government announced that the price of automotive fuels would be decreased once more, as of 19 January. On 19 January, the price of premium fuel was lowered from IDR 7,600 (USD 0.61) to IDR 6,600 (USD 0.53) per litre, and the price of solar-brand diesel also dropped from IDR 7,250 (USD 0.60) to IDR 6,500 (USD 0.51) per litre.

The government's 31 December announcement also introduced a new fuel subsidy scheme. The scheme introduces three classifications of fuel products: specific fuel, designated fuel and general fuel. The first category includes kerosene and solar diesel. Kerosene prices will be uniform across Indonesia at IDR 2,500 (USD 0.20) per litre, with value added tax included in the price. Solar prices will be determined by a base market price plus taxes (value added tax and a motor fuel tax) and includes a fixed subsidy at the rate of IDR 1,000 (USD 0.08) per litre. The second two categories include premium gasoline. Premium gasoline price will be determined by a base market price plus taxes (value added tax and a motor fuel tax) and includes a 2 per cent subsidy, to compensate distribution costs, paid to the distributor. The exact retail price is to be decided by individual marketing companies with a profit margin pegged at between 5 to 10 per cent of the base market price used by the government.

As declared in the APEC Forum in Beijing on 10 November 2014, President Widodo plans to reallocate Indonesia's fuel subsidies and shift the budget from the consumptive to productive sectors. Specifically, Widodo plans to use the savings from the fuel subsidies reduction to increase aid to state-owned enterprises (SOEs). The latest reports indicate that the government plans to inject IDR 48 trillion (USD 3.8 billion) into a range of SOEs. This includes SOEs in the construction and transportation sector, PT Kereta Api Indonesia (SOE railway), Pelindo (SOE seaport), Angkasa Pura (SOE airport), PT Hutama Karya (SOE construction), PT PLN (SOE electricity), and PT Garuda Indonesia (SOE airlines).

The following information is from the IESB September 2015 report published by the GSI of the IISD.

On 14 August 2015, President Widodo addressed the parliament with a 2016 draft budget, which is planned to be negotiated until 5 October. The proposed budget includes an energy subsidy allocation at IDR 120.96 trillion (USD 8.4 billion). This is comprised of IDR 70.6 trillion (USD 5 billion) to subsidies for fuel and LPG, and IDR 50 trillion (USD 3.52 billion) for electricity subsidies. Previously, in the 2014 audited budget, provision for fuel and LPG subsidies stood at IDR 239.99 trillion (USD 16.9 billion). The 2016 budget proposal underlines the fiscal benefits gained from fuel sector reforms in early 2015, and also highlights the government's continued commitment to maintain its diesel and gasoline subsidies at a fixed level.

Although the budgetary savings from diesel and gasoline subsidies are significant, subsidies to LPG continue to increase year-on-year. Specifically, government expenditure to LPG subsidies is expected to reach IDR 28 trillion (USD 1.97 billion) in 2015. Also, due to the proposed increase of the volume of subsidized LPG in 2016, the budgetary expenditure for LPG subsidies is projected to increase in 2016 as well.

On 1 March 2015, following a drop in fuel prices on two occasions in January, the price of gasoline was increased by IDR 200 (USD 0.01) per litre. And, again on 28 March, the price of both gasoline and diesel was increased by IDR 500 (USD 0.03) per litre. On 1 June, the Minister of Energy and Mineral Resources, Surdirman Said, announced that there would be no price adjustments, despite the fact that Indonesian fuel prices had remained fixed for three months since the latest adjustment in March.

On July 2015, Minister Said announced that the government was planning to establish an oil fund to better handle the fluctuations in international oil prices, and to help PT Pertamina, an Indonesian state-owned oil and natural gas corporation, with maintaining domestic prices stable when international prices are high. The fund is not featured in the 2016 budget proposal. However, it will be discussed as part of the revision of the Indonesian Oil and Gas Act, which is planned on being revised in 2016. The government is also considering a

range of additional sources of financial aid for the fund. This includes the state budget pool and the government's revenue from oil and gas production.

On 3 November 2015, according to the IESB February 2015 report, the government launched a social assistance scheme titled Productive Family Program, which aids low income families with financial assistance, education, and healthcare support. However, the funds allocated to this scheme were taken from the 2014 State Budget, and did not represent a reallocation of savings from the recent fuel subsidies reduction

Indonesia has completely eliminated inefficient fossil fuel subsidies however, its efforts to support the nation's most vulnerable groups have taken place prior to the compliance cycle. Thus, Indonesia receives a score of 0.

*Analyst: Daniel C. Park*

### **Italy: -1**

Italy has not complied with its commitment to reduce inefficient subsidies for fossil fuels, nor has it newly recognized any reason to support the poor.

There is no record of Italy reducing its subsidies for fossil fuels in the current compliance period.

In December, 2014, Climate Actions Network released a report about fossil fuel subsidies in Europe. It clearly states that Italy has not released any official statement after 2012 regarding reduction of fossil fuel subsidies. The 2012 report states that "Italy has begun implementation of its plans to gradually eliminate, ahead of time, previously conceded feed-in tariffs for certain cogeneration facilities by pursuing voluntary agreements with private operators."<sup>1254</sup>

Contrary to its pledge, there is evidence of Italy actually increasing its fossil fuel subsidy amount from 195 to 201 Euros per person between 2013 and 2015.<sup>1255</sup>

In November 2014, the Overseas Development Institute report for fossil fuel exploration stated that it was estimated that Italy uses approximately \$407.4 million for subsidies in fossil fuels that it gives to large corporations like Eni and Shell. The Italian government also provides a reduction in the excise tax paid on natural-gas consumption for oil and gas field operations, including exploration.<sup>1256</sup>

Thus Italy receives a score of -1 for not complying with the commitment to phase out fossil fuel subsidies.

*Analyst: Ujwal Ganguly*

### **Japan: -1**

Japan has failed to comply with its commitment to provide target support to the vulnerable groups that do not have access to fossil fuels.

Japan has disclosed no evidence of having inefficient fossil fuel subsidies in the G20 summits.<sup>1257</sup> However, the November 2014 report from the Oil Change International and the Overseas Development Institute (ODI) indicates that Japan's fossil fuel subsidies were worth USD 724 million in 2014. It should be noted that this is a decline from a total of USD 2.5 billion in 2007.

The report also points out that with the aid of Japan Oil, Gas and Metals Corporation, the Japan Bank for International Cooperation (JBIC), and Nippon Export and Investment Insurance (NEXI), the Japanese

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<sup>1254</sup> Climate Actions Network – Europe "MISSING PIECES: Steps to phasing out dirty fossil fuel subsidies in Europe" Dec. 2014

<sup>1255</sup> Harris, Chris. "Fossil Fuel Subsidies Rising in EU despite Pledges to Phase Them out." *EuroNews*. 4 Aug. 2015.

<sup>1256</sup> Makhijani, Shakuntala. Fossil Fuel Exploration Subsidies: Italy

<sup>1257</sup> Time to Change the Game: Fossil Fuel Subsidies and Climate (London) November 2013. Access: 15 May 2015.

<http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8668.pdf>

government provided USD 21.1 billion in public finance for fossil fuel exploration from 2010 to 2013. That is an annual average of USD 2.3 billion.<sup>1258</sup>

At the 2014 G20 Brisbane Summit, Japan sided with Australia in its disapproval of the United States' proposal to cut back on export subsidies for fossil fuels in third world countries — a move to curb carbon dioxide emissions. The Australian government argued that the move is inconsiderate of the needs of third world countries: the cut would raise energy prices, and these countries would resort to more inefficient means of generating electricity.<sup>1259</sup>

According to 7 November 2013 report from Energy Information Administration (EIA), the 2011 meltdown at Fukushima Dai-ichi and subsequent shutdown of all of its nuclear fleet has led Japan to heavily rely on fossil fuels. The EIA points out that Japan is the second largest net importer of fossil fuels, trailing behind China and in front of the United States.<sup>1260</sup>

On 11 February 2015, the EIA report points out that as of 2015, more than 86% of Japan's electricity generation was composed of fossil fuels, and nuclear power composed of 0%.

Furthermore, the EIA indicates that Japan imports virtually all of its fossil fuels. Japan spent 60% more for fossil fuel imports in 2013 compared to 2010, which is an increase of USD 270 billion in the span of three years. It should be pointed out that the increase is partly due to the rise in international oil prices in that timespan.<sup>1261</sup>

On 2 December 2014, according to the Associated Press, Japan pledged USD 1 billion in loans for the construction of coal plants in Indonesian cities of Paiton, Criebon, and Indramayu. Specifically, the JBIC, which is under the control of the Ministry of Finance, pledged USD 729 million in loans to Paiton, USD 214 million for Criebon, and USD 15 million for Indramayu.<sup>1262</sup>

Furthermore, JBIC has also pledged USD 630 million for India and Bangladesh for a similar cause, and has dozens of other smaller coal projects in Southeast Asia.<sup>1263</sup>

As of 2015, according to the *Wall Street Journal*, there are seven ongoing coal power projects. Specifically, Kensai Electric Power Co. and Marubeni Corp. is building a new 1.3 gigawatt coal power plant in the northern prefecture of Japan; Chubu Electric Power Co. plans to replace an old oil power plant near Nagoya with a 1 gigawatt coal power plant; Electric Power Development Co., Osaka Gas Co., and Ube Industries plan to build a 1.2 gigawatt coal power plant in west Japan. Tokyo Electric Power Co. has also announced its plans to build a new coal power plant to replace an old 6 gigawatt oil power plant in Tokyo.<sup>1264</sup>

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<sup>1258</sup> Fossil Fuel Exploration Subsidies: Japan (London/Washington) November 2014. Access: 15 May 2015.

<http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9270.pdf>

<sup>1259</sup> Abbott Government Resists US Moves Against Coal Power (London) March 2015. Access: 20 May 2015.

<http://www.smh.com.au/federal-politics/political-news/abbott-government-resists-us-moves-against-coal-power-20150326-1m7mxr.html>

<sup>1260</sup> Japan is the Second Largest Net Importer of Fossil Fuels in the World (Washington, D.C.) 7 November 2013. Access: 20 May 2015. <http://www.eia.gov/todayinenergy/detail.cfm?id=13711#>

<sup>1261</sup> Japan Plans to Restart Some Nuclear Plants in 2015 after Fukushima Shutdown (Washington, D.C.) 11 February 2015. Access: 20 May 2015. <http://www.eia.gov/todayinenergy/detail.cfm?id=19951>

<sup>1262</sup> Japanese Climate Finance Funds for Coal Highlight Lack of U.N. Rules (New York City) 2 December 2014. Access: 20 May 2015. <http://www.japantimes.co.jp/news/2014/12/02/national/science-health/japanese-climate-finance-funds-coal-highlight-lack-u-n-rules/#.VVzgYEa85QK>

<sup>1263</sup> Climate Funds for Coal Highlight Lack of U.N. Rules (New York City) 1 December 2014. Access: 20 May 2015.

<https://news.yahoo.com/climate-funds-coal-highlight-lack-un-rules-055042351.html>

<sup>1264</sup> Japan Continues to Re-embrace Coal (New York City) 12 May 2015. Access: 20 May 2015.

<http://ktwop.com/2015/03/12/japan-plans-over-13gw-of-new-coal-fired-capacity-till-2025/>



It is unclear whether these private electric utility corporations are receiving subsidies from the Japanese government for their coal power projects.

Japan introduced no new forms of support, nor improved on any of its existing subsidies that target the poor during the compliance-monitoring period. Thus, Japan is awarded a score of -1.

*Analyst: Daniel C. Park*

### **Korea: 0**

Korea has partially complied with its commitment to phase out inefficient fossil fuel subsidies while providing support to its vulnerable groups.

On 18 December 2014, the Ministry of Trade, Industry and Energy (MOTIE) notified the public that it plans to maintain the price floor of KRW 500 per coal briquette set back in 11 November 2009. MOTIE's intention behind the price floor was to stabilize coal briquette prices, and to protect the welfare of the working class.

Currently, due to the high production cost of coal briquettes (KRW 647), MOTIE has been subsidizing KRW 275.3 for every coal briquette sold to maintain the price floor of KRW 500. Although MOTIE planned on raising the price floor, the 15% decrease in the overall usage of coal briquettes reduced the cost burden of the subsidies. As a result, MOTIE was able to maintain the price floor.

MOTIE also notified that any changes to the price floor will take effect after 31 December 2016, and that the price floor will remain fixed until then.<sup>1265</sup>

On 26 February 2015, the Fair Trade Commission (FTC) ruled the operations of budget gas stations as fair business practice.<sup>1266</sup> Budget gas stations are the former President Lee Myung-bak's response to high gas prices in 2011, and operate under the government-owned Korea National Oil Corporation (KNOC). A budget gas station is able to offer cheaper gas prices than its competitors due to the subsidies and tax benefits/breaks it receives.

The ruling comes after the Korea Oil Station Association filed a complaint against the KNOC to the FTC for exercising its privilege as a state-run company.<sup>1267</sup>

On 6 June 2015, the World Wide Fund for Nature (WWF), Oil Change International Council (OCI), and the Natural Resource Defence Council reported that the Korean government has contributed USD 7,000,000,000 through its state-owned export credit agency (ECA) to finance coal projects in Australia.<sup>1268</sup>

On 21 June 2015, the Ministry of Trade, Industry and Energy (MOTIE) announced plans to distribute integrated electronic vouchers for energy-related bill payments (electricity, gas and coal briquettes) to its vulnerable populations in the second half of the year. Seniors, infants and toddlers, and the disabled would be eligible for the vouchers, and the bottom 40% of Korea or four-member family units with a monthly medium income of KRW 1,690,000 KRW (USD 1,441) or less would be eligible as well. MOTIE has asked those who are eligible to sign up for vouchers in October in their respected community centres. The vouchers would be

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<sup>1265</sup> 연탄가격 내년도 동결 2009년 이후 5년째, 이투뉴스 (Seoul) 18 December 2014. Access: 1 March 2015.

<http://www.e2news.com/news/articleView.html?idxno=79420>

<sup>1266</sup> 공정위, "알뜰주유소 불공정 행위 아냐", 지앤타임즈 (Seoul) 27 February 2015. Access: 1 March 2015.

<http://www.gnetimes.co.kr/news/articleView.html?idxno=30873>

<sup>1267</sup> 알뜰주유소와 시장경제, 동아일보 (Seoul) 14 February 2015. Access: 1 March 2015.

<http://english.donga.com/srv/k2srv.php3?biid=2015021438738>

<sup>1268</sup> Japan and South Korea top list of biggest coal financiers (London) 2 June 2015. Access: 13 October 2015.

<http://www.theguardian.com/environment/2015/jun/02/japan-and-south-korea-top-list-of-biggest-coal-financiers-by-export-credit>

released in December and expire in February. MOTIE's voucher initiative is estimated to be valued at KRW 106,000 (USD 90) per family and KRW 105,800,000,000 (USD 90,180,746).<sup>1269</sup>

On 25 August 2015, the Ministry of Trade, Industry and Energy (MOTIE) extended the compulsory installation deadline for replacing rubber-based LPG (Liquefied Petroleum Gas) pipelines with metal ones, and lowered the fines for violating the deadline. The fines were set at a minimum of KRW 50,000 (USD 42) and a maximum of KRW 2,000,000 (USD 1,706) on 11 March 1996. However, MOTIE now will fine first time violators KRW 200,000 (USD 170 USD), second time violators KRW 400,000 (USD 341), and third time violators KRW 600,000 (USD 511).

On 28 August 2015, the Ministry of Trade, Industry and Energy (MOTIE) has acknowledged to put in effect the requested price increase of natural gas submitted by the Korea Gas Corporation in September of 2015. According to MOTIE, the price would increase by 4.4% or 1 megajoule (Mj) per 0.7181 KRW (USD 0.00061). The price hike is expected to place a financial burden on Korean natural gas consumers.<sup>1270</sup>

Korea has failed to rationalize and phase-out fossil fuel subsidies, but has made progress in providing support for its vulnerable groups during the compliance period. Thus, Korea is awarded a score of 0.

*Analyst: Daniel C. Park*

### **Mexico: 0**

Mexico has partially complied with its commitment to reduce subsidies for fossil fuels and recognize the need to help the poor.

In November 2014, the chief of the International Environmental Agency reported that "At least 27 nations are decreasing or ending the subsidies that hold down costs for fuels used to generate electricity, including coal and natural gas" and that Mexico is increasingly taking advantage of cheap crude-oil by trimming fossil-fuel subsidies, easing the way for renewable power that can help the environment.<sup>1271</sup>

On January 2nd, 2015, El Universal newspaper reported that Mexico raised fuel prices 1.9 percent and may seek further increases, due to this cut in subsidies. It also stated that the lack of a subsidy leads to increased spending of the average citizen.<sup>1272</sup>

According to the Overseas Development Report report for Mexico, released in November 2014, "State-controlled price-setting mechanism was modified so that gasoline, diesel, and LPG prices increase incrementally on a monthly basis at a constant rate, with the goal of the gradual elimination of subsidies."<sup>1273</sup>

On February 3rd 2015, Amy Myers Jaffe, an energy expert at the University of California, Davis said to the New York times that "They put a strain on federal budgets that are needed to help the poor, and they end up helping the wealthiest and middle class in these societies more."<sup>1274</sup>

Thus Mexico receives a score of -1 for not complying with the commitment to phase out fossil fuel subsidies.

*Analyst: Ujwal Ganguly*

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<sup>1269</sup> 600 만가구 7~9 월 전기요금 매월 8000 원씩 내린다, 조선일보 (Seoul) 6 June 2015. Access: 18 September 2015.

[http://biz.chosun.com/site/data/html\\_dir/2015/06/19/2015061903101.html?main\\_hot1](http://biz.chosun.com/site/data/html_dir/2015/06/19/2015061903101.html?main_hot1)

<sup>1270</sup> 가스요금 내달부터 4.4% 인상 '확정', 투데이에너지 (Seoul) 28 August 2015. Access: 18 September 2015.

<http://www.todayenergy.kr/news/articleView.html?idxno=106363>

<sup>1271</sup> Nicola, Stefan. "Fossil Fuel Subsidies Fall in Gain for Renewables." *Bloomberg.com*. Bloomberg

<sup>1272</sup> Serrano, Noe Cruz. "Precio De La Gasolina En México, El Más Alto En Toda Norteamérica." *El Universal*

<sup>1273</sup> Makhijani, Shakuntala. "Fossil Fuel Exploration Subsidies: Republic of Mexico." ODI. ODI, 1 Nov. 2014

<sup>1274</sup> Krauss, Clifford. "Low Energy Prices Offer Opening for Subsidy Cuts." *The New York Times*. The New York Times,

## Russia: –1

Russia has failed to comply with the commitment on eliminating fossil fuel subsidies.

Russia has failed to take adequate action to eliminate inefficient fossil fuel subsidies or provide support for vulnerable groups.

On 18 March 2015, the Government of the Russian Federation discussed the draft Energy Strategy of Russia for the period up to 2035.<sup>1275</sup> One of the strategy's goals is to eliminate cross-subsidies to domestic consumers of electricity and heat energy. The strategy also provides for the widening of the government's pilot project of targeted subsidies to energy consumers and introducing social consumption norms taking into consideration cross-regional differences.<sup>1276</sup>

On 1 October 2015, the draft of the renewed Energy Strategy of the Russian Federation for the period up to 2035 was introduced to the government for further discussion.<sup>1277</sup> The draft at this stage retained all its provisions on the elimination of cross-subsidies as well as reducing subsidies to regional fuel companies.<sup>1278</sup>

Although the strategy was drafted and discussed during the compliance period, it has not been finalized.

Russia has taken action towards elimination of inefficient fossil fuel subsidies, while maintaining targeted support for vulnerable groups of energy consumers. Thus Russia is awarded a score of +1.

*Analyst: Andrei Sakharov*

## Saudi Arabia: –1

Saudi Arabia has failed to comply with its commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, and to recognize the need to support vulnerable groups.

According to the Annex to the “Analysis of the Scope of Energy Subsidies and Suggestions for the G-20 Initiative,” the report by the International Energy Agency, Organization of Petroleum Exporting Countries, Organisation for Economic Co-operation and Development, and World Bank prepared for the 2010 G20 Toronto Summit, Saudi Arabia declared the G20 fossil fuel phase out commitment does not apply to the kingdom.<sup>1279</sup> It states that it does not use fossil fuel subsidies because it sells petroleum above its domestic production prices, although these prices are far below the rest of fossil fuel prices worldwide.

However, the 2014 World Energy Outlook of the International Energy Agency reports that the Saudi kingdom has the second highest pre-tax fossil fuel subsidy rate in the world.<sup>1280</sup> However, the IEA reports an average subsidization of 77.3 per cent on fuel, totalling USD 48.1 billion alone.<sup>1281</sup>

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<sup>1275</sup> Government's meeting on the draft Energy Strategy of Russia for the period up to 2035, Russian Government 18 March 2015. Access: 15 May 2015. <http://government.ru/news/17269/>.

<sup>1276</sup> Energy Strategy for the period up to 2035 (draft), Russian Ministry of Energy 2014. Access: 15 May 2015. <http://minenergo.gov.ru/upload/iblock/621/621d81f0fb5a11919f912bfa3248d6.pdf>.

<sup>1277</sup> The draft of the renewed Energy Strategy of the Russian Federation introduced to the government, Russian Energy Ministry 1 October 2015. Access: 21 October 2015. [http://minenergo.gov.ru/press/min\\_news/3459.html](http://minenergo.gov.ru/press/min_news/3459.html).

<sup>1278</sup> Russia's Energy Strategy for the period up to 2035, Russian Energy Ministry 1 October 2015. Access: 21 October 2015. <http://minenergo.gov.ru/upload/%D0%9F%D1%80%D0%BE%D0%B5%D0%BA%D1%82%20%D0%AD%D0%BD%D0%B5%D1%80%D0%B3%D0%B5%D1%82%D0%B8%D1%87%D0%B5%D1%81%D0%BA%D0%BE%D0%B9%20%D1%81%D1%82%D1%80%D0%B0%D1%82%D0%B5%D0%B3%D0%B8%D0%B8%20%D0%A0%D0%BE%D1%81%D1%81%D0%B8%D0%B8%20%D0%BD%D0%B0%20%D0%BF%D0%B5%D1%80%D0%B8%D0%BE%D0%B4%20%D0%B4%D0%BE%202035.pdf>.

<sup>1279</sup> Analysis of the Scope of Energy Subsidies and Suggestions for the G-20 Initiative; IE, OPEC, OECD, World Bank Joint Report (Toronto) 16 June 2010. Access: 17 October 2015. <http://www.oecd.org/env/45575666.pdf>.

<sup>1280</sup> Measuring Fossil Fuel Subsidies, European Commission (Brussels) March 2015. Access: 17 October 2015. [http://ec.europa.eu/economy\\_finance/publications/economic\\_briefs/2015/pdf/eb40\\_en.pdf](http://ec.europa.eu/economy_finance/publications/economic_briefs/2015/pdf/eb40_en.pdf).

On 25 December 2014, the Saudi Arabian government revealed its budget for 2015 where it indeed maintained its expenses for fossil fuel subsidies.<sup>1282</sup>

On 29 January 2015, the Saudi Arabia's new ruler, King Salman bin Abdulaziz al Saud, appointed a new deputy oil minister and replaced the Supreme Council for Petroleum and Minerals<sup>1283</sup> with a new Supreme Council for Economic Development.<sup>1284</sup> These notable changes in one of the two bodies that oversee the oil and gas sector in Saudi Arabia suggest a generational shift in the country's energy and economic strategies.<sup>1285</sup>

On 2 May 2015, Saudi Arabia called for the removal of language on the phase-out of fossil fuel subsidies and the need to put a price on carbon during a joint session of the United Nations talks geared towards crafting a post-2015 development agenda.<sup>1286</sup>

On 21 May 2015, Saudi Arabia's oil minister, Ali al-Naimi, stated that a nation-wide fossil fuel phase out could occur by 2050 while at the Word at the Business and Climate Summit.<sup>1287</sup> Al-Naimi stated that the kingdom could begin exporting solar and wind electricity power in the future, although not within the next twenty years.<sup>1288</sup> The oil minister rationalized that fossil fuels might not be a necessity in the future, and that solar power could become more economic than petroleum exports.

Despite the announcements by King Salman bin Abdulaziz al Saud and Minister of Oil Ali al-Naimi suggesting a generational shift in energy policies, Saudi Arabia has not taken any concrete measures aimed at phasing out the kingdom's fossil fuel subsidies.

Thus, Saudi Arabia is thus awarded a score of -1.

*Analyst: Yashwinie Shivanand*

### **South Africa: -1**

South Africa has failed to comply with its commitment to improve fossil fuel access for vulnerable groups.

On 30 January 2015, the South African government released its fuel process adjustment. South Africa continues to provide a subsidy for the consumption of petrol, diesel and illuminating paraffin, with the self-adjusting state levy mechanism rules.<sup>1289</sup> Also, the current downward trend of international fossil fuel prices has reduced funds available for petroleum subsidies to N458.68 billion from N971.14 billion in 2014.<sup>1290</sup>

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<sup>1281</sup> Fossil Fuel Consumption Subsidy Rates as a Proportion of the Full Cost of Supply, International Energy Agency (Paris) 2014. Access: 17 October 2015. <https://www.iea.org/subsidy/>

<sup>1282</sup> Saudi Arabia Maintains Spending Plans in 2015 Despite Oil Slide, The Wall Street Journal (Dammam), 25 December 2015. Access: 18 December 2015. <http://www.wsj.com/articles/saudi-arabia-maintains-spending-plans-in-2015-despite-oil-slide-1419507064>.

<sup>1283</sup> Fossil Fuel Exploration Subsidies: Saudi Arabia, Oil Change International (Washington), November 2014. Access: 1 March 2015. <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9268.pdf>.

<sup>1284</sup> New Bureaucratic Restructuring in Saudi Oil Powerhouse, World Bulletin (Istanbul), 6 February 2015. Access: 2 March 2015. <http://www.worldbulletin.net/news/154519/new-bureaucratic-restructuring-in-saudi-oil-powerhouse>

<sup>1285</sup> Analysis - Saudi King Keeps Close Hand on Oil in Remodelling Strategic Team, Reuters News (Riyadh) 3 March 2015. Access: 3 March 2015. <http://uk.reuters.com/article/2015/03/03/uk-saudi-oil-policy-idUKKBNOLZ0MM20150303>.

<sup>1286</sup> UN Post-2015, Financing for Development Talks Debate Relationship, International Centre for Trade and Sustainable Development (Geneva) 2 May 2015. Access: 10 May 2015. <http://www.ictsd.org/bridges-news/bridges-africa/news/un-post-2015-financing-for-development-talks-debate-relationship>

<sup>1287</sup> Countries, Stakeholders Gear Up for UN Climate Talks, International Centre for Trade and Sustainable Development () 26 May 2015. Access: 17 October 2015. <http://www.ictsd.org/bridges-news/biores/news/countries-stakeholders-gear-up-for-un-climate-talks/>.

<sup>1288</sup> Kingdom Built on Oil Foresees Fossil Fuel Phase-Out this Century, The Financial Times (Paris) 21 May 2015 . Access: 17 October 2015. <http://www.ft.com/intl/cms/s/0/89260b8a-ffd4-11e4-bc30-00144feabdc0.html#axzz3oMUqUskh>.

<sup>1289</sup> Adjustment to the Fuel Prices – 4 February 2015, Country Department of Energy (CITY) 30 January 2015. Access Date: 23 February 2015. <http://www.energy.gov.za/files/media/fuelprice/2015/Fuel-Adjustment-February2015.pdf>;

South Africa has failed to eliminate fossil fuel subsidies and have not taken any explicit actions to support the poor. Thus, South Africa is awarded a score -1.

*Analyst: Jasper Lim*

### **Turkey: -1**

Turkey has failed to comply with its commitment to phase out inefficient fossil fuel subsidies and provide support to vulnerable groups.

On 25 November 2014, the Turkish government's amended legislation on environmental impact assessments (EIA) entered into force. Following the amendment, coal power plants are exempt from EIA regulations during the dismantling process after being shut down. Since power plants that do not use coal must follow these regulations, this constitutes an implicit subsidy to fossil fuels.<sup>1291</sup>

On 23 December 2014, officials from Nebras Power disclosed that the company was in talks with the Turkish government regarding a USD 14 billion investment to develop lignite coal mines in the Afşin-Elbistan region.<sup>1292</sup> An agreement was signed on 22 February 2015, to study the potential of such a development. This included Nebras Power among a consortium of three Japanese companies and two Qatari companies.<sup>1293</sup>

On 2 February 2015, Turkish newspaper *Hürriyet* reported that the Family and Social Policies Ministry had spent TRY 213 million on health care and social protection in 2013. Coal aid for consumers was distributed through the Social Aid and Solidarity Fund, commonly known as the Fak-Fuk-Fon. This conclusion was based in part on data from the Organisation for Economic Co-operation and Development.<sup>1294</sup> During the same year, the Turkish government spent upwards of USD 730 million in subsidies to the coal industry.<sup>1295</sup>

On 4 February 2015, the Turkish Energy Commission announced approximately USD 15 billion of investments in coal and natural gas from 2015-18 as part of the country's Tenth Development Plan. This amounts to 30% of the plan's total investment in energy.<sup>1296</sup>

On 9 October, 2015, Scientific American reported the Turkish government's intention to nearly double its coal-fired electrical generation capacity by 2019, constructing eighty new plants in addition to the twenty-two

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Adjustment to the Fuel Prices – 7 January 2015, Country Department of Energy (CITY) 2 January 2015. Access Date: 23 February 2015. <http://www.energy.gov.za/files/media/fuelprice/2015/Fuel-Adjustment-January2015.pdf>;

Adjustment to the Fuel Prices – 3 December 2014, Country Department of Energy (CITY) 28 November 2015. Access Date: 23 February 2015. <http://www.energy.gov.za/files/media/fuelprice/2014/Fuel-Adjustment-December2014.pdf>.

<sup>1290</sup> Petrol Subsidy Drops to N 0,90/litre...South Africa Cuts Petrol Price by N16, Daily Trust (CITY) 5 January 2015. Access Date: 23 February 2015. <http://www.dailytrust.com.ng/daily/business/43535-petrol-subsidy-drops-to-n-0-90-litre-south-africa-cuts-petrol-price-by-n16>.

<sup>1291</sup> Subsidies to Coal and Renewable Energy in Turkey. International Institute for Sustainable Development (Winnipeg, Canada) 24 March 2015. Access: 7 May 2015. [http://www.iisd.org/gsi/sites/default/files/ffsandrens\\_turkey\\_coal\\_eng.pdf](http://www.iisd.org/gsi/sites/default/files/ffsandrens_turkey_coal_eng.pdf)

<sup>1292</sup> Qatari energy firm to invest \$14bn in Turkey. Turkish Weekly, (Ankara), 23 December 2014. Access: 28 February 2015. <http://www.turkishweekly.net/news/177623/qatari-energy-firm-to-invest-14bn-in-turkey.html>

<sup>1293</sup> Qatar-Japan consortium to study projects in Turkey's Afşin-Elbistan. Hürriyet Daily News (Istanbul), 23 February 2015. Access: 1 March 2015. <http://www.hurriyetaidailynews.com/qatar-japan-consortium-to-study-projects-in-turkeys-afsin-elbistan.aspx?PageID=238&NID=78721&NewsCatID=345>

<sup>1294</sup> Social protection in Turkey, too many words with too little content. Hürriyet Daily News, (Istanbul), Turkey 2 February 2015. Access: March 1, 2015. <http://www.hurriyetaidailynews.com/social-protection-in-turkey-too-many-words-with-too-little-content.aspx?PageID=238&NID=77745&NewsCatID=344>

<sup>1295</sup> Turkey's Coal Subsidies Equaled US\$730 Million in 2013. International Institute for Sustainable Development (Winnipeg, Canada) 27 March 2015. Access: 7 May 2015. <https://www.iisd.org/media/turkey%E2%80%99s-coal-subsidies-equaled-us730-million-2013>

<sup>1296</sup> Turkey: Major investment in alternative energy planned. Anadolu Agency (Ankara), 4 February 2015. Access: 1 March 2015. <http://www.aa.com.tr/en/economy/460848--turkey-major-investment-in-alternative-energy-planned>

already present.<sup>1297</sup> This constitutes the third largest coal development plan in the world, behind only China and India.<sup>1298</sup>

No evidence was found that the Turkish government has taken any measures to reform its coal subsidies during the compliance cycle. Thus, Turkey receives a score of -1.

*Analyst: Colin McEwen*

### **United Kingdom: 0**

The United Kingdom has partially complied with its commitment to phase out fossil fuel subsidies while providing support to the national vulnerable groups.

A report published by the House of Commons Environmental Audit Committee in November 2013 estimated the national fossil fuel subsidies at GBP 12 billion per year. It also contains recommendations on how the UK Government should be doing to identify and eliminate fossil fuel subsidies. They include (a.) widening its definition of subsidies as to fit with that elaborated by the International Energy Agency (IEA) (b.) recognizing that the majority of the subsidies are off budget.<sup>1299</sup> In an official response to the report, the Government disputed the estimations on methodological grounds.<sup>1300</sup>

On 3 December 2014, Chancellor of the Exchequer George Osborne announced GBP 60 million towards multiple energy commitments in the government's Official Autumn Statement 2014.<sup>1301</sup> These commitments included: 1) a commitment to reduce the tax on oil and gas companies operating in the North Sea by 2%; 2) an increase in the maximum duration of the Ring Fence Expenditure Supplement to 10 years from its current level of six; and 3) a tax exemption on 62.5% of capital expenditure for the development of "high pressure, high temperature projects."<sup>1302</sup> According to the UK Government, these projects will promote additional investment, jobs and overall improvements to the UK supply chain.<sup>1303</sup> Though oil and gas companies in the North Sea pay tax at higher rates than the main Corporation tax rate, according to the Environmental Audit Committee in Parliament "Field allowances for North Sea oil and gas do not fully offset relatively high starting rates of corporation tax and petroleum revenue tax. The allowances nevertheless represent a subsidy because the higher tax rates compensate for the use of state-owned fossil fuel deposits."<sup>1304</sup>

On 19 December 2014, Energy Secretary Ed Davey confirmed the implementation of a capacity market subsidy for future energy supply. The subsidy was announced as GBP 19.40 per kilowatt. Approximately 19%

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<sup>1297</sup> Can Coal-Powered Turkey Get Serious about Climate Change? Scientific American (Armonk, New York), 9 October 2015. Access: 14 October 2015. <http://www.scientificamerican.com/article/can-coal-powered-turkey-get-serious-about-climate-change/>

<sup>1298</sup> Is it too late to stop Turkey's coal rush? The Guardian (London), 6 August 2015. Access: 14 October 2015. <http://www.theguardian.com/environment/2015/aug/06/is-it-too-late-to-stop-turkeys-coal-rush>

<sup>1299</sup> Energy Subsidies, Ninth Report of Session 2013-14. House of Commons Environmental Audit Committee (London), 2 December 2013. Access: 15 October 2015. <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenvaud/61/61.pdf>

<sup>1300</sup> Energy subsidies: Government Response to the Committee's Ninth Report of Session 2013-14. House of Commons Environmental Audit Committee (London), 3 March 2014. Access: 15 October 2015. <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenvaud/1103/1103.pdf>

<sup>1301</sup> Autumn Statement 2014. HM Treasury 3 (London), December 2014. Access: 28 February 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/382327/44695\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf)

<sup>1302</sup> Autumn Statement 2014. HM Treasury (London), 3 December 2014. Access: 28 February 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/382327/44695\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf)

<sup>1303</sup> Autumn Statement 2014. HM Treasury (London), 3 December 2014. Access: 28 February 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/382327/44695\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf)

<sup>1304</sup> Energy Subsidie - Environmental Audit Committee Contents, Parliament.UK (London), 2 December 2013. Access: 15 October 2015. <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenvaud/61/6106.htm>

of this future supply is expected to come from either coal or biomass.<sup>1305</sup> The capacity market plan is also the subject of a legal challenge at the European Court of Justice for its alleged unfair advantage to fossil fuel producers.<sup>1306</sup>

On 9 January 2015, the think tank Policy Exchange released a report entitled *Warmer Homes* on the state of fuel poverty in the United Kingdom. It details that the British government allocated 3.2 billion GBP in the 2014/15 fiscal year to alleviate fuel poverty. However, due to poor targeting, only one third of this amount actually benefited the fuel poor.<sup>1307</sup>

On 3 March 2015, the Department of Energy and Climate Change announced a new strategy aimed at reducing fuel poverty — the first proposal for more than 10 years. The document is based on a legally binding target, which stipulates that as “many households as reasonably practicable” should be energy-efficient band C or higher by 2030. Early measures include regulations that will forbid private landlords to rent out inefficient properties and an extension of the ECO scheme until 2017 in order to make 500,000 properties cheaper and easier to heat.<sup>1308</sup>

On 8 July 2015, Chancellor of the Exchequer George Osborne announced an expansion of existing investment allowances to additional activities in the North Sea as part of the government’s Summer Budget 2015, which revises the earlier pre-election budget. Officials place the cost GBP 5 million annually until FY2020-21.<sup>1309</sup> The announcement also included a proposal to create a Sovereign Wealth Fund for communities where shale gas extraction already takes place.<sup>1310</sup>

On 8 July 2015, Chancellor of the Exchequer George Osborne announced intent to change the vehicle excise duty in 2017, replacing the present sliding scale tax with a flat rate.<sup>1311</sup> By removing the tax counteracting the externalities of carbon emissions, this constitutes an implicit subsidy.

On 13 August 2015, a joint statement from the Department for Local Communities and Local Government and Department of Energy and Climate Change announced GBP 1.2 million to assist local communities in planning for shale gas development. The announcement also specified that appeals against refusals of planning permission would be given higher priority.<sup>1312</sup>

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<sup>1305</sup> £1bn subsidy in energy capacity auction will boost coal and nuclear power. The Guardian (London), 10 December 2014. Access: 8 May 2015. <http://www.theguardian.com/business/2014/dec/19/uk-energy-auction-coal-nuclear-generation>

<sup>1306</sup> Legal Challenge to Government’s £2.5bn Subsidy Scheme for Fossil Fuel industry, The Independent (London) 5 December 2014. Access: 28 February 2015. <http://www.independent.co.uk/environment/legal-challenge-to-governments-25bn-subsidy-scheme-for-fossil-fuel-industry-9907303.html>.

<sup>1307</sup> Warmer Homes: Improving fuel poverty and energy efficiency in the UK. Policy Exchange (London), 9 January 2015. Access: 1 March 2015. <http://www.policyexchange.org.uk/publications/category/item/warmer-homes-improving-fuel-poverty-and-energy-efficiency-policy-in-the-uk>

<sup>1308</sup> Press release: A strategy to end cold homes for good. Department of Energy and Climate Change (London), 3 March 2015. Access: 8 May 2015. <https://www.gov.uk/government/news/a-strategy-to-end-cold-homes-for-good>

<sup>1309</sup> 11 Summer Budget 2015: Policy Costings. HM Government (London), July 2015. Access: 15 October 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/443195/Policy\\_costings\\_summer\\_budget\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443195/Policy_costings_summer_budget_2015.pdf)

<sup>1310</sup> Summer Budget 2015. HM Treasury (London), 8 July 2015. Access: 3 October 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/443232/50325\\_Summer\\_Budget\\_15\\_Web\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443232/50325_Summer_Budget_15_Web_Accessible.pdf)

<sup>1311</sup> Budget 2015: Key climate and energy announcements. Carbon Brief (London), 8 July 2015. Access: 15 October 2015. <http://www.carbonbrief.org/budget-2015-key-climate-and-energy-announcements/>

<sup>1312</sup> Shale gas and oil policy statement by DECC and DCLG. HM Government (London), 13 August 2015. Access: 4 October 2015. <https://www.gov.uk/government/publications/shale-gas-and-oil-policy-statement-by-decc-and-dclg/shale-gas-and-oil-policy-statement-by-decc-and-dclg#planning>

On 23 September 2015, Minister of State Andrea Leadsom announced that as part of the previously announced Sovereign Wealth Fund, operators will pay GBP 100,000 per exploration site in addition to one per cent of production revenue, estimated at GBP 5-10 million.<sup>1313</sup>

Though the UK did not list any inefficient fossil fuel subsidies at the G20 Los Cabos Summit, the government has enacted policies that introduced new subsidies. Thus, the UK receives a score of 0.

*Analyst: Colin McEwen*

### **United States: +1**

The United States has fully complied with its commitment to phase out inefficient fossil fuel subsidies and provide support to its vulnerable groups.

A 2014 report by Oil Change International found that the US government provided USD 21.6 billion worth of subsidies to the oil, gas and coal industries.<sup>1314</sup> On 2 February 2015, the Obama administration introduced cuts to fossil fuel tax preferences in the Fiscal Year (FY) 2016 Budget. The proposal would cut approximately USD 4.434 billion in fossil fuel tax breaks, including 1) enhanced oil recovery credits; 2) covering expenses of intangible drilling costs; 3) covering expensing of exploration and development costs of coal; and 4) capital gains treatment for royalties.<sup>1315</sup> The Office of Management and Budget also projects cuts to fossil fuel tax preferences to total USD 28.384 billion by the fiscal year 2020.<sup>1316</sup> In addition, the US has committed itself to the voluntary peer-review process on inefficient fuel subsidies.<sup>1317</sup>

The United States has also worked to provide support for vulnerable groups. The US government has not increased the federal excise tax on gasoline of USD 18.4 cents per gallon since 1993, subsidizing fuel prices for all.<sup>1318</sup> As a result, the United States is pays one of the lowest rates for fuel among the members of the Organisation for Economic Co-operation and Development.<sup>1319</sup> There are also several continued programs that provide access specifically to vulnerable groups. The Weatherization Assistance Program is a partnership between the United States Department of Energy, all 50 states, the District of Columbia and territories, and three tribal organizations to make homes more energy efficient for about 100,000 low-income families annually.<sup>1320</sup>

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<sup>1313</sup> Shale gas – an inconvenient truth for the anti-fracking lobby. Department of Energy and Climate Change blog (London), 23 September 2015. Access: 4 October 2015. <https://decc.blog.gov.uk/2015/09/23/shale-gas-an-inconvenient-truth-for-the-anti-fracking-lobby/>

<sup>1314</sup> Cashing in on All of the Above: U.S. Fossil Fuel Production Subsidies Under Obama, Oil Change International (Washington DC), July, 2014. Access Date: 20 March, 2015. [http://priceofoil.org/content/uploads/2014/07/OCI\\_US\\_FF\\_Subsidies\\_Final\\_Screen.pdf](http://priceofoil.org/content/uploads/2014/07/OCI_US_FF_Subsidies_Final_Screen.pdf)

<sup>1315</sup> The Budget for Fiscal Year 2016, Office of Management and Budget (Washington D.C.) 2 February 2015. Access: 23 March 2015. <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf>

<sup>1316</sup> The Budget for Fiscal Year 2016, Office of Management and Budget (Washington D.C.) 2 February 2015. Access: 23 February 2015. <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf>

<sup>1317</sup> Fossil Fuel Subsidy Reform Roundtable Highlights a Global Problem, U.S. Department of State (Washington D.C.), 17 April, 2014. Access Date: 19 March, 2015. <https://blogs.state.gov/stories/2014/04/17/fossil-fuel-subsidy-reform-roundtable-highlights-global-problem>

<sup>1318</sup> Petroleum Marketing Explanatory Notes, United States Energy Information Administration (Washington D.C.) July 2014. Access: 23 March 2015. <http://www.eia.gov/petroleum/marketing/monthly/pdf/enote.pdf>

<sup>1319</sup> The Real Reason U.S. Gas is So Cheap is Americans Don't Pay the True Cost of Driving, Atlantic: CityLab (Washington D.C.), 5 Jan, 2015. Access Date: 20 March, 2015. <http://www.citylab.com/commute/2015/01/the-real-reason-us-gas-is-so-cheap-is-americans-dont-pay-the-true-cost-of-driving/384200/>

<sup>1320</sup> Weatherization and Intergovernmental, US Department of Energy (Washington D.C.) September 2011. Access: 23 March 2015. [http://energy.gov/sites/prod/files/2014/01/f7/wip\\_factsheet.pdf](http://energy.gov/sites/prod/files/2014/01/f7/wip_factsheet.pdf)



On 18 March 2015, the Department of Energy granted approximately USD 6 million to eleven tribal communities for energy-efficiency retrofit and clean energy projects as a part of their longstanding Tribal Energy Program.<sup>1321</sup>

On 21 January 2015, the Office of Community Services, under the Administration of Children and Families announced USD 300 million in available funding for the Low Income Home Energy Assistance Program, on top of a previous USD 3.05 billion in October 2014.<sup>1322</sup> The program provides assistance for low-income families to manage costs associated with home energy bills, energy crises, and weatherization and energy-related minor home repairs.<sup>1323</sup>

The United States has proposed significant action on cutting inefficient fuel subsidies, and has provided support for vulnerable groups. Thus, the United States is awarded the score of +1.

*Analyst: Jasper Lim*

### **European Union: 0**

The European Union has partially complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies. It has called on member states to cut harmful fossil fuel subsidies in the past, but did not continue to do so in 2015.

Up to and including 2014, the European Commission actively encouraged member states to phase out “environmentally harmful” subsidies.<sup>1324</sup> The most recent call was published in the country-specific recommendations on 2 June, 2014.

On 25 February 2015, the European Commission proposed its Energy Union Package, which would require member states to submit to “biennial reports on energy prices, with an in-depth analysis of the role of taxes, levies and subsidies, in order to create more transparency on energy costs and prices.” This package also included the measures by which the Energy Union will protect vulnerable consumers and address energy poverty. According to the Energy Union Package, the preferred method for protecting vulnerable consumers is through the “general welfare system,” however it could also be provided through the market with the use of “a solidarity tariff or as a discount on energy bills.”<sup>1325</sup>

On 1 June 2015, the Council of the European Union released its conclusions on the implementation of the Energy Union. In these conclusions all mention of subsidies was dropped, and member states were instead committed to “greater transparency in the composition of energy costs and prices by means of appropriate monitoring.”<sup>1326</sup>

The European Union has previously called on member states to eliminate inefficient fossil fuel subsidies, but its omission of such a call in 2015 is indicative of a halt in progress. Conversely, the European Union has

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<sup>1321</sup> Energy Department Selects 11 Tribal Communities to Deploy Energy Efficiency and Renewable Energy Technologies, US Department of Energy (Washington D.C.) 18 March 2015. Access: 23 March 2015. <http://apps1.eere.energy.gov/tribalenergy/pdfs/tep-de-foa-0001021.pdf>

<sup>1322</sup> LIHEAP Dear Colleague on Second Funding Release FY 2015, Office of Community Services (Washington D.C.) 21 January 2015. Access: 23 March 2015. <https://www.acf.hhs.gov/programs/ocs/resource/liheap-dear-colleague-on-second-funding-release-fy-2015>

<sup>1323</sup> LIHEAP Brochure, Office of Community Services (Washington D.C.) 1 November 2009. Access: 23 March 2015. <http://www.acf.hhs.gov/programs/ocs/resource/liheap-brochures>

<sup>1324</sup> 2014 European Semester: Country-specific recommendations, European Commission 2 June 2014. Access: 20 October 2015. [http://climateobserver.org/wp-content/uploads/2015/05/EC\\_CSR-2014.pdf](http://climateobserver.org/wp-content/uploads/2015/05/EC_CSR-2014.pdf)

<sup>1325</sup> Energy Union Factsheet, European Commission 25 February 2015. Access: 20 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-4485\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-4485_en.htm)

<sup>1326</sup> Draft Council conclusions on the implementation of the Energy Union: empowering consumers and attracting investments in the energy sector 1 June 2015. Access: 20 October 2015. <http://data.consilium.europa.eu/doc/document/ST-9073-2015-INIT/en/pdf>

continuously required members to address energy poverty by protecting vulnerable groups. Thus, the European Union is awarded a score of 0.

*Analyst: Kieran Alkerton*

## 9. Energy: Clean Energy Technology

2014-203: [G20 countries, agree to work together to:] Encourage and facilitate the design, development, demonstration [of innovative energy technologies, including clean energy technologies.]

*G20 Brisbane Action Plan*

### Assessment

Country	Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa	-1		
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.90	

### Background

The G20 leaders made their first commitment to develop energy efficiency and clean energy technologies at the 2009 London Summit.<sup>1327</sup> At the Pittsburgh Summit also in 2009, the G20 leaders reiterated their commitment to stimulate investment in clean energy, renewables and energy efficiency, as well as to provide financial and technical support for such projects in developing countries.<sup>1328</sup> This commitment was reiterated at the 2010 Seoul Summit.<sup>1329</sup> At the 2011 Cannes Summit, leaders developed the commitment further by referencing the United Nations Secretary General's Sustainable Energy for All initiative.<sup>1330</sup> At the 2013 St. Petersburg Summit, the leaders once again reaffirmed their commitment to cleaner and more efficient

<sup>1327</sup> Global Plan for Recovery and Reform, G20 Information Center 2 April 2009. Access: 20 January 2015.

<http://www.g20.utoronto.ca/2009/2009communique0402.html>.

<sup>1328</sup> G20 Leaders Statement: The Pittsburgh Summit, G20 Information Center 25 September 2009. Access: 20 January 2015.

<http://www.g20.utoronto.ca/2009/2009communique0925.html>.

<sup>1329</sup> The G20 Seoul Summit Leaders' Declaration, G20 Information Center 12 November 2010. Access: 20 January 2015.

<http://www.g20.utoronto.ca/2010/g20seoul.html>.

<sup>1330</sup> Cannes Summit Final Declaration: Building Our Common Future, G20 Information Center (Toronto) 4 November 2011.

Access: 20 January 2014. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>.

technologies, but also highlighted the importance of enhancing the efficiency of markets and shifting towards a more sustainable energy future.<sup>1331</sup>

### Commitment features

The commitment requires the G20 members to facilitate the design, development, demonstration of innovative energy technologies, focusing particularly on clean energy technologies.

Examples of policy actions that might facilitate the development of new energy technologies include incentives for the private sector to adopt and develop such technologies (implementation of credits and tax credits for private investment in clean energy technology research and development; the establishment of privileged loans for clean technology research and development; and setting up a certification system for companies that invest in clean energy technology research and development, establishment of an emission trading mechanism that would enable private companies to sell carbon credits they gained from investing in clean energy technology research and development), funding existing or launching new public scientific institutions occupied in energy technology research.

According to the International Energy Agency (IEA) clean energy comprises such spheres as renewable energy, electric vehicles, nuclear power and biofuels.<sup>1332</sup> The IEA uses the definition of renewable energy as “energy derived from natural processes (e.g. sunlight and wind) that are replenished at a faster rate than they are consumed. Solar, wind, geothermal, hydro, and some forms of biomass are common sources of renewable energy.”<sup>1333</sup>

To achieve full compliance a member should take actions aimed at promotion of new clean energy technologies, while the promotion of new energy technologies which can not be described as “clean” or environmentally friendly constitutes partial compliance.

### Scoring guidelines

-1	Member fails to take actions to promote innovative energy technologies.
0	Member takes actions to promote innovative energy technologies BUT does not take actions to promote clean energy technologies.
+1	Member takes actions to promote innovative including clean energy technologies.

### Argentina: +1

Argentina has fully complied with the commitment to promote innovative energy technologies. It has taken actions to promote innovative energy technologies.

On 10 December 2014, Miguel Galuccio, President of YPF (Argentinian energy company, in which the government owns 51% of capital), closed a deal with Shamsul Azhar bin Abbas, Vice-President of PETRONAS Logistics and Maritime Business, Malaysia’s oil company, to invest USD 550 million in Vaca Muerta, a major deposit of tight oil (shale oil) and shale gas.<sup>1334</sup> Thus, this action might be considered as a step of Argentinean government to promote innovative energy technologies that would be needed for the extraction unconventional energy resources.

<sup>1331</sup> St.Petersburg Summit Leaders’ Declaration, G20 Information Center 6 September 2013. Access: 20 January 2015. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

<sup>1332</sup> Clean energy technologies, IEA. Access 20 January 2015. <http://www.iea.org/topics/cleanenergytechnologies/>.

<sup>1333</sup> FAQ Renewable energy, IEA. Access 21 January 2015. <http://www.iea.org/aboutus/faqs/renewableenergy/>.

<sup>1334</sup> YPF cerró un acuerdo de inversión en Vaca Muerta, Fortuna. 10 December 2014. Access 7 April 2015. <http://fortunaweb.com.ar/2014-12-10-153789-ypf-cierra-acuerdo-de-inversion-en-vaca-muerta/>.

On 28 January 2015, YPF and Chinese oil company Sinopec reached a memorandum of understanding with the aim to jointly develop projects to produce oil and gas extraction, both conventional and unconventional (one of the targets for investment will be the Vaca Muerta deposit).<sup>1335</sup>

On 19 February, the recently constructed Atucha II nuclear power plant reached its maximum energy production. Argentina's President Cristina Fernandez de Kirchner took part in the ceremony of the plant's inauguration.<sup>1336</sup>

Argentina has taken actions to promote innovative clean energy technologies.

On 29 January 2015, the Cristina apura contratos por obras millonarias con Rusia (a project organized by the National Atomic Energy Commission, the National University of San Martín and five private companies) constructed a pilot solar plant to produce photovoltaic energy at Marambio Base, Argentinean Air Force scientific and military station located on the Antarctic continent.<sup>1337</sup>

On 21 March 2015, the first meeting of the Argentinean Association of Renewable Energy Installers took place under the aegis of the IRESUD project in order to promote the use of clean energy technologies.<sup>1338</sup>

On 27 March 2015, it was reported that IRESUD and the National Technological University (NTU) had carried out a pilot installation of photovoltaic panels in the Mendoza Regional Faculty of the NTU. At the moment the facility is already producing electric power.<sup>1339</sup>

On 3 April 2015, the Ministry of Federal Planning, Public Investment and Services reported significant progress in the implementation of one of its projects, the construction and commissioning of thermal plant Guillermo. This project (together with the expansion of the port of Bahia Blanca and expanding pipeline capacity in the province) requires USD 685 million of investment and has already started producing energy.<sup>1340 1341</sup>

In addition, the construction of two hydroelectric dams in the province of Santa Cruz started in the middle of 2013 is underway, aimed at producing as much as 10% of Argentinean total energy demand in 2008.<sup>1342,1343</sup> The construction of the dams is also financed by other countries. For example, on 2 July 2015, Argentina

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<sup>1335</sup> YPF firmó un acuerdo de inversión con la petrolera china Sinopec. *Télam Economía*. 28 January 2015. Access: 7 April 2015. <http://www.telam.com.ar/notas/201501/93274-ypf-petrolera-china-sinopec-acuerdo-inversion-vaca-muerta.html>.

<sup>1336</sup> Atucha 2 Reaches 100% Rated Power, *World Nuclear News*. 19 February 2015. Access: 7 April 2015. <http://www.world-nuclear-news.org/NN-Atucha-2-reaches-100-percent-rated-power-19021502.html>.

<sup>1337</sup> Electricidad con paneles solares en la Base Marambio, Proyecto de Interconexión a Red de Energía Solar Urbana Distribuida (IRESUD). 29 January 2015. Access: 7 April 2015. <http://iresud.com.ar/electricidad-con-paneles-solares-en-la-base-marambio/>.

<sup>1338</sup> 1º Encuentro de la Asociación Argentina de Instaladores de Energías Renovables. Electricidad con paneles solares en la Base Marambio, Proyecto de Interconexión a Red de Energía Solar Urbana Distribuida (IRESUD). 10 March 2015. Access: 7 April 2015. <http://iresud.com.ar/1o-encuentro-de-la-asociacion-argentina-de-instaladores-de-energias-renovables/>.

<sup>1339</sup> La instalación piloto de IRESUD en UTN-Mendoza ya se encuentra inyectando, Proyecto de Interconexión a Red de Energía Solar Urbana Distribuida (IRESUD). 29 January 2015. Access: 1 May 2015. <http://iresud.com.ar/la-instalacion-piloto-de-iresud-en-utn-mendoza-ya-se-encuentra-inyectando/>

<sup>1340</sup> Avanza la construcción de la Central Térmica Guillermo Brown, Ministerio de Planificación Federal, Inversión Pública y Servicios. 3 April 2015. Access: 1 May 2015. <http://www.minplan.gob.ar/noticia/19713/avanza-la-construccion-de-la-central-termica-guillermo-brown.html>

<sup>1341</sup> Se puso en funcionamiento la Central Térmica G. Brown. 22 July 2015. Access: 11 October 2015. <http://www.minplan.gob.ar/noticia/21723/avanza-la-puesta-en-marcha-de-la-central-termica-a-carbon-de-rio-turbio.html>

<sup>1342</sup> China will build and finance two dams in Patagonia equivalent to 10% of Argentine power demand, *MercoPress*. 22 August 2013. Access: 7 April 2015. <http://en.mercopress.com/2013/08/22/china-will-build-and-finance-two-dams-in-patagonia-equivalent-to-10-of-argentine-power-demand>.

<sup>1343</sup> Las represas y un proyecto distinto, *A la Arena*. 2 February 2015. Access: 7 April 2015. [http://www.laarena.com.ar/opinion-las\\_represas\\_y\\_un\\_proyecto\\_distinto-132095-111.html](http://www.laarena.com.ar/opinion-las_represas_y_un_proyecto_distinto-132095-111.html)

received the second tranche on the credit provided by the Development Bank of China that amounted to USD 150 mln.<sup>1344</sup>

In addition, Argentina has taken steps to promote nuclear energy. Several international accords have been signed, most important ones — with Russia and China.

On 1 June 2015 it was announced that the new contracts with these countries will lead to the increase in nuclear energy production by 150%.<sup>1345</sup>

Furthermore, external finance has been drawn for other innovative projects in the domain.

On 3 June 2015, Argentina-Russia meeting was held to discuss the conditions of Russian funding of the construction of a hydroelectric dam Chihuido I in the Province of Neuquén.<sup>1346</sup>

On 28 July 2015, the Ministry for Plannification of Argentina announced the start of the programme aimed at enhancing energy efficiency of small and medium sized enterprises.<sup>1347</sup>

On 7 September 2015, the Parque de Energía Nuclear was founded in Buenos Aires that is aimed at promoting clean nuclear energy.<sup>1348</sup>

On 8 October 2015, the El Jume wind farm was launched in the Province of Santiago del Estero. The farm has costed the government USD 2 mln and will provide energy to more than 50,000 people living in the area.<sup>1349</sup>

During the compliance period Argentina has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Anton Markov*

### **Australia: +1**

Australia has fully complied with the commitment to promote clean energy technologies.

On 1 December 2014, The Australian Renewable Energy Agency announced a AUD 2 million funding to support the development of a solution for collecting renewable biomass from fast growing trees.<sup>1350</sup>

On 18 February 2015, the Carnegie Perth Wave Energy Project's onshore power station was opened. "This is the first array of wave power generators to be connected to an electricity grid in Australia and worldwide," —

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<sup>1344</sup> Banco de Desarrollo de China concretó desembolso por U\$S 150 millones para Represas Kirchner-Cepernic,, Ministerio de Planificación de Argentina. 2 July 2015. Access: 11 October 2015. <http://www.minplan.gob.ar/noticia/21440/banco-de-desarrollo-de-china-concreto-desembolso-por-u-s-150-millones-para-represas-kirchner-cepernic.html>

<sup>1345</sup> "Acuerdos estratégicos" con Rusia y China aumentarán 150% producción de energía nuclear, Ministerio de Planificación de Argentina. 1 June 2015. Access: 11 October 2015. <http://www.minplan.gob.ar/noticia/20764/acuerdos-estrategicos-con-rusia-y-china-aumentaran-150-produccion-de-energia-nuclear.html>

<sup>1346</sup> Chihuido I: Argentina y Rusia avanza en los términos de financiación, Ministerio de Planificación de Argentina. 3 June 2015. Access: 11 October 2015. <http://www.minplan.gob.ar/noticia/23081/amplio-rechazo-del-articulo-de-clarin-contra-el-plan-nuclear-argentino.html>

<sup>1347</sup> Eficiencia Energética: Asistencia Financiera a Pymes, Ministerio de Planificación de Argentina. 28 July 2015. Access: 11 October 2015. <http://www.minplan.gob.ar/noticia/21913/eficiencia-energetica-asistencia-financiera-a-pymes.html>

<sup>1348</sup> De Vido inauguró el simulador de la Central Néstor Kirchner y el Parque de Energía Nuclear, Ministerio de Planificación de Argentina. 7 September 2015. Access: 11 October 2015. <http://www.minplan.gob.ar/noticia/22600/de-vido-inauguro-el-simulador-de-la-central-nestor-kirchner-y-el-parque-de-energia-nuclear.html>

<sup>1349</sup> De Vido y la Gobernadora de Santiago del Estero pusieron en marcha el Parque Eólico El Jume, Ministerio de Planificación de Argentina. 8 October 2015. Access: 11 October 2015. <http://www.minplan.gob.ar/noticia/23055/de-vido-y-la-gobernadora-de-santiago-del-estero-pusieron-en-marcha-el-parque-eolico-el-jume.html>

<sup>1350</sup> Renewable biomass from fast growing trees, Australian Renewable Energy Agency 1 December 2014. Access: 14 May 2015. <http://arena.gov.au/media/renewable-biomass-from-fast-growing-trees/>.

said the Australian Renewable Energy Agency CEO Ivor Frischknecht. The AUD 32 million project was supported by AUD 13 million funding from the Australian Renewable Energy Agency.<sup>1351</sup>

On 23 March 2015, the first section of the Nyngan Solar Plant in western New South Wales, Australia, was opened and began feeding energy to the National Electricity Market. The plant's current power capacity is 25 MW and is expected to reach 102 MW on completion. The plant is a part of the AGL solar project, supported by the Australian Renewable Energy Agency with AUD 166.7 million.<sup>1352</sup>

On 27 March 2015, a new concentrated solar photovoltaic (CSPV) power tower was unveiled in Newbridge, Victoria. This unique facility, which will supply 200 kilowatts to a local agriculture business, was a result of the AUD 3.6 million pilot project, supported by AUD 1.7 million funding from the Australian Renewable Energy Agency.<sup>1353</sup>

On 13 April 2015, the Australian Renewable Energy Agency announced the second round of its Research and Development Programme worth AUD 20 million. The program is aimed at supporting "industry-partnered projects that seek to develop and commercialize renewable energy technologies."<sup>1354</sup> While the first round of the program was devoted to developing solar energy research and development, the second one is to promote collaboration between researchers and industry.<sup>1355</sup>

On 5 May 2015, the Australian Renewable Energy Agency CEO Ivor Frischknecht announced that the first of around 650,000 panels had been installed at AGL Energy Limited's (AGL) Broken Hill solar photovoltaic plant. The Broken Hill plant is also a part of the AGL solar project, supported by the Australian Renewable Energy Agency funding.<sup>1356</sup>

On 9 July 2015, Ivor Frischknecht said that the government will support Frontier Energy in creating a toolkit "that is set to make community energy projects easier to develop" providing AUD 296,000. According to Mr. Frischknecht, the project will "help break down some of the barriers facing new community energy projects by increasing project developers' understanding of how to secure finance."<sup>1357</sup>

On 12 August 2015, the installation of the first photovoltaic panels took place at the Moree Solar Farm (MSF), which is set to become Australia's largest solar array. According to the Australian Renewable Energy Agency information, the farm, located in northern New South Wales, "will supply 140,000 megawatt-hours (MWh) per year — enough electricity to power 15,000 homes and abate 95,000 tons of carbon pollution each year." The project worth AUD 164 million was co-funded by the Australian Renewable Energy Agency providing AUD 102 million.<sup>1358</sup>

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<sup>1351</sup> Australia's first renewable energy from a wave power array, Australian Renewable Energy Agency 18 February 2015. Access: 14 May 2015. <http://arena.gov.au/media/australias-first-renewable-energy-from-a-wave-power-array/>.

<sup>1352</sup> Australia's largest solar plant fires up, Australian Renewable Energy Agency 23 March 2015. Access: 14 May 2015. <http://arena.gov.au/news/australias-largest-solar-plant-fires-up/>.

<sup>1353</sup> First of a kind concentrated solar PV power tower, Australian Renewable Energy Agency 27 March 2015. Access: 14 May 2015. <http://arena.gov.au/media/first-of-a-kind-concentrated-solar-pv-power-tower/>.

<sup>1354</sup> ARENA opens \$20 m R&D round for industry-partnered projects, Australian Renewable Energy Agency 13 April 2015. Access: 14 May 2015. <http://arena.gov.au/media/arena-opens-20-m-rd-round-for-industry-partnered-projects/>.

<sup>1355</sup> Research and Development Programme, Australian Renewable Energy Agency. Access: 14 May 2015. <http://arena.gov.au/initiatives-and-programmes/research-and-development-programme/>.

<sup>1356</sup> Solar plant taking shape at iconic Broken Hill. Australian Renewable Energy Agency 5 May 2015. Access: 14 May 2015. <http://arena.gov.au/media/solar-plant-taking-shape-at-iconic-broken-hill/>.

<sup>1357</sup> Toolkit to make community renewables financing easier, Australian Renewable Energy Agency 9 July 2015. . Access: 20 October 2015. <http://arena.gov.au/news/toolkit-to-make-community-renewables-financing-easier/>.

<sup>1358</sup> Key milestone passed at Australia's biggest solar project, Australian Renewable Energy Agency 12 August 2015. Access: 20 October 2015. <http://arena.gov.au/news/key-milestone-passed-at-australias-biggest-solar-project/>.

On 15 October 2015, the Broken Hill Solar Plant in western New South Wales reached full generation capacity of 53 MW.<sup>1359</sup> The project was supported by the Australian Government within the AGL Solar Project with a AUD 166.7 million contribution.<sup>1360</sup>

On 16 October 2015, the Australian Renewable Energy Agency announced that wave energy developer Carnegie Wave Energy Limited has completed the conceptual design phase of the CETO 6 Project at Garden Island in Western Australia. The new CETO 6 technology is expected to deliver increased power generation capacity compared to the previous generation power units, as well as reduced power costs.<sup>1361</sup> Australian Renewable Energy Agency is providing AUD 13 million to support the development of this new technology.<sup>1362</sup>

During the compliance period Australia has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Brazil: +1**

Brazil has fully complied with the commitment to promote clean energy technologies.

On 5 February 2015, a working group from Brazil and the UK held a meeting in Brasilia which is a part of a project on innovation in the energy sector, in partnership with the Ministry of Science, Technology and Innovation (MCTI), the National Electric Energy Agency (ANEEL) and the Embassy of the United Kingdom, with the performers the CGEE and the carbon Trust — European organization that operates in various parts of the world with a mission to accelerate the transition to a sustainable low carbon economy.<sup>1363</sup>

Brazil has taken actions to promote innovative clean energy technologies.

On 5 December 2014, at the Centro de Energias Renováveis da Universidade Federal de Pernambuco it was mentioned that Brazil would become capable of generating about 3,5 Gigawatt of solar power. Also, there was emphasized the impact of the call No. 13/2011 and Normative Resolution 482/2012 which promote incorporation of solar power into the whole electricity distribution systems.<sup>1364</sup>

On 8 December 2014, state organization the Energy Research Company (EPE) registered 570 projects to the Alternative Sources Auction (LFA) 2015, scheduled for April 27. Among them there are 530 wind farms, totaling 12,865 MW of installed capacity, and 40 thermal power plants biomass, totaling 2,067 MW.<sup>1365</sup>

On 26 December 2014, the National Institute of Technology (INT/MCTI) developed the technology which let convert the greenhouse gas, biogas into hydrogen (H<sub>2</sub>) for power generation by a fuel cell. The study was conducted by a team led by technologist Fábio Bellot Noronha.<sup>1366</sup>

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<sup>1359</sup> Broken Hill plant hits full generation at pace, Australian Renewable Energy Agency 15 October 2015. Access: 20 October 2015. <http://arena.gov.au/news/broken-hill-plant-hits-full-generation-at-pace/>.

<sup>1360</sup> AGL Solar Project, Australian Renewable Energy Agency. Access: 20 October 2015. <http://arena.gov.au/project/agl-solar-project/>.

<sup>1361</sup> Carnegie CETO 6 technology, Australian Renewable Energy Agency. Access: 20 October 2015. <http://arena.gov.au/project/carnegie-ceto-6-technology/>.

<sup>1362</sup> Next generation wave project taking shape, Australian Renewable Energy Agency 16 October 2015. Access: 20 October 2015. <http://arena.gov.au/news/next-generation-wave-project-taking-shape/>.

<sup>1363</sup> Brasil e Reino Unido Concluem Workshop na Área de Energia, Brazilian Ministério da Ciência, Tecnologia e Inovação 6 February 2015. Access: 1 April 2015. [http://www.mcti.gov.br/noticias/-/asset\\_publisher/lqV53KMvD5rY/content/brasil-e-reino-unido-concluem-workshop-na-area-de-energia;jsessionid=A958B7B8B38AC90743A04E1F8DFD14E1](http://www.mcti.gov.br/noticias/-/asset_publisher/lqV53KMvD5rY/content/brasil-e-reino-unido-concluem-workshop-na-area-de-energia;jsessionid=A958B7B8B38AC90743A04E1F8DFD14E1)

<sup>1364</sup> Sudene e UFPE Debatem Utilização de Energia Solar no Nordeste, Portal Brasil 5 December 2014. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2014/12/sudene-e-ufpe-debatem-utilizacao-de-energia-solar-no-nordeste>

<sup>1365</sup> Leilão Terá 530 Usinas Eólicas e 40 de biomassa, Portal Brasil 8 December 2014. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2014/12/leilao-tera-530-usinas-eolicas-e-40-de-biomassa>



On 30 December 2014, the National Institute of Technology of Brazil received about USD 2.9 million from the government budget for development of innovation technologies for production and use of biodiesels oils derived from microalgae.<sup>1367</sup>

On 31 December 2014, professor of the Federal University of Santa Catarina Roberto Bianchini Derner stated that the institution received about USD 600,000 of the budget funds from the Department of Technological Development and Innovation (Setec) of MCTI to study the potential of microalgae to produce biodiesel.<sup>1368</sup>

On 26 January 2015, The Union of Sugar Cane Industry Association (UNICA) and the Trade Chamber (CCEE), Brazilian official body, launched the Green Seal Energy certificate, which is a part of the Bioelectricity Certification Program. It will allow the exchange of information between UNICA and CCEE for confirmation on the contractual origin of the electricity sold by plants powered by sugar cane biomass in the free energy market.<sup>1369</sup>

On 27 January 2015, in Brasilia, managers of the Ministry of Science, Technology and Innovation (MCTI) and representatives of the German Agency for International Cooperation held the first meeting of the year for planning actions under the Project Support Heliothermic Energy Development in Brazil (DKTI-CSP). They discussed details of bilateral cooperation in building the first solar thermal plant in Brazil. It is expected to be constructed by the end of 2016. The project has accumulated about USD 8.8 million.<sup>1370</sup>

On 27 February 2015, the Wind Farm Geribatu opened in Santa Vitória do Palmar. It is one of the points of expansion, diversification and energy sustainability program in Brazil. The resources of the Growth Acceleration Program (PAC) will enable the country to have 218 Wind Power Plants (UEEs) by 2017 and 130 (60%) of them have already been completed.<sup>1371</sup>

On 5 March 2015, the Minister of Mines and Energy Eduardo Braga said the government will reduce taxes on distributed energy generation. The measure aims to increase competitiveness of renewable energy sources, especially solar power.<sup>1372</sup>

On 13 March 2015, Brazil and the US launched a program in nanotechnology for renewable energy. The collaboration between Brazil and the United States aims to accelerate the development of technologies for

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<sup>1366</sup> Gás de Lixo Vira Hidrogênio para Produção Limpa de Energia, Instituto Nacional de Tecnologia de Brasil 26 December 2014. Access: 1 April 2015. <http://www.int.gov.br/sala-de-imprensa/noticias/item/8036-gás-de-lixo-vira-hidrogênio-para-produção-limpa-de-energia>

<sup>1367</sup> INT Ampliará Capacidade de Pesquisa do Biodiesel a Partir de Microalgas, Brazilian Ministério da Ciência, Tecnologia e Inovação 30 Decembre 2014. Access: 1 April 2015. [http://www.mcti.gov.br/visualizar?p\\_p\\_auth=Sj5CYUYA&p\\_p\\_id=101&p\\_p\\_lifecycle=0&p\\_p\\_state=maximized&p\\_p\\_col\\_id=column-2&p\\_p\\_col\\_count=1&\\_101\\_struts\\_action=%2Fasset\\_publisher%2Fview\\_content&\\_101\\_assetEntryId=185710&\\_101\\_type=content&\\_101\\_urlTitle=int-ampliar-capacidade-de-pesquisa-do-biodiesel-a-partir-de-microalgas](http://www.mcti.gov.br/visualizar?p_p_auth=Sj5CYUYA&p_p_id=101&p_p_lifecycle=0&p_p_state=maximized&p_p_col_id=column-2&p_p_col_count=1&_101_struts_action=%2Fasset_publisher%2Fview_content&_101_assetEntryId=185710&_101_type=content&_101_urlTitle=int-ampliar-capacidade-de-pesquisa-do-biodiesel-a-partir-de-microalgas)

<sup>1368</sup> Potencial das Microalgas Estimula Pesquisa com Biodiesel em Santa Catarina, Brazilian Ministério da Ciência, Tecnologia e Inovação 31 Decembre 2014, Access: 1 April 2015. [http://www.mcti.gov.br/visualizar?p\\_p\\_id=101&p\\_p\\_lifecycle=0&p\\_p\\_state=maximized&p\\_p\\_mode=view&\\_101\\_urlTitle=potencial-das-microalgas-estimula-pesquisa-com-biodiesel-em-santa-catarina&\\_101\\_struts\\_action=%2Fasset\\_publisher%2Fview\\_content&\\_101\\_type=content&\\_101\\_assetEntryId=188111](http://www.mcti.gov.br/visualizar?p_p_id=101&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&_101_urlTitle=potencial-das-microalgas-estimula-pesquisa-com-biodiesel-em-santa-catarina&_101_struts_action=%2Fasset_publisher%2Fview_content&_101_type=content&_101_assetEntryId=188111)

<sup>1369</sup> UNICA e CCEE Emitem Primeiras Certificações do Selo Energia Verde, Portal Brasil 27 January 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/01/unica-e-ccce-emitem-primeiras-certificacoes-do-selo-energia-verde>

<sup>1370</sup> Brasil e Alemanha se Reúnem para Discutir Planejamento de Projeto de Energia Helio térmica, Brazilian Fundação de Desenvolvimento de Pesquisa 27 January 2015. Access: 1 April 2015. <http://www.fundep.ufmg.br/pagina/3289/brasil-e-alemanha-se-ree-250-nem-para-discutir-planejamento-de-projeto-de-energia-heliotermica-233-rmica.aspx>

<sup>1371</sup> Brasil Terá 218 Usinas Eólicas Financiadas Pelo PAC até 2017, Portal Brasil 5 March 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/03/brasil-tera-218-usinas-eolicas-financiadas-pelo-pac-ate-2017>

<sup>1372</sup> Governo Busca Formas de Recompensar Quem Fornecer Excedente de Energia, Portal Brasil 5 March 2015. Data of Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/03/governo-busca-formas-de-recompensar-quem-fornecer-excedente-de-energia>

renewable and sustainable energy through investments in nanotechnology. In the context of the program there was created the Consortium for Innovation in Nanotechnology, Energy and Materials.<sup>1373</sup>

On 31 August 2015, Minister of Mines e Energy announced that Brazil had doubled the wind energy generation in comparison to the previous year.<sup>1374</sup>

During the compliance period Brazil has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Sergey Burok*

### **Canada: +1**

Canada has fully complied with the commitment to promote clean energy technologies.

On 19 December 2014, Canada announced changes to the Aboriginal Renewable Energy Fund to make interim funding available to First Nations and Métis communities for due diligence work required to assess and develop opportunities for participation in the Large Renewable Procurement program. A community energy plan is a comprehensive long-term plan to improve energy efficiency, reduce electricity consumption and assess opportunities for clean energy solutions.<sup>1375</sup>

On 1 April 2015, Clean Energy Vehicle (CEV) Program starts for the next three years to invest in charging infrastructure and hydrogen fuelling infrastructure, commercialize fleet purchases of clean energy vehicles, research and outreach on clean energy transportation technology.<sup>1376</sup>

During the compliance period Canada has taken actions to promote innovative including clean energy technologies. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **China: +1**

China has fully complied with the commitment to promote clean energy technologies.

On 4 December 2014, the National Development and Reform Commission of China announced plans to develop offshore nuclear power projects, that all will comply with the highest international security standards.<sup>1377</sup>

On 16 December 2014, Guangxi's first nuclear power send-out electric transmission line, a 500 KV line with two circuits from Fangchenggang Nuclear Power Plant to Haigang Transformer Substation in Qinhuangdao, was put into operation. The transmission line will greatly enhance the current capacity and strengthen the power grid structure to provide a continuous power supply.<sup>1378</sup>

On 26 December 2014, Zhebei-Fuzhou 1000 KV Ultra-High Voltage AC Power Transmission Project was officially brought into operation. Zhebei-Fuzhou project is the third ultra-high voltage AC power

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<sup>1373</sup> Brasil e EUA Lançam Programa em Nanotecnologia para Energia Renovável, Brazilian Ministério da Ciência, Tecnologia e Inovação 13 March 2015. Access: 1 April 2015. [http://www.mcti.gov.br/noticias/-/asset\\_publisher/lqV53KMvD5rY/content/brasil-e-eua-lancam-programa-em-nanotecnologia-para-energia-renovavel](http://www.mcti.gov.br/noticias/-/asset_publisher/lqV53KMvD5rY/content/brasil-e-eua-lancam-programa-em-nanotecnologia-para-energia-renovavel)

<sup>1374</sup> Em 2015, Brasil Duplica sua Produção de Energia Eólica, Portal Brasil 31 August 2015. Access: 11 October 2015. <http://www.brasil.gov.br/infraestrutura/2015/08/em-2015-brasil-duplica-sua-producao-de-energia-eolica>

<sup>1375</sup> Aboriginal Energy Partnerships Program. Access: 21 April 2015. <http://www.aboriginalenergy.ca/>

<sup>1376</sup> Clean Energy Vehicle for BC (CEVforBC™). Access: 21 April 2015. <https://www.cevforbc.ca/clean-energy-vehicle-program>

<sup>1377</sup> China plans to develop offshore nuclear power projects, the State Council of the People's Republic of China 4 December 2014. Access: 21 April 2015. [http://english.gov.cn/state\\_council/ministries/2014/12/05/content\\_281475019751054.htm](http://english.gov.cn/state_council/ministries/2014/12/05/content_281475019751054.htm)

<sup>1378</sup> Guangxi's first nuclear power send-out transmission line put into operation, Department of Climate Change in China 16 December 2014. Access: 21 April 2015. <http://en.ccchina.gov.cn/Detail.aspx?newsId=50415&TId=96>

transmission project invested and constructed by State Grid Corporation. It is an important component of the main grid of ultra-high voltage AC power transmission in East China.<sup>1379</sup>

On 12 January 2015, the Chinese-built 338-megawatt Russei Chrum Krom River hydropower dam in Cambodia Koh Kong province started operation after Cambodian Prime Minister Hun Sen cut the ribbon to inaugurate it.<sup>1380</sup>

On 21 January 2015, the state-owned Assets Supervision and Administration Commission of the State Council announced that HydroChina Corporation will provide the engineering, procurement and construction services for a 104-megawatt wind scheme in Argentina's La Rioja province.<sup>1381</sup>

On 5 February 2015, China's National Development and Reform Commission said that ministers of China and Argentina signed a deal to build a pressurized water reactor nuclear power plant in Argentina.<sup>1382</sup>

On 4 March 2015, China authorities said that China will encourage clean industrial production in 2015 by promoting green technology and more economic use of resources to protect the environment. The central government will launch a program that aims to reduce pollution, cleanse industries and prompt sustainable development this year. Companies will destroy four million fewer tonnes of coal by the end of 2015 after the ministry helps them with technological upgrades.<sup>1383</sup>

On 4 March 2015, members of the China National Committee from Hunan signed a proposal to restart Taohuajiang Nuclear Power Plant. According to the proposal a nuclear power plant with the capacity of one million kilowatts can reduce carbon dioxide emissions by over six million tons, and cut the emission of sulphur dioxide and nitrogen oxide and discharge of mercury and other heavy metal pollutants. Nuclear power development is a way to solve Hunan energy problems for its economic and social advance.<sup>1384</sup>

On 18 March 2015, China Ministry of Industry and Information Technology stated in the guideline: "China will create a favorable environment to foster quicker growth in the new energy vehicle sector through intense government-led promotion." To encourage the production and purchase of new energy vehicles, the guideline set the target of 200,000 units of new energy buses and 100,000 new energy taxis and city logistics delivery vehicles by 2020. China will continue to promote the construction of charging facilities for new energy vehicles in cities and implement tax exemptions and subsidies for car purchases.<sup>1385</sup>

On 19 March 2015, Charge d'Affaires at the Chinese Embassy Zhou Youbin announced that the Chinese Hanergy Group invested USD 1 billion to construct a 400-megawatt solar power plant to help boost Ghana's energy needs.<sup>1386</sup>

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<sup>1379</sup> Big Clean Energy Channel Opened between Zhejiang and Fujian, Zhejiang Provincial Government 26 December 2014. Access: 21 April 2015. [http://english.zj.gov.cn/art/2014/12/30/art\\_5798\\_1470211.html](http://english.zj.gov.cn/art/2014/12/30/art_5798_1470211.html)

<sup>1380</sup> Chinese-built 338 MW hydropower dam in Cambodia starts operation, the State Council of the People's Republic of China 12 January 2015. Access: 21 April 2015.

[http://english.gov.cn/news/international\\_exchanges/2015/01/13/content\\_281475038640893.htm](http://english.gov.cn/news/international_exchanges/2015/01/13/content_281475038640893.htm)

<sup>1381</sup> China to take on wind energy project in Argentina, the Beijing Government 21 January 2015. Access: 21 April 2015.

<http://www.ebeijing.gov.cn/BeijingInformation/BeijingNewsUpdate/t1380188.htm>

<sup>1382</sup> China, Argentina to jointly build nuclear power plant in Argentina, Department of Climate Change in China 5 February 2015. Access: 21 April 2015. <http://en.ccchina.gov.cn/Detail.aspx?newsId=50952&TId=103>

<sup>1383</sup> China promotes greener industry, Department of Climate Change in China 4 March 2015. Access: 21 April 2015.

<http://en.ccchina.gov.cn/Detail.aspx?newsId=51236&TId=96%22%20title=%22China%20promotes%20greener%20industry>

<sup>1384</sup> Restart Building of Taohuajiang Nuclear Power Plant Proposed, Hunan Provincial People's Government 4 March 2015. Access: 21 April 2015. [http://www.enhunan.gov.cn/wwwHome/201503/t20150305\\_1217367.htm](http://www.enhunan.gov.cn/wwwHome/201503/t20150305_1217367.htm)

<sup>1385</sup> China to boost new energy vehicles, Department of Climate Change in China 18 March 2015. Access: 21 April 2015.

<http://en.ccchina.gov.cn/Detail.aspx?newsId=51535&TId=96>

<sup>1386</sup> China to help Ghana construct \$1b solar plant, Department of Climate Change in China 19 March 2015. Access: 21 April 2015.

[http://en.ccchina.gov.cn/Detail.aspx?newsId=51585&TId=103%22%20title=%22China%20to%20help%20Ghana%20construct%20\\$1b%20solar%20plant](http://en.ccchina.gov.cn/Detail.aspx?newsId=51585&TId=103%22%20title=%22China%20to%20help%20Ghana%20construct%20$1b%20solar%20plant)

On 20 April 2015, China provided Pakistan multibillion-dollar concessional loans on areas including the southwestern Pakistani port of Gwadar, energy, transportation infrastructure and industry. China also signed 21 agreements on energy, according to which the two countries will cooperate on gas, coal and solar energy projects to provide 16,400 megawatts of electricity— roughly equivalent to Pakistan’s current capacity.<sup>1387</sup>

On 30 April 2015, a section of the 900-megawatt solar photovoltaic power plant at a solar energy industrial park in Bahawalpur, Pakistan, was ready to connect with the grid. The plant, a priority project under the initiative of the China-Pakistan Economic Corridor, was financed and constructed by China’s Zenergy Company Limited to the tune of more than USD 1.5 billion.<sup>1388</sup>

On 11 May 2015, deputy director of the China Nuclear Energy Association Xu Yuming said that China will have 30 million kilowatts (KW) of nuclear power capacity by the end of 2015. The government plans to increase China’s total nuclear power capacity to 58 million kilowatts by 2020, a rise of 170 percent over the current level. Xu estimates that this will require CNY 100 billion (USD 16.34 billion) of investment every year.<sup>1389</sup>

On 13 May 2015, head of the Chinese nuclear energy association at the 11th China International Exhibition on Nuclear Power Industry said China will bring eight nuclear power stations online this year and begin work on six to eight more.<sup>1390</sup>

On 12 June 2015, China’s chief climate negotiator Su Wei at the United Nations Framework Convention on Climate Change announced that China intends to peak its carbon dioxide emission around 2030 and increase the share of non-fossil fuels in primary energy consumption to around 20 percent by 2030.<sup>1391</sup>

On 31 July 2015, principal advisor on climate change of the United Nations Secretary-General Rae Kwon Chung said that China plans to invest USD 2.5 trillion in the next 15 years on clean energy projects.<sup>1392</sup>

On 7 September 2015, Kenya Nuclear Electricity Board and China General Nuclear Power Group signed a deal for cooperation on the construction of the first nuclear power plant in the East African nation. China will provide Kenya with way of training and skills development, technical support in site selection for Kenya’s nuclear power plants and feasibility studies.<sup>1393</sup>

On 15 September 2015, Chairman of the China Atomic Energy Authority Xu Dazhe acknowledged the great importance China has attached to its cooperation with the International Atomic Energy Agency. As part of this China will donate EUR 2 million (USD 2.3 million) for laboratory construction.<sup>1394</sup>

On 25 September 2015, Chinese president Xi Jinping announced that China will start the world’s largest carbon trading system by 2017.<sup>1395</sup>

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<sup>1387</sup> [http://wza.qxn.gov.cn/yxsm/index.php?m=proxy&a=show&q\\_url=http%3A%2F%2Fwww.chinadaily.com.cn%2Fworld%2F2015xivisitpse%2F2015-04%2F21%2Fcontent\\_20488009.htm](http://wza.qxn.gov.cn/yxsm/index.php?m=proxy&a=show&q_url=http%3A%2F%2Fwww.chinadaily.com.cn%2Fworld%2F2015xivisitpse%2F2015-04%2F21%2Fcontent_20488009.htm)

<sup>1388</sup> [http://english.gov.cn/news/photos/2015/08/30/content\\_281475179006839.htm](http://english.gov.cn/news/photos/2015/08/30/content_281475179006839.htm)

<sup>1389</sup> <http://www.caea.gov.cn/n360680/n360749/n360854/708286.html>

<sup>1390</sup> <http://www.caea.gov.cn/n360680/n360749/n360854/701986.html>

<sup>1391</sup> <http://en.ccchina.gov.cn/Detail.aspx?newsId=53241&TId=96%22%20title=%22China%20committed%20to%20addressing%20climate%20change>

<sup>1392</sup> [http://en.ccchina.gov.cn/Detail.aspx?newsId=54432&TId=96%22%20title=%22China%20to%20spend%20\\$2.5%20trillion%20on%20clean%20energy%20projects](http://en.ccchina.gov.cn/Detail.aspx?newsId=54432&TId=96%22%20title=%22China%20to%20spend%20$2.5%20trillion%20on%20clean%20energy%20projects)

<sup>1393</sup> [http://big5.zlb.gov.cn/gate/big5/big5.xinhuanet.com/gate/big5/news.xinhuanet.com/english/2015-09/11/c\\_134616133.htm](http://big5.zlb.gov.cn/gate/big5/big5.xinhuanet.com/gate/big5/news.xinhuanet.com/english/2015-09/11/c_134616133.htm)

<sup>1394</sup> <http://en.ccchina.gov.cn/Detail.aspx?newsId=55335&TId=96%22%20title=%22China%20playing%20central%20role%20in%20nuclear%20power%20development:%20IAEA%20chief>

<sup>1395</sup> <http://en.ccchina.gov.cn/Detail.aspx?newsId=55655&TId=96> и <http://en.ccchina.gov.cn/Detail.aspx?newsId=55623&TId=96>

On 25 September 2015, President Xi Jinping made the announcement during a visit to Washington that the Chinese government will spend USD 3.1 billion in helping developing countries cope with the impacts of climate change and invest in green technologies.<sup>1396</sup>

During the compliance period China has taken actions to promote innovative including clean energy technologies. Thus, it has been awarded a score of +1.

*Analyst: Svetlana Nikitina*

### **France: +1**

France has fully complied with the commitment to promote clean energy technologies.

On 15 January 2015, the French Government adopted two agreements for future investments. They cover five strategic themes of action: renewable energy, energy and energy efficiency, sustainable building, circular economy, water and biodiversity.<sup>1397</sup>

On April 2015, French Minister for Ecology, Sustainable Development and Energy, Ségolène Royal, and Minister of Economy, Industry and Digital Affairs, Emmanuel Macron, adopted the agreement on energy efficiency. Companies and governments are committed to promote energy transition to green growth.<sup>1398</sup> The objectives of the contract are to enhance Innovation, competitiveness and new skills.

On 1 April 2015, French Minister for Ecology, Sustainable Development and Energy, Ségolène Royal established new environmental bonus of EUR 10,000 for electric vehicles. This action will boost innovations in this area.<sup>1399</sup>

During the compliance period France has taken actions to promote innovative including clean energy technologies. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **Germany: +1**

Germany has fully complied with the commitment to promote clean energy technologies.

On 3 December 2014, Federal Ministry for Economic Affairs and with Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety jointly signed an agreement with business associations on the nation-wide introduction of energy efficiency networks.<sup>1400</sup> [The core idea of the Energy Efficiency concept lies in increasing production rates whereas reducing energy consumption.] Results from a network project had shown that the participating companies make significantly better improvements in their energy efficiency after three to four years than the average for their sector. They cut their greenhouse-gas emissions by an average of 1000 tonnes of CO<sub>2</sub>, and they boost their energy productivity twice as quickly as the average for the sector.

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<sup>1396</sup> <http://en.ccchina.gov.cn/Detail.aspx?newsId=55635&TId=96>

<sup>1397</sup> Deux conventions pour soutenir les programmes d'investissements d'avenir . Access: 22 May 2015.

<http://www.developpement-durable.gouv.fr/Deux-conventions-pour-soutenir-les.html>

<sup>1398</sup> Ségolène Royal et Emmanuel Macron réunissent le comité stratégique de filière éco-industries et valident le contrat de filière sur l'efficacité énergétique. Access: 22 May 2015. [http://www.developpement-durable.gouv.fr/Segolene-Royal-et-Emmanuel-Macron,43006.html?var\\_mode=calcul](http://www.developpement-durable.gouv.fr/Segolene-Royal-et-Emmanuel-Macron,43006.html?var_mode=calcul)

<sup>1399</sup> Voitures électriques : des ventes en forte hausse grâce au nouveau bonus écologique de 10 000 € Access: 22 May 2015.

<http://www.developpement-durable.gouv.fr/Voitures-electriques-des-ventes-en,43350.html>

<sup>1400</sup> Bundesregierung Und Verbände Der Wirtschaft Bringen Initiative Energieeffizienz-Netzwerke Auf Den Weg,

Bundesministerium für Wirtschaft und Energie 3 December 2014. Access: 9 April 2015.

<http://www.bmwi.de/DE/Presse/pressemitteilungen,did=672894.html>

On 16 January 2015, the Energy Efficiency Export Initiative established by the German government under the overall control of Federal Ministry for Economic Affairs and Energy with the slogan “Energy Efficiency — Made in Germany” took effect.<sup>1401</sup> Since then the Ministry has supported the presentation of innovative German flagship projects for energy-efficient solutions in building abroad.

Germany has taken actions to promote innovative clean energy technologies.

On 20 November 2014, the German government hosted the international Pledging Conference of the Green Climate Fund in Berlin. The outcome was the agreement on the initial financing of USD 9.3 billion, a substantial contribution to climate action in developing countries.<sup>1402</sup> The goal of the GCF is to support developing countries — in particular the poor and vulnerable — on their road to low-emission, climate-resilient development. At the Petersburg Climate Dialogue in July, Chancellor Angela Merkel already announced a German contribution of 750 million euros making Germany the first donor country for the Green Climate Fund.

On 28 January 2015, an ordinance was adopted that creates the legal basis for pilot auctions of ground-mounted photovoltaic installations — energy equipment based on solar power.<sup>1403</sup> The expansion targets for renewable energies are reached in a predictable and cost-efficient way based on a competition-based procedure of auctions. The first auction was launched on 24 February.<sup>1404</sup> The second round of auctions ended on 3 August with a total of 136 bids submitted, which was considered as a great success by the State Secretary at the Federal Ministry for Economic Affairs and Energy Rainer Baake.<sup>1405</sup> During this second round, the uniform pricing procedure has been used for the first time.

On 3 February 2015, the Ministry for Economic Affairs and Energy announced a new funding program for grid operating power systems.<sup>1406</sup> The program is aimed at supporting the development and piloting of grid systems and initiating them in a number of pilot regions. The ministry planned to provide up to EUR 80 million for at least two large showcase regions. The term “smart grid” describes the communicative connection of actors in the energy supply system to the power supply grid.<sup>1407</sup> Smart grids provide system integrity to feed-in electricity from up to 100% renewable energy. On 18 May, a “Citizens’ Dialogue On The Electricity Grid” initiative was launched by the Ministry in order to provide public participation in the debate on the grid expansion.<sup>1408</sup> It is aimed at creating an open, transparent dialogue between all stakeholders. Citizens’ bureaus in selected regions will in future serve as permanent contact points with the first bureau opened on 22 May 2015 in Quakenbrück.

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<sup>1401</sup> Neues Fördermodul Gestartet: Exportinitiative Präsentiert Deutsche Leuchtturmprojekte Für Energieeffizienz Im Ausland, Bundesministerium für Wirtschaft und Energie 16 January 2015. Access: 9 April 2015. <http://www.bmwi.de/DE/Presse/pressemitteilungen,did=679694.html>.

<sup>1402</sup> Grüner Klimafonds Macht Mut Für Weltweites Klimaabkommen, Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung 20 November 2014. Access: 9 April 2015. <http://www.bmz.de/20141120-2>.

<sup>1403</sup> Gabriel: Erste Ausschreibungsrunde Photovoltaik-Freiflächenanlagen Kann Im Februar 2015 Starten, Bundesministerium für Wirtschaft und Energie 28 January 2015. Access: 9 April 2015. <http://www.bmwi.de/EN/Press/press-releases,did=688792.html>.

<sup>1404</sup> Wettbewerb Statt Feste Fördersätze: Bundesnetzagentur Startet Photovoltaik-Freiflächenausschreibungen, Bundesministerium für Wirtschaft und Energie 24 February 2015. Access: 9 April 2015. <http://www.bmwi.de/DE/Themen/energie,did=692236.html>.

<sup>1405</sup> Large Number Of Bids In Second Round Of Auctions For Ground-Mounted Photovoltaic Installations, Bundesministerium für Wirtschaft und Energie 6 June 2015. Access: 11.10.2015. <http://www.bmwi.de/EN/Press/press-releases,did=722612.html>.

<sup>1406</sup> Gabriel Startet Wettbewerb Für Schaufenster Zur Intelligenten Energieversorgung Der Zukunft, Bundesministerium für Wirtschaft und Energie 3 Februar 2015. Access: 9 April 2015. <http://www.bmwi.de/DE/Presse/pressemitteilungen,did=688488.html>.

<sup>1407</sup> Intelligente Netze Und Intelligente Zähler, Bundesministerium für Wirtschaft und Energie. Access: 9 April 2015. <http://www.bmwi.de/EN/Topics/Energy/Grids-and-grid-expansion/smart-grids,did=667688.html>.

<sup>1408</sup> Launch Of "Citizens' Dialogue On The Electricity Grid", Bundesministerium für Wirtschaft und Energie 18 May 2015. Access: 11.10.2015. <http://www.bmwi.de/EN/Press/press-releases,did=705980.html>.

On 9 February 2015, the Ministry for Economic Affairs and Energy published “Key Principles for the Package of Ordinances Governing Smart Grids.” In line with the Coalition Agreement, this document set out binding rules for the future use of smart meters.<sup>1409</sup> Smart measurement systems involve meters that can communicate, measure and visualize power consumption and have other functions for energy management by integration with power consumers and generators.<sup>1410</sup> Their primary function is to enable more renewable energy to be integrated into the market.

On 10 February 2015, the final investment decision for the NordLink submarine cable between Norway and Germany was taken. It will enable the exchange of electricity generated from renewable energy sources. “This is an important step towards efficient trade and more security of supply for Norway and for Germany,” said Rainer Baake, State Secretary at Federal Ministry for Economic Affairs and Energy.<sup>1411</sup>

On 13 May 2015, the inaugural meeting of the Energy Transition “Research and Innovation” Platform took place in the Federal Ministry for Economic Affairs and Energy.<sup>1412</sup> The Research and Innovation Platform acts as an advisory body for the Federal Ministry for Economic Affairs and Energy, hosting a dialogue on the strategic direction of energy research with the national stakeholders in the Federal Government and the business and scientific communities.<sup>1413</sup> The outcome of the 1<sup>st</sup> session was the appointment of a “Structure Task Force,” which is to consider existing research structures of the Federal Ministry for Economic Affairs and Energy and to draft proposals of where and how an overall systems analysis can take place.

A wide discussion process takes place in Germany concerning the future of German electricity market. On 3 July 2015 the so-called White Paper was published by the Federal Ministry for Economic Affairs and Energy.<sup>1414</sup> This is an extended and commented version of the Green Paper — a brochure of the Ministry which covers all the aspects of the electricity market transformation. The document contains the principles for 20 measures implementing the electricity market 2.0. The main feature of this market is that renewable energy sources will account for a huge part of it. In a study entitled ‘Analysis of selected factors impacting on the market value of renewable energies’ published on 15 September 2015 by BMWi it is highlighted that the measures described in detail in the White Paper will improve the market opportunities for renewables and reduce the funding need.<sup>1415</sup> To make sure the power market is prepared to handle fluctuating energy levels of wind and solar energy the Ministry had worked in close cooperation with other states. For example, on 17 June 2015 a bilateral workshop for electricity market experts from industry, science and civil society was jointly organised by the U.S. Department of State, the U.S. Department of Energy and BMWi.<sup>1416</sup> Apart from that, State Secretary at BMWi Rainer Baake appreciated the communication on electricity market design

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<sup>1409</sup> Staatssekretär Baake: Smart Meter Wesentlicher Baustein Für Energiewende Und Energieeffizienz, Bundesministerium für Wirtschaft und Energie 9 Februar 2015. Access: 9 April 2015.

<http://www.bmwi.de/DE/Presse/pressemitteilungen,did=688488.html>.

<sup>1410</sup> Intelligente Netze Und Intelligente Zähler, Bundesministerium für Wirtschaft und Energie. Access: 9 April 2015.

<http://www.bmwi.de/EN/Topics/Energy/Grids-and-grid-expansion/smart-grids,did=667690.html>.

<sup>1411</sup> Staatssekretär Baake Reist Zu Energiepolitischen Gesprächen nach Oslo, Bundesministerium für Wirtschaft und Energie 19 February 2015. Access: 9 April 2015. <http://www.bmwi.de/DE/Presse/pressemitteilungen,did=690986.html>.

<sup>1412</sup> Research And Innovation Key Elements For Successful Energy Transition, Bundesministerium für Wirtschaft und Energie 13 May 2015. Access: 11.10.2015. <http://www.bmwi.de/EN/Press/press-releases,did=706042.html>.

<sup>1413</sup> Research and Innovation Platform, Bundesministerium für Wirtschaft und Energie. Access: 11.10.2015.

<http://www.bmwi.de/EN/Topics/Energy/energy-research-and-innovation/research-and-innovation-platform.html>.

<sup>1414</sup> State Secretary Baake: Electricity Market 2.0 Ensures Security Of Supply, Bundesministerium für Wirtschaft und Energie 3 July 2015. Access: 11.10.2015. <http://www.bmwi.de/EN/Press/press-releases,did=719344.html>.

<sup>1415</sup> State Secretary Baake: More Market Opportunities For Renewable Energies Due To Greater Flexibility, Bundesministerium für Wirtschaft und Energie 15 September 2015. Access: 11.10.2015. <http://www.bmwi.de/EN/Press/press-releases,did=727496.html>.

<sup>1416</sup> “Designing The Future For Electricity”: Senior U.S. And German Experts Discuss The Future Design Of The Electricity Market, Bundesministerium für Wirtschaft und Energie 17 June 2015. Access: 11.10.2015. <http://www.bmwi.de/EN/Press/press-releases,did=716112.html>.

presented in Summer Package of the European Commission.<sup>1417</sup> It is worth mentioning that a proposal for the ongoing reform of emissions trading for the period up to 2030 was also included in the Package.

During the compliance period Germany has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Sergei Titov*

### **India: +1**

India has fully complied with the commitment to promote clean energy technologies.

On 8 January 2015, Arun K. Tripathy, Energy Director at the Ministry of New and Renewable Energy, presented the financial problems of solar rooftop projects to the meeting of officials from nationalized public sector and private sector banks, international financial institutions and other government agencies and invited them to take part in the New Solar Entrepreneurship scheme. It was decided to create a workgroup on the issue of financing this project, the main target of which is 40,000 megawatt peak grid-connected rooftop solar photovoltaic (PV) systems.<sup>1418</sup>

On 26 January 2015, the Ministry of New and Renewable Energy invited entrepreneurs to take part in “Grid Connected Rooftop and Small Solar Power Plants Programme.” The invitation lists the incentives for entrepreneurs to adopt these technologies, such as 15% subsidy on the capital cost of the system and the bank interest subsidy.<sup>1419</sup>

In March 2015, the Ministry of New and Renewable Energy published guidelines for the selection of 3,000 megawatt grid — “Connected Solar PV Power Projects under Batch-II ‘State Specific Bundling Scheme’.” The document explains what the national solar mission is — declaring that India has a goal of being a global leader in solar energy by 2022, gradually increasing its solar power capacity.<sup>1420</sup>

On 5 March 2015, Tripathi expressing the sanctions of the President of India for implementing a project to set up of 15,000 megawatts of grid-connected solar PV power plants through NTPC Ltd. noticed that developers would be from both public and private sectors.<sup>1421</sup>

On 30 March 2015, the Ministry of New and Renewable Energy published physical progress in 2014-2015, where the targets of use of renewable energy sources are compared with achievements and cumulative achievements are calculated. India has implemented the plan for neither of sectors. However, progress is

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<sup>1417</sup> State Secretary Baake: Communication From The Commission Regarding Market Design Supports White Paper Process In Germany, Bundesministerium für Wirtschaft und Energie 15 July 2015. Access: 11.10.2015. <http://www.bmwi.de/EN/Press/press-releases,did=720410.html>.

<sup>1418</sup> Ministry of New and Renewable Energy (Grid Connected Rooftop Solar Power Division) Office Memorandum, Ministry of New and Renewable Energy Government of India 9 February 2015. Access: 11 October 2015. <http://mnre.gov.in/file-manager/UserFiles/MoM-grid-connected-solar-rooftop-09022015.pdf>.

<sup>1419</sup> Invitation of Application for Empanelment of Channel Partners/New Entrepreneurs, Ministry of New and Renewable Energy Government of India 26 January 2015. Access: 11 October 2015. <http://mnre.gov.in/file-manager/UserFiles/Notification-Regarding-Extension-of-date-for-Guidelines-for-Empanelment-of-Channel-Partner-for-GCRTE.pdf>.

<sup>1420</sup> Guidelines for Selection of 3000 MW Grid – Connected Solar PV Power Projects under Batch-II “State Specific Bundling Scheme”, Ministry of New and Renewable Energy Government of India March 2015. Access: 11 October 2015. <http://mnre.gov.in/file-manager/UserFiles/Final-draft-3000-MW-Tranche-1-Draft-Guidelines-State-Specific-Bundling-Scheme.pdf>.

<sup>1421</sup> Implementation of Project for Setting up of 15,000 MW of Grid-Connected Solar PV Power Plants through NTPC Ltd., Ministry of New and Renewable Energy Government of India 5 March 2015. Access: 7 April 2015. <http://mnre.gov.in/file-manager/UserFiles/Scheme-for-15000-MW-through-NTPC-NVNVN.pdf>.



observed for all the types of energy except biomass power and gasification. Wind, small hydro and solar power have the largest capacity.<sup>1422</sup>

On 1 April 2015, the Department of Commerce of the Ministry of Commerce and Industry issued the “Foreign Trade Policy” guidelines for the years 2015 — 2020, which stipulated that Export Obligation should be reduced for the exporters of Green Technology Products.<sup>1423</sup>

On 23 April 2015, Sh. Piyush Goyal, Minister of State for Power, Coal and New and Renewable Energy, stated that the Ministry of New and Renewable Energy was to support organizing training programs within power projects and in the fields concerning maintenance of renewable energy systems.<sup>1424</sup>

On 30 April 2015, the Ministry of New and Renewable Energy, announced that 165 biomass projects with a total capacity of about 1400 Mega Watts have been set up in the country as of 31 March, 2015. Moreover, it was noticed that during the last three years USD 8.4 billions (according to USD -INR exchange rate as of 30 April 2015) were allocated to finance biomass power projects.<sup>1425</sup>

On 23 July 2015, Sh. Piyush Goyal, Minister of State (IC) for Power, Coal & New and Renewable Energy, stated that 55 cities in 27 states were recognized as so called “solar cities” within the frames of ‘Development of Solar Cities programme’.<sup>1426</sup> Earlier the government developed the criteria, according to which to become “solar” a city should take up numerous measures aiming at promoting energy efficiency and renewable energy.<sup>1427</sup>

On 6 August 2015, Sh. Piyush Goyal, Minister of State for Power, Coal & New and Renewable Energy, stated that the budget of the National Clean Energy Fund, — an institution funding research and innovative projects in clean energy technologies, — has increased by USD 2.7 billion (according to USD -INR exchange rate as of 6 August 2015) in comparison to the previous year. The minister also noticed that 30 projects on adopting clean energy technologies out of 44 shortlisted by NCEF are to be financed by the end of the year 2016.<sup>1428</sup>

On 13 August 2015, the Government of India adopted the new Solar Power Policy, according to which the target of National Solar Mission has been reconsidered: the targeted proposed capacity has been increased by 80000 MW by the year of 2022.<sup>1429</sup>

On 14 August 2015, the Ministry of New and Renewable Energy has taken up a program, providing the distribution of renewable energy devices amongst rural and tribal populations. For this purpose, the Ministry

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<sup>1422</sup> Programme/ Scheme wise Physical Progress in 2014-15, Ministry of New and Renewable Energy Government of India 30 March 2015. Access: 11 October 2015. <http://mnre.gov.in/mission-and-vision-2/achievements/>.

<sup>1423</sup> Foreign Trade Policy, Department of Commerce, Ministry of Commerce and Industry Government of India 1 April 2015. Access: 11 October 2015. <http://dgft.gov.in/exim/2000/ftp2015-20E.pdf>.

<sup>1424</sup> Training in Renewable Power Sector, Ministry of New and Renewable Energy Government of India 23 April 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>.

<sup>1425</sup> Generation of Electricity from Paddy Straw, Ministry of Commerce and Industry Government of India 30 April 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>.

<sup>1426</sup> 55 Cities Approved for Solar Cities, Ministry of New and Renewable Energy Government of India 23 July 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>.

<sup>1427</sup> 55 Solar Cities to be Developed in India, Indo-Asian News Services 23 July 2015. Access: 11 October 2015. <http://www.ndtv.com/india-news/55-solar-cities-to-be-developed-in-india-784596>.

<sup>1428</sup> National Clean Energy Fund, Ministry of New and Renewable Energy 6 August 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>.

<sup>1429</sup> New Solar Power Policy, Press Information Bureau, Government of India 13 August 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>.

of New and Renewable Energy will fund Compensatory Afforestation Fund Management and Planning Authority.<sup>1430</sup>

On 9 September 2015, the Union Cabinet approved the National Offshore Wind Energy Policy, which is making it possible to allocate wind energy blocks in offshore, including the Exclusive Economic Zones, providing level playing field to all investors, as domestic, so international.<sup>1431</sup>

During the compliance period, India has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Anastasiia Matiukhina*

### **Indonesia: +1**

Indonesia has fully complied with the commitment to promote clean energy technologies.

On 27 November 2014, Indonesian state-owned electricity company PLN and the government of the country announced their plans to build hydro power plants with a capacity of 6300MW within the next ten years.<sup>1432</sup>

On 16 March 2015, Indonesian government increased biofuel mandatory for 2015 to 15%. This measure will help reduce dependency on diesel fuel import. It is also in line with the National Energy Policy that sets the target of increasing the share of renewable energy in national energy mix to 23% by 2025.<sup>1433</sup>

On 9 April 2015, Indonesian minister of energy and mineral resources Sudirman Said announced the allocation of IDR 115 billion for renewable energy infrastructure development in Sumba Island. This island is to become an example of efficient renewable energy utilization and a source of experience to be further used in other regions of the country.<sup>1434</sup>

On 8 October 2015, Indonesian ministry of Energy and Mineral Resources announced the development of the Centre of Research and Clean Energy Technology which is planned to be located in Bali.<sup>1435</sup> The same day, the Ministry signed a Memorandum of Understanding on this Centre of Excellence with the Asian Development Bank.<sup>1436</sup>

During the compliance period Indonesia has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepon*

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<sup>1430</sup> Govt to Distribute Unnat Chulhas and Solar Devices to Rural and Tribal Population, Ministry of New and Renewable Energy Government of India 14 August 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>.

<sup>1431</sup> Approval of National Offshore Wind Energy Policy, Ministry of New and Renewable Energy Government of India 9 September 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>.

<sup>1432</sup> 6.300 MW PLTA in the Next Ten Years, Ministry of Energy and Mineral Resources of Indonesia 27 November 2014. Access date: 17 April 2015. <http://www.esdm.go.id/index-en/83-energy/7016-6300-mw-plta-in-the-next-ten-years.html>.

<sup>1433</sup> Government Increases Biofuel Mandatory, Ministry of Energy and Mineral Resources of Indonesia 16 March 2015. Access date: 17 April 2015. <http://www.esdm.go.id/index-en/83-energy/7182-government-increases-biofuel-mandatory.html>.

<sup>1434</sup> Sumba Island is the Sample for Renewable Energy Utilization, Ministry of Energy and Mineral Resources of Indonesia 8 April 2015. Access date: 17 April 2015. <http://www.esdm.go.id/index-en/83-energy/7211-sumba-island-is-the-sample-for-renewable-energy-utilization.html>.

<sup>1435</sup> Bali Will be a Center of Excellence on Clean Energy, Ministry of Energy and Mineral Resources of Indonesia 8 October 2015. Access date: 21 October 2015. <http://www.esdm.go.id/news-archives/general/49-general/7762-bali-wil-be-a-center-of-excellence-on-clean-energy.html>.

<sup>1436</sup> The Signing of MoU between Ministry of EMR and Asian Development Bank and Knowledge Partnership Dialogue on Center of Excellence for Clean Energy, Ministry of Energy and Mineral Resources of Indonesia 8 October 2015. Access date: 21 October 2015. <http://www.esdm.go.id/press-release/53-pressrelease/7765-the-signing-of-mou-between-ministry-of-emr-and-asian-development-bank-and-knowledge-partnership-dialogue-on-center-of-excellence-for-clean-energy-.html>.

## Italy: +1

Italy has fully complied with the commitment to promote clean energy technologies.

On 24-25 November 2015, the Italian Ministry of Environment organized a workshop in Naples devoted to promoting renewable sources of energy. Among the issues discussed at the workshop were policy mechanisms and goals of renewable sources development, burden sharing, synergies between renewables and regional economies, etc.<sup>1437</sup>

On 24 April 2015, Italian Minister of Economic Development Federica Guidi signed a decree allocating EUR 120 million for the needs of the *Energie Rinnovabili e Risparmio Energetico* program. These funds will help the companies with productive facilities in the regions of Calabria, Campania, Apulia and Sicily which want to invest in energy effective projects.<sup>1438</sup>

Italy has taken action to promote clean energy technologies.

On 4 August 2015, Italian Minister of the Environment Gian Luca Galletti had a meeting with a delegation from the US state of Nevada headed by Governor Brian Edward Sandoval. The Memorandum of Understanding between was signed touching the issues of renewable energy. The parties agreed to exchange experience, best practices and technologies in hydro and renewable energy in general.<sup>1439</sup>

During the compliance period Italy has taken actions to promote innovative energy technologies and clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakbarov*

## Japan: +1

Japan has fully complied with the commitment to promote clean energy technologies.

On 22 January 2015, Agency for Natural Resources and Energy partially revised the ordinance for enforcement of the Act on special measures concerning procurement of electricity from renewable energy sources by electricity utilities, including development of an innovative system to assess a new output-control scheme.<sup>1440</sup>

On 18 December 2014, the Agency for Natural Resources and Energy announced that a report titled “Revision of the Current Operation System for the Feed-in Tariff Scheme toward the Maximum Introduction of Renewable Energy” has been compiled.<sup>1441</sup> Report concerns the shift from the current system to a system with a new output-control scheme and revision of the current operation system.

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<sup>1437</sup> Fonti Rinnovabili: accesso ai fondi e opportunità per imprese, professionisti e amministrazioni pubbliche, Italian Ministry of the Environment 25 November 2014. Access: 17 May 2015. <http://www.minambiente.it/notizie/fonti-rinnovabili-accesso-ai-fondi-e-opportunita-imprese-professionisti-e-amministrazioni>.

<sup>1438</sup> Efficienza Energetica 2015: 120 milioni per sostenibilità ed efficienza, Italian ministry of EconomicDevelopment 24 April 2015. Access: 17 May 2015. <http://www.sviluppoeconomico.gov.it/index.php/it/incentivi/energia/bando-efficienza-energetica>.

<sup>1439</sup> Clima: Galletti incontra il Governatore del Nevada, scambio di tecnologie su acqua e rinnovabili, Italian Ministry of the Environment 4 August 2015. Access: 20 October 2015. <http://www.minambiente.it/comunicati/clima-galletti-incontra-il-governatore-del-nevada-scambio-di-tecnologie-su-acqua-e>.

<sup>1440</sup> Promulgation of the Ministerial Ordinance and the Related Public Notices for Partially Revising the Ordinance for Enforcement of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities. Access: 22 April 2015. [http://www.meti.go.jp/english/press/2015/0122\\_02.html](http://www.meti.go.jp/english/press/2015/0122_02.html)

<sup>1441</sup> ANRE Compiled a Report Titled “Revision of the Current Operation System of the Feed-in Tariff Scheme toward the Maximum Introduction of Renewable Energy” . Access: 22 April 2015. [http://www.meti.go.jp/english/press/2014/1218\\_01.html](http://www.meti.go.jp/english/press/2014/1218_01.html)

On 24 March 2015, the Cabinet decided to approve the Bill for the Act for the Improvement of the energy saving performance of buildings.<sup>1442</sup> The bill is to stipulate innovative measures, to establish new system for authorizing a plan submitted by businesses to improve energy saving performance.

During the compliance period Japan has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **Korea: +1**

Korea has fully complied with the commitment to promote clean energy technologies.

On 25 November 2015, a program to build environmentally friendly “zero energy housing” test bed was launched in Seoul. The project worth KRW 44.2 billion aims to build 121 housing units in three seven-storied apartment buildings and a number of townhouses. The test bed is to employ technologies which will allow to avoid using fossil fuels for heating, air conditioning, warm water, lighting, and ventilation.<sup>1443</sup>

On 22 December 2014, a 1.5-megawatt solar energy power plant in Puerto Ayora, Galápagos Islands, Ecuador, was officially completed. The project was carried out by the Korean International Cooperation Agency (KOICA) in cooperation with the government of Ecuador.<sup>1444</sup>

On 9 January 2015, the creation of a new type of solar panels was announced by the research team led by the Sungkyunkwan University professor Seok Sang-il. The new battery is described as “a next-generation, more economical perovskite-based solar battery” and “the world’s most efficient solar cell.” The research was co-sponsored by the Korean Ministry of Science, ICT & Future Planning.<sup>1445</sup>

On 19 March 2015, Korea International Cooperation Agency launched a three-week program Sustainable Energy Development and Policy involving 15 government officials responsible for energy management and policy from Jordan. The program’s objectives included: assistance in understanding various activities and policies on sustainable energy including renewable energy and green energy; learning of recent technological developments and policy directions in energy; exchanging views on urgent energy issues in Korea and Jordan; and strengthening future cooperation in sustainable energy development between the two countries.<sup>1446</sup>

During the compliance period Korea has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Mexico: +1**

Mexico has fully complied with the commitment to promote clean energy technologies.

In December 2014, the Mexican Secretariat of Energy (SENER), Electric Power Saving Trust Fund (Fideicomiso para el Ahorro de Energía Eléctrica [FIDE]) and DICONSA (a state-owned company) distributed 38.9 million of energy-efficient lamps in the rural communities. The rural citizens could exchange

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<sup>1442</sup> Cabinet Decision on the Bill for the Act for the Improvement of the Energy Saving Performance of Buildings. Access: 22 April 2015. [http://www.meti.go.jp/english/press/2015/0324\\_03.html](http://www.meti.go.jp/english/press/2015/0324_03.html)

<sup>1443</sup> Zero energy housing eliminating any need for a heating bill will be built in the Nowon district, South Korean Ministry of Land, Infrastructure and Transport 28 May 2015. Access: 25 November 2014. <http://goo.gl/Q2sEzQ>.

<sup>1444</sup> Solar power provides electricity to Galápagos, Korean Government 30 December 2014. Access: 22 October 2015. <http://www.korea.net/NewsFocus/Policies/view?articleId=124281>.

<sup>1445</sup> Researchers develop world’s most efficient solar cell, Korean Government 15 January 2015. Access: 20 October 2015. <http://www.korea.net/NewsFocus/Sci-Tech/view?articleId=124891>.

<sup>1446</sup> Sustainable Energy Development and Policy (Jordan). Korea International Cooperation Agency 17 March 2015. Access: 3 June 2015. [http://www.koica.go.kr/english/board/whats\\_new/1319418\\_3545.html](http://www.koica.go.kr/english/board/whats_new/1319418_3545.html).

their lamps for energy-efficient lamps in 30 stores, 274 rural stores and more than 27,000 benches benefiting 7.7 million families.<sup>1447</sup>

Starting from 1 January 2015, 40 watt light bulbs are not sold in Mexico. This measure intends to decrease energy consumption in the country as well as to reduce greenhouse gas emissions equivalent to 500,000 tons of carbon dioxide per year. In addition SENER, FIDE and DICONSA will launch a program for fluorescent lamps distribution in four Mexican states.<sup>1448</sup>

In January 2015, the Mexican National Commission for the Efficient Use of Energy (Conuee) in cooperation with Super-efficient Equipment and Appliance Deployment (SEAD) Initiative launched software to evaluate street lightings. The program helps to estimate quality of light and energy consumption of street lightings by use of photometric analysis.<sup>1449</sup>

On 20 January 2015, Juan José Guerra Abud, Mexican Minister for Environment and Natural Resources, met with Duncan Taylor, United Kingdom Ambassador to Mexico, to discuss strengthening bilateral cooperation in environment and clean energy spheres. The meeting was also attended by senior Mexican and UK energy and climate officials.<sup>1450</sup>

In March 2015, Mexico's state oil company Pemex launched its first-ever sales of gasoline mixed with cleaner-burning ethanol to reduce greenhouse gas emissions. The 5.8 percent ethanol is mixed with Pemex's top selling Magna gasoline brand and lower emissions by 35 percent. Pemex will invest about USD 58 million to build necessary infrastructure for the project at its Ciudad Madero and Minatitlan refineries. Pemex also canceled a planned USD 2.8 billion investment to boost ultra-low sulfur diesel production announced in September as an additional measure to reduce pollution.<sup>1451</sup>

On 27 March 2015, Mexico announced its commitment to reduce greenhouse gas emissions after 2020, pledging to peak those emissions by 2026 and reduce them 22 percent below a predetermined "business as usual" level by 2030. Mexico also committed to reduce its black carbon emissions 51 percent.<sup>1452</sup>

On 27 March 2015, Mexico and the US signed the joint statement on climate policy cooperation in which they committed to harmonize their efforts and policies towards their common climate goals in particular in developing clean energy to boost economic growth. The countries also agreed to launch "a new high-level bilateral clean energy and climate policy task force to further deepen policy and regulatory coordination in specific areas including clean electricity, grid modernization, appliance standards, and energy efficiency, as well as promoting more fuel efficient automobile fleets in both countries, global and regional climate modeling, weather forecasting and early alerts system."<sup>1453</sup>

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<sup>1447</sup> Apoya Diconsa el Programa de Ahorro de Energía. 31 December 2014. Date of assess: 23 February 2015.

[http://www.sedesol.gob.mx/es/SEDESOL/Comunicados/\\_rid/57/2732/apoya-diconsa-el-programa-de-ahorro-de-energia](http://www.sedesol.gob.mx/es/SEDESOL/Comunicados/_rid/57/2732/apoya-diconsa-el-programa-de-ahorro-de-energia).

<http://www.diconsa.gob.mx/index.php/sala-de-prensa/728-continua-diconsa-con-el-programa-ahorrante-una-luz.html>.

<sup>1448</sup> Ya no se venderán lámparas incandescentes de 40 watts o más. 20 January 2015. Date of assess: 23 February 2015.

<http://www.presidencia.gob.mx/ya-no-se-venderan-lamparas-incandescentes-de-40-watts-o-mas/>.

<sup>1449</sup> Conuee promueve software para evaluación de luminarias de alumbrado public. 16 January 2015. Date of assess: 23 February 2015. <http://www.iluminet.com/software-alumbrado-conuee-iluminacion/>.

<sup>1450</sup> México y Reino Unido refrendan compromiso de colaboración ambiental. 20 January 2015. Date of assess: 23 February 2015. <http://saladeprensa.semarnat.gob.mx/index.php/noticias/2006-mexico-y-reino-unido-refrendan-compromiso-de-colaboracion-ambiental>.

<sup>1451</sup> Mexico's Pemex launches ethanol biofuel program to cut emissions. 19 March 2015. Date of assess: 28 September 2015.

<http://lta.reuters.com/article/marketsNews/idLTLAL2NOWL2E720150319>.

<sup>1452</sup> Mexico announces ambitious post-2020 emission reduction target. 27 March 2015. Date of assess: 28 September 2015.

<https://www.edf.org/media/mexico-announces-ambitious-post-2020-emission-reduction-target>.

<sup>1453</sup> Joint Statement on U.S.-Mexico Climate Policy Cooperation. 27 March 2015. Date of assess: 28 September 2015.

<https://www.whitehouse.gov/the-press-office/2015/03/27/joint-statement-us-mexico-climate-policy-cooperation>.

On 28 April 2015, the FIDE invited the companies to participate in the Program on Supporting Distributed Generation. The program is designated for high consumption domestic consumers (DAC)<sup>1454</sup> and SMEs — tariff 2 users. The program is aimed to encourage the purchase of 500 photovoltaic systems<sup>1455</sup> and 6 efficient cogeneration systems thereby to promote a use of renewable technologies in Mexico.<sup>1456</sup> 10 percent of the each system costs will be covered by the Energy Transition and its Sustainable Use Fund (FOTEASE).

On 18 June 2015, the 102nd Session of the FIDE Technical Committee was held to present the results of the first quarter of 2015. According to the participants, during the reported period 74 projects of photovoltaic systems (53 — in the SMEs sector) were funded with a total capacity of 705.61 kW. These projects are in line with the Mexican Law for the Use of Renewable Energies and Financing the Energy Transition (LAERFTE) aimed at reducing the generation of energy from fossil fuels by use of renewable sources. The participants also noted the progress within the program “Eco-Business Credit” which supported more than 900 SMEs to get 2,832 items of high-efficient equipment mainly refrigerators, air conditioners, efficient lighting systems and electrical substations during the first quarter of 2015. The participants of the event also noted that since 2015 the program includes new technologies such as capacitors, chillers and solar-heat water collectors which help SMEs to reduce their electricity costs.<sup>1457</sup>

On 8 July 2015, a series of focus groups aimed at boosting a program “Eco-Business Credit” activities were organized by the FIDE, CREARA energy efficiency and energy saving experts aimed at further expansion of the program. The participants of the focus groups included the representatives of the companies of the program, in particular GASADI, S.A. de C.V., Imbera, Maximoda Muebles, Voomer, Distribuidora Ríovalle, Distribuidora Rhino Maquinaria S.A. de C.V., PHP and Glacial authorized as the program dealers.<sup>1458</sup>

On 13 July 2015, the FIDE met with the mission of the U.S. Agency for International Development (USAID) to Guatemala to exchange the experiences in energy efficiency and programs in this sphere. The representatives of the USAID recognized the FIDE work and emphasized that the program “Eco-Business Credit” is a best model and could be implemented in other countries of the region. The participants agreed that the market trends should be deeply explored to identify the barriers to place energy efficient items as well as introduce an evaluation system to report on the program outputs and results as well as identify the needed modifications to make it more effective.<sup>1459</sup>

In August 2015, more 8 million energy-saving lamps were delivered to 1,712,000 persons through DICONSA shops in a number of communities within the national program of replacement incandescent bulbs. One household is granted by 5 free energy-saving lamps in return of at least one incandescent bulb. This measure is a part of the national programme “Save a light” launched by the Mexican Federal Government in July

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<sup>1454</sup> [http://www.leonardo-energy.org/sites/leonardo-energy/files/documents-and-links/pv\\_grid\\_parity\\_monitor\\_-\\_mexico\\_-\\_issue\\_1\\_english.pdf](http://www.leonardo-energy.org/sites/leonardo-energy/files/documents-and-links/pv_grid_parity_monitor_-_mexico_-_issue_1_english.pdf).

<sup>1455</sup> [http://www.energy.ca.gov/commission/international\\_cooperation/documents/2015-08-19-21\\_workshop/presentations/Efrain\\_Villanueva\\_Arcos\\_SENER.pdf](http://www.energy.ca.gov/commission/international_cooperation/documents/2015-08-19-21_workshop/presentations/Efrain_Villanueva_Arcos_SENER.pdf)

<sup>1456</sup> FIDE presenta nuevo Programa de Apoyo a la Generación Distribuida. 28 April 2015. Date of assess: 27 September 2015. [http://www.fide.org.mx/index.php?option=com\\_content&view=article&id=602:abril-28-2015-fide-presenta-nuevo-programa-de-apoyo-a-la-generacion-distribuida&catid=57:noticias&Itemid=267](http://www.fide.org.mx/index.php?option=com_content&view=article&id=602:abril-28-2015-fide-presenta-nuevo-programa-de-apoyo-a-la-generacion-distribuida&catid=57:noticias&Itemid=267).

<sup>1457</sup> Importante avance en financiamiento de Proyectos de Generación Distribuida en el primer trimestre de 2015: FIDE. 18 June 2015. Date of assess: 28 September 2015. [http://www.fide.org.mx/index.php?option=com\\_content&view=article&id=604:junio-18-2015-importante-avance-en-financiamiento-de-proyectos-de-generacion-distribuida-en-el-primer-trimestre-de-2015-fide&catid=57:noticias&Itemid=267](http://www.fide.org.mx/index.php?option=com_content&view=article&id=604:junio-18-2015-importante-avance-en-financiamiento-de-proyectos-de-generacion-distribuida-en-el-primer-trimestre-de-2015-fide&catid=57:noticias&Itemid=267).

<sup>1458</sup> Realiza FIDE actividades con grupos focales para incrementar acciones del Programa Eco-Crédito Empresarial. 8 July 2015. Date of assess: 28 September 2015. [http://www.fide.org.mx/index.php?option=com\\_content&view=article&id=606:realiza-fide-actividades-con-grupos-focales-para-incrementar-acciones-del-programa-eco-credito-empresarial&catid=57:noticias&Itemid=267](http://www.fide.org.mx/index.php?option=com_content&view=article&id=606:realiza-fide-actividades-con-grupos-focales-para-incrementar-acciones-del-programa-eco-credito-empresarial&catid=57:noticias&Itemid=267).

<sup>1459</sup> FIDE realiza intercambio de experiencias con Guatemala. 13 July 2015. Date of assess: 28 September 2015. [http://www.fide.org.mx/index.php?option=com\\_content&view=article&id=607:fide-realiza-intercambio-de-experiencias-con-guatemala&catid=57:noticias&Itemid=267](http://www.fide.org.mx/index.php?option=com_content&view=article&id=607:fide-realiza-intercambio-de-experiencias-con-guatemala&catid=57:noticias&Itemid=267).

2015<sup>1460</sup> aimed at replacement of incandescent bulbs in the Mexican cities with population of up to 100,000 inhabitants. In addition to reducing energy consumption and protecting the environment it helps Mexican families to reduce their payments for energy. The programme is a joint effort by SENER, FIDE and DICONSA.<sup>1461</sup>

On 7 August 2015, the FIDE held a meeting with the representatives of the Colombian Network of Knowledge on Energy Efficiency. The meeting was aimed at exchanging experience in energy saving and efficiency spheres. The FIDE shared its experience in implementing energy efficiency projects including increasing awareness on energy saving needs. The participants agreed to elaborate communication strategies to strengthen the relationships with business and experts and work together to establish the mechanisms for development, financing and dissemination energy efficiency projects.<sup>1462</sup>

On 21 August 2015, the Electric Power Saving Trust Fund (FIDE) held the 103rd Session of the Technical Committee at which the implemented activities of second quarter of 2015 were presented. According to the General Director of the FIDE Talán Raul Ramirez, 40 new projects were approved: 18 photovoltaic systems for residential use and 22 for companies. 52 projects in the energy efficiency sphere, including the ones aimed at reducing energy consumption of air conditioners and transformers were financed. A program “Eco-Business Credit” implemented by the FIDE supported more than 1,121 micro, small and medium entrepreneurs to replace their out-dated equipment to new efficient one. So more than 2,000 equipment items were replaced, including commercial refrigerators, air conditioners, lighting systems and electrical substations. As estimate, the implemented measures will save 204.45 GWh per year, 250 million pesos per year for the Mexican citizens and avoid emissions of about 100 tons of carbon dioxide.<sup>1463</sup>

On 25 September 2015, Mexican President Enrique Peña Nieto launched a geothermal station Los Azufres III, Fase I in Michoacán state. The total investment to this project was USD 57 million. The station will generate power for 800,000 citizens. Due to use of the clean technologies the station will help to avoid emissions of 177,000 tons of carbon dioxide into the atmosphere per year.<sup>1464</sup> At the present time the Federal Electricity Commission (CFE) of Mexico develops geothermal energy five projects similar to Los Azufres III aimed at implementation of one of the General Law on Climate Change objectives to provide at least 35 percent of electricity from clean sources by 2024.

During the compliance period Mexico has taken actions to promote innovative clean energy technologies. Thus, it has been awarded a score of +1.

*Analyst: Elizaveta Safonkina*

## **Russia: +1**

Russia has fully complied with the commitment to promote clean energy technologies.

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<sup>1460</sup> Más de 2 mil millones de pesos de ahorros con el programa de sustitución de focos “Ahórrate una luz”. 22 July 2015. Date of assess: 27 September 2015. [http://www.fide.org.mx/index.php?option=com\\_content&view=article&id=608:mexico-df-a-22-de-julio-de-2015-mas-de-2-mil-millones-de-pesos-de-ahorros-con-el-programa-de-sustitucion-de-focos-ahorrate-una-luz&catid=57:noticias&Itemid=267](http://www.fide.org.mx/index.php?option=com_content&view=article&id=608:mexico-df-a-22-de-julio-de-2015-mas-de-2-mil-millones-de-pesos-de-ahorros-con-el-programa-de-sustitucion-de-focos-ahorrate-una-luz&catid=57:noticias&Itemid=267)

<sup>1461</sup> Avanzan Veracruz y Oaxaca en la entrega de focos ahorradores. 13 August 2015. Date of assess: 27 September 2015. [http://www.fide.org.mx/index.php?option=com\\_content&view=article&id=616:agosto-13-2015-avanzan-veracruz-y-oaxaca-en-la-entrega-de-focos-ahorradores&catid=57:noticias&Itemid=267](http://www.fide.org.mx/index.php?option=com_content&view=article&id=616:agosto-13-2015-avanzan-veracruz-y-oaxaca-en-la-entrega-de-focos-ahorradores&catid=57:noticias&Itemid=267).

<sup>1462</sup> Red Colombiana de Conocimiento en Eficiencia Energética busca trabajo conjunto con el FIDE. 7 August 2015. Date of assess: 27 September 2015. [http://www.fide.org.mx/index.php?option=com\\_content&view=article&id=615:agosto-07-2015-red-colombiana-de-conocimiento-en-eficiencia-energetica-busca-trabajo-conjunto-con-el-fide&catid=57:noticias&Itemid=267](http://www.fide.org.mx/index.php?option=com_content&view=article&id=615:agosto-07-2015-red-colombiana-de-conocimiento-en-eficiencia-energetica-busca-trabajo-conjunto-con-el-fide&catid=57:noticias&Itemid=267).

<sup>1463</sup> FIDE presenta avance significativo en el programa Ahórrate una luz ante Comité Técnico. 21 August 2015. Date of assess: 27 September 2015. [http://www.fide.org.mx/index.php?option=com\\_content&view=article&id=621:agosto-21-2015-fide-presenta-avance-significativo-en-el-programa-ahorrate-una-luz-ante-comite-tecnico&catid=57:noticias&Itemid=267](http://www.fide.org.mx/index.php?option=com_content&view=article&id=621:agosto-21-2015-fide-presenta-avance-significativo-en-el-programa-ahorrate-una-luz-ante-comite-tecnico&catid=57:noticias&Itemid=267).

<sup>1464</sup> Central Geo-Termo-Eléctrica Los Azufres III, Fase I. Date of assess: 3 October 2015. <http://www.gob.mx/presidencia/articulos/central-geo-termo-electrica-los-azufres-iii-fase-i>.

On 9 December 2014, the Government of the Russian Federation approved the plan of the implementation of the “Energy efficiency and energy development” program prepared by the Ministry of Energy. It provides an increase in government spending by 6.844 billion rubles in 2014-16. Implementation of the program, according to the government, will result in reduction of energy intensity of the Russian economy by 12.7 per cent by 2020 (compared to 2007). The program is also aimed at upgrading of the Russian electric energy production production capacities through the implementation of both domestic and foreign innovative energy technologies.<sup>1465</sup> The sub-program 6 of the Plan approved by the government provides for the development of renewable sources of energy, including through direct government subsidies on renewable energy sources’ connection to power grids.<sup>1466</sup>

On 23 January 2015, the Government of the Russian Federation approved a decree on stimulating renewable energy sources in retail electricity markets. This document will allow to improve the mechanisms supporting generating companies employing renewable energy technologies, through enhanced modalities of long-term tariff regulation of such companies. These mechanisms apply to green energy facilities, utilizing biogas, biomass, landfill gas and other renewable energy sources.<sup>1467</sup>

On 1 October 2015, the draft of the renewed Energy Strategy of the Russian Federation for the period up to 2035 was introduced to the government.<sup>1468</sup> The draft strategy, inter alia, provides for the measures aimed at increasing the share of renewable energy in the country’s energy mix and increasing investment in developing renewable energy sources.<sup>1469</sup>

During the compliance period Russia has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Saudi Arabia: +1**

Saudi Arabia has fully complied with the commitment to promote clean energy technologies.

On 5 May 2015, a memorandum of joint cooperation was signed between King Abdullah City for Atomic and Renewable Energy (K.A.CARE) and Al Mediana Al Munawara Municipality. K.A.CARE is a state entity established by royal decree in 2010 to build “a sustainable future for Saudi Arabia by developing a substantial alternative energy capacity fully supported by world-class local industries.”<sup>1470</sup> The memorandum signed by the two parties provides for carrying out a joint study to develop renewable energy system in Al Madinah Al Monawara area, measuring renewable energy resources potential, developing solutions and renewable energy stations, promoting education and technical training, as well as developing industries and services relevant to

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<sup>1465</sup> On approval of the new version of the “Energy efficiency and energy development” state program, Government of Russia 15 April 2014. Access: 11 June 2015. <http://government.ru/docs/11951>.

<sup>1466</sup> Government of Russia Decree No. 2445-p, Government of Russia 3 December 2014. Access: 11 June 2015.. <http://government.ru/media/files/aRtaG8E5Rys.pdf>.

<sup>1467</sup> On stimulating renewable energy sources in retail electricity markets, Government of Russia 23 January 2015. Access: 11 June 2015. <http://government.ru/docs/16633/>.

<sup>1468</sup> The draft of the renewed Energy Strategy of the Russian Federation introduced to the government, Russian Energy Ministry 1 October 2015. Access: 21 October 2015. [http://minenergo.gov.ru/press/min\\_news/3459.html](http://minenergo.gov.ru/press/min_news/3459.html).

<sup>1469</sup> Russia’s Energy Strategy for the period up to 2035, Russian Energy Ministry 1 October 2015. Access: 21 October 2015. <http://minenergo.gov.ru/upload/%D0%9F%D1%80%D0%BE%D0%B5%D0%BA%D1%82%20%D0%AD%D0%BD%D0%B5%D1%80%D0%B3%D0%B5%D1%82%D0%B8%D1%87%D0%B5%D1%81%D0%BA%D0%BE%D0%B9%20%D1%81%D1%82%D1%80%D0%B0%D1%82%D0%B5%D0%B3%D0%B8%D0%B8%20%D0%A0%D0%BE%D1%81%D1%81%D0%B8%D0%B8%20%D0%BD%D0%B0%20%D0%BF%D0%B5%D1%80%D0%B8%D0%BE%D0%B4%20%D0%B4%D0%BE%202035.pdf>.

<sup>1470</sup> The Establishing Order, K.A.CARE. Access: 21 May 2015. [http://www.kacare.gov.sa/en/?page\\_id=71](http://www.kacare.gov.sa/en/?page_id=71).



renewable energy in the area. The parties will focus on cooperation in developing solar and wind sources of energy.<sup>1471</sup>

On 18 October 2015, President of the Royal Commission of Jubail and Yanbu' Prince Saud ibn Abdullah Ibn Thonayyan Al-Saudi and President of King Abdullah City for Atomic and Renewable Energy (KACARE) signed a cooperation agreement to conduct a feasibility study on the establishment and operation of a 50-Megawatt solar energy station, which is to be built in Yanbu' Industrial City.<sup>1472</sup>

During the compliance period Saudi Arabia has taken actions to promote innovative clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

### **South Africa: -1**

South Africa has failed to comply with the commitment to promote clean energy technologies.

No actions by South Africa to promote innovative energy technologies have been registered during the compliance period. Thus it has been awarded a score of -1.

*Analyst: Lyudmila Tarasenko*

### **Turkey: +1**

Turkey has fully complied with the commitment to promote clean energy technologies.

On 30 January 2015, Turkish president Recep Tayyip Erdoğan attended to the opening ceremony of Geycek Wind Power Plant. The president highlighted Turkey's commitment to the renewable energy and informed that the government will introduce more encouraging incentives for investments in renewable energy.<sup>1473</sup> Currently implemented initiatives of this kind include interest-free loans for renewable energy production and for projects to improve energy efficiency and reduce environmental impact.<sup>1474</sup>

On 30 March 2015, a Letter of Intent on Cooperation in the Sphere of Energy between the Ministry of Infrastructure of the Republic of Slovenia and the Ministry of Energy and Natural Resources of the Republic of Turkey was signed. The document provides for stronger cooperation between Turkey and Slovenia in the energy sphere, including natural gas and renewable energy.<sup>1475</sup>

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<sup>1471</sup> King Abdullah City for Atomic and Renewable Energy and Al Mediana Al Munawara Municipality sign a memorandum of joint cooperation, K.A.CARE 6 May 2015. Access: 21 May 2015. <http://www.kacare.gov.sa/en/?p=1695>.

<sup>1472</sup> King Abdullah City For Atomic And Renewable Energy (Kacare) And The Royal Commission For Jubail And Yanbu' Sign The Agreement On The Establishment And Operation Of A Solar Station, KACARE 18 October 2015. Access: 22 October 2015. <http://www.kacare.gov.sa/en/?p=1823>.

<sup>1473</sup> We are determined to carry Turkey to its 2023 goals with an understanding of balanced and sustainable development, Presidency of the Republic of Turkey 30 January 2015. Access: 28 April 2015. <https://www.tccb.gov.tr/news/397/92129/we-are-determined-to-carry-turkey-to-its-2023-goals-with-an-understanding-of-balanced-and-sustainabl.html>.

<sup>1474</sup> World Investment Report 2014, UNCTAD 30 April 2014. Access: 28 April 2015. [http://unctad.org/en/PublicationsLibrary/wir2014\\_en.pdf](http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf).

<sup>1475</sup> The relations between Turkey and Slovenia will grow stronger in all spheres, Presidency of the Republic of Turkey 30 March 2015. Access: 28 April 2015. <http://www.tccb.gov.tr/content.asp?caid=397&cid=92754&categoryName=news&header=the-relations-between-turkey-and-slovenia-will-grow-stronger-in-all-spheres>.

On 4 May 2015, Minister of Energy and Natural Resources Taner Yildiz launched the construction of the marine facilities for the Akkuyu nuclear power plant. The investment in the project will reach USD 22 billion.<sup>1476</sup>

In 2014, Turkish ministry of energy and natural resources informed that photovoltaic plant licenses will be given to 600 MW of installed capacity as a result of the technical evaluations of the applications to the Energy Market Regulatory Authority. This capacity will be increased in the coming years to reach a target of 3000 MW installed capacity of licensed photovoltaic plants by 2023.<sup>1477</sup> The ministry also plans to double the capacity of geothermal power plants and develop other innovative energy facilities.<sup>1478</sup> According to the World Bank, “Turkey is aiming for a share of electricity generated from renewable sources of at least 30% of total installed capacity by 2023, mainly through utilizing technically and economically viable hydro potential and 20,000MW of wind-installed capacity.” Ministry of energy and natural resources of Turkey currently works in partnership with the EBRD and other institutions to implement a project worth USD 475 million aimed at strengthening the transmission system and facilitating large-scale renewable energy generation, including the installation of 600 MW of wind power plants.<sup>1479</sup>

During the compliance period Turkey has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Nadezhda Sporysheva*

### **United Kingdom: +1**

The United Kingdom has fully complied with the commitment to promote clean energy technologies.

On 25 February 2015, 40 new technologies in energy sector which had won funding through the first round of Innovate UK’s Energy Catalyst program were announced. The program is designed to help reduce carbon emissions, increase security of energy supply and cut its cost. The government will provide GBP 24.5 million of funding for the winning projects.<sup>1480</sup>

On 25 June 2015, the UK Department of Energy and Climate Change announced the testing of nine innovative heat network projects across the country as part of the Heat Network Small Business Research Initiative competition. The government provided GBP 6 million to support the tests that will be underway until March 2016.<sup>1481</sup>

The UK Department for International Development is currently engaged in the project in Bangladesh aimed at climate change mitigation and providing access to clean energy for the rural poor in off-grid areas of the country. The total project financing by end-March 2017 will amount to GBP 20 million.<sup>1482</sup>

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<sup>1476</sup> Groundbreaking Ceremony of Akkuyu Marine Facilities Construction, Ministry of Energy and Natural Resources of Turkey 4 May 2015. Access: 21 October 2015. <http://www.enerji.gov.tr/en-US/News/Groundbreaking-Ceremony-of-Akkuyu-Marine-Facilities-Construction>.

<sup>1477</sup> Solar, Ministry of Energy and Natural Resources of Turkey 2014. Access: 28 April 2015. <http://www.enerji.gov.tr/en-US/Pages/Solar>.

<sup>1478</sup> Geothermal, Ministry of Energy and Natural Resources of Turkey 2014. Access: 28 April 2015. <http://www.enerji.gov.tr/en-US/Pages/Geothermal>.

<sup>1479</sup> World Bank Group – Turkey Partnership: Country Program Snapshot, World Bank April 2015. Access: 28 April 2015. <http://www.worldbank.org/content/dam/Worldbank/document/eca/Turkey-Snapshot.pdf>.

<sup>1480</sup> Government invests £25 million in game-changing green technologies, UK Government 25 February 2015. Access date: 17 April 2015. <https://www.gov.uk/government/news/government-invests-25-million-in-game-changing-green-technologies>.

<sup>1481</sup> Heat network innovation competition, UK Government 25 June 2015. Access date: 21 October 2015. <https://www.gov.uk/government/news/heat-network-innovation-competition>.

<sup>1482</sup> Providing Clean Energy to the Rural Poor of Bangladesh, Development Tracker 27 March 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-202976/>.

During the compliance period the UK has taken actions to promote innovative energy technologies, including clean energy technologies. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **United States: +1**

The United States has fully complied with the commitment to promote clean energy technologies. It has implemented policies to encourage the development of innovative energy technologies, including clean energy technologies.

On 10 December 2014, the US Department of Energy provided USD 12.5 billion in loan guarantees to promote innovative nuclear energy projects. The whole loan guarantee package to support innovative energy projects has reached USD 40 billion, including projects in such areas as fossil energy, renewable energy, advanced technology vehicle manufacturing.<sup>1483</sup>

On 16 December 2014, the Department of Energy's Advanced Research Projects Agency — Energy (ARPA-E) awarded USD 60 million for 22 innovative projects aimed at detecting and measuring methane emissions and developing thermal management systems that reduce the energy needed to heat and cool buildings.<sup>1484</sup>

On 31 December 2014, the Department of Energy finalized the new standards for general service fluorescent lamps and automatic commercial ice makers, which will contribute to the reduction of carbon dioxide emissions and reduce electricity bills for American households.<sup>1485</sup>

On 7 January 2015, ARPA-E made its third USD 125 million open funding opportunity announcement to promote disruptive new energy technologies which are beyond the focus of existing ARPA-E programs.<sup>1486</sup>

On 22 January 2015, the Department of Energy awarded more than USD 55 million to support clean vehicle technologies, which will improve energy efficiency and reduce petroleum consumption. The department has also announced up to USD 35 million to support hydrogen and fuel cell technologies.<sup>1487</sup>

On 29 January 2015, the Department of Energy pledged more than USD 59 million to promote solar innovation. USD 45 million will be spent on solar technologies commercialization and more than USD 14 million will be awarded to help communities create solar deployment plans.<sup>1488</sup>

On 30 January 2015, the Department of Energy promised to renew funding for the Consortium for the Advanced Simulation of Light Water Reactors (CASL), which is engaged with virtual nuclear reactor

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<sup>1483</sup> Department of Energy Issues Final \$12.5 Billion Advanced Nuclear Energy Loan Guarantee Solicitation, U.S. Department of Energy 10 December 2014. Access: 16 April 2015. <http://energy.gov/articles/department-energy-issues-final-125-billion-advanced-nuclear-energy-loan-guarantee>.

<sup>1484</sup> Department of Energy Announces 22 New Projects to Enable Emissions Reductions and Improve Energy Efficiency, U.S. Department of Energy 16 December 2014. Access: 16 April 2015. <http://energy.gov/articles/department-energy-announces-22-new-projects-enable-emissions-reductions-and-improve-energy>.

<sup>1485</sup> New Energy Efficiency Standards to Help Americans Save Money by Saving Energy, Cut Carbon Pollution, U.S. Department of Energy 31 December 2014. Access: 16 April 2015. <http://energy.gov/articles/new-energy-efficiency-standards-help-americans-save-money-saving-energy-cut-carbon>.

<sup>1486</sup> Secretary Moniz Announces \$125 Million OPEN Solicitation for Transformational Energy Projects, U.S. Department of Energy 7 January 2015. Access: 16 April 2015. <http://energy.gov/articles/secretary-moniz-announces-125-million-open-solicitation-transformational-energy-projects>.

<sup>1487</sup> U.S. Department of Transportation Announces \$55 Million in Grants To Put More Zero-Emission Buses Into Service Across America, U.S. Department of Transportation 5 February 2015. Access: 19 April 2015. <http://www.dot.gov/briefing-room/us-department-transportation-announces-55-million-grants-put-more-zero-emission-buses>.

<sup>1488</sup> Energy Department Announces More Than \$59 Million Investment in Solar, U.S. Department of Energy 29 January 2015. Access: 16 April 2015. <http://energy.gov/articles/energy-department-announces-more-59-million-investment-solar>.

analyzing. CASL will be awarded up to USD 121.5 million in the next five years, subject to congressional appropriations, to extend its modeling and simulation tools to include new nuclear reactor designs.<sup>1489</sup>

On 2 February 2015, US Secretary of Energy Ernest Moniz presented the Department of Energy's USD 30 billion fiscal year 2016 budget request, which is 9% higher than fiscal year 2015 budget. The proposed budget comprises USD 4.8 million to support energy innovation and USD 5.34 billion to promote discovery research across the sciences.<sup>1490</sup>

On 5 February 2015, the US Department of Transportation's Federal Transit Administration awarded USD 55 million to 10 projects to put innovative, energy-efficient buses on the road. This will help to improve energy efficiency.<sup>1491</sup>

On 11 February 2015, the Department of Energy launched the Office of Technology Transitions (OTT) to facilitate the commercialization of department's research. OTT will manage the nearly USD 20 million Energy Technology Commercialization Fund and closely cooperate with national laboratories and companies to promote the transition of new technologies to the market.<sup>1492</sup>

On 9 April 2015, the Department of Energy pledged USD 200 million for a next-generation supercomputer Aurora to the Argonne Leadership Computing Facility and USD 10 million for a high-performance computing research and development program DesignForward to the department's Office of Science and National Nuclear Security Administration. The delivery of Aurora is planned for 2018; Aurora will be open to all scientific users. These investments will promote new low-carbon energy technologies.<sup>1493</sup>

On 28 April 2015, the Department of Energy announced the restart of the Joint Center for Artificial Photosynthesis (JCAP), which was originally opened in 2010 to deliver new breakthrough technologies for generating liquid transportation fuels from sunlight, water and carbon dioxide. For this aim the Department of Energy pledged USD 75 million.<sup>1494</sup>

On 5 June 2015, the Department of Energy awarded USD 60 million for 68 nuclear energy research and infrastructure projects, including university projects.<sup>1495</sup>

On 18 June 2015, the Department of Energy awarded USD 55 million for 18 new research projects in the sphere of efficient residential combined heat and power generation and biomass crop development.<sup>1496</sup>

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<sup>1489</sup> Energy Department Announces Five Year Renewal of Funding for First Energy Innovation Hub, U.S. Department of Energy 30 January 2015. Access: 16 April 2015. <http://energy.gov/articles/energy-department-announces-five-year-renewal-funding-first-energy-innovation-hub>.

<sup>1490</sup> Energy Department Presents FY16 Budget Request, U.S. Department of Energy 2 February 2015. <http://energy.gov/articles/energy-department-presents-fy16-budget-request>.

<sup>1491</sup> U.S. Department of Transportation Announces \$55 Million in Grants To Put More Zero-Emission Buses Into Service Across America, the U.S. Department of Transportation 5 February 2015. Access: 30 April 2015. <http://www.dot.gov/briefing-room/us-department-transportation-announces-55-million-grants-put-more-zero-emission-buses>.

<sup>1492</sup> Energy Department Announces New Office of Technology Transitions, U.S. Department of Energy 11 February 2015. Access: 16 April 2015. <http://energy.gov/articles/energy-department-announces-new-office-technology-transitions>.

<sup>1493</sup> U.S. Department of Energy Awards \$200 Million for Next- Generation Supercomputer at Argonne National Laboratory, U.S. Department of Energy 9 April 2015. Access: 16 April 2015. <http://energy.gov/articles/us-department-energy-awards-200-million-next-generation-supercomputer-argonne-national>.

<sup>1494</sup> Energy Department to Provide \$75 Million for 'Fuels from Sunlight' Hub, U.S. Department of Energy 28 April 2015. Access: 1 October 2015. <http://energy.gov/articles/energy-department-provide-75-million-fuels-sunlight-hub>.

<sup>1495</sup> Energy Department Invests \$60 Million to Advance Nuclear Technology, U.S. Department of Energy 5 June 2015. Access: 7 October 2015. <http://energy.gov/articles/energy-department-invests-60-million-advance-nuclear-technology>.

<sup>1496</sup> Department of Energy Announces 18 New Projects to Accelerate Technologies for Efficient Residential Combined Heat and Power Generation and Bioenergy Crop Development, U.S. Department of Energy 18 June 2015. Access: 7 October 2015. <http://energy.gov/articles/department-energy-announces-18-new-projects-accelerate-technologies-efficient-residential>.

On 24 August 2015, US President Barack Obama announced USD 1 billion in loan guarantees for commercial-scale distributed energy projects and USD 24 million in funding for 11 innovative solar energy projects. These announcements will be realized through the DOE's programs.<sup>1497</sup>

On 16 September 2015, the Department of Energy pledged over USD 102 million to advance solar energy technologies and make them more affordable. Some projects are to be realized in partnership with business, universities, national laboratories and non-profit organizations.<sup>1498</sup>

On 16 September 2015, the Department of Energy announced USD 70 million in funding for a new Clean Energy Manufacturing Innovation Institute specializing on smart manufacturing, i.e. on increasing energy efficiency in manufacturing processes.<sup>1499</sup>

The United States has also taken steps to encourage the development of innovative energy technologies in cooperation with other countries.

On 4 March 2015, the Department of Energy announced USD 12.5 million for a new technical track under the US-China Clean Energy Research Center (CERC) over the next five years. This funding will be matched by USD 12.5 million by the CERC partners and by USD 25 million by Chinese counterparts for a total of USD 50 million. CERC initiatives comprise research, development and deployment of clean vehicles, building energy efficiency, and promoting advanced coal technologies including carbon capture and storage by teams of scientists and engineers from the US and China.<sup>1500</sup>

The United States has taken actions to promote the development of innovative energy technologies, including clean energy technologies. Thus, it has been awarded a score of +1.

*Analyst: Tatiana Lanshina*

## **European Union: +1**

European Union has fully complied with the commitment to promote clean energy technologies.

On 26 November 2014, the European Commission announced an Investment Plan to stimulate economic growth and employment in the EU. The Plan includes the creation of a new European Fund for Strategic Investments to mobilize at least USD 394 billion of additional investment over the next three years (2015-2017) with the focus on renewable energy among other tasks.<sup>1501</sup>

On 25 February 2015, the European Commission set out Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy. The strategy has to provide transition to a low-carbon society ensuring that locally produced energy — including from renewables — can be absorbed easily and

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<sup>1497</sup> President Obama Announces More Than a Billion Dollars in Energy Department Initiatives to Advance Innovative Clean Energy Technologies, U.S. Department of Energy 24 August 2015. Access: 7 October 2015. <http://energy.gov/articles/president-obama-announces-more-billion-dollars-energy-department-initiatives-advance>.

<sup>1498</sup> Energy Department Announces \$102 Million to Tackle Solar Challenges, Expand Access to Clean Electricity, U.S. Department of Energy 16 September 2015. Access: 6 October 2015. <http://energy.gov/articles/energy-department-announces-102-million-tackle-solar-challenges-expand-access-clean>.

<sup>1499</sup> Energy Department Announces \$70 Million for Innovation Institute on Smart Manufacturing, U.S. Department of Energy 16 September 2015. Access: 6 October 2015. <http://energy.gov/articles/energy-department-announces-70-million-innovation-institute-smart-manufacturing>.

<sup>1500</sup> U.S.-China Clean Energy Research Center Issues Solicitation to Address the Energy-Water Nexus, U.S. Department of Energy 4 March 2015. Access: 17 April 2015. <http://energy.gov/articles/us-china-clean-energy-research-center-issues-solicitation-address-energy-water-nexus>.

<sup>1501</sup> EU launches Investment Offensive to boost jobs and growth, European Commission 26 November 2014. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-14-2128\\_en.htm](http://europa.eu/rapid/press-release_IP-14-2128_en.htm)

efficiently into the grid; promoting EU technological leadership, through developing the next generation of renewables technology.<sup>1502</sup>

On 5 March 2015, the European Commission opened the call for proposals under the Connecting Europe Facility to increase investments into key trans-European energy infrastructure projects. USD 110 million will be made available for energy projects including innovative energy projects. This money will also attract additional financing by private and public investors.<sup>1503</sup>

On 30 March 2015, the European Commission has approved the creation of a joint venture by Global Infrastructure Management of the US and ACS, Servicios, Comunicaciones y Energía of Spain that will develop, build and operate renewable energy assets.<sup>1504</sup>

On 14 July 2015, EU Member States agreed to invest EUR 150 million to 20 key trans-European energy infrastructure projects, including projects aimed at the integration of renewable energy sources into the electricity grid.<sup>1505</sup>

On 15 July 2015, the European Commission presented its new proposals for the Europe energy sphere and launched a Public Consultation on how to redesign Europe's electricity market to deliver real benefits from new technologies and facilitate investments, especially in renewables and low carbon technologies.<sup>1506</sup>

On 15 July the European Commission also made proposals to revise the EU emissions trading system to provide stronger incentives for innovation. And the European Commission also announced that an Innovative Fund will be set up to support investments into renewable energy, carbon capture and storage and low-carbon innovation in energy intensive industry.<sup>1507</sup>

During the compliance period European Union has taken actions to promote innovative including clean energy technologies. Thus, it has been awarded a score of +1.

*Analyst: Andrei Sakharov*

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<sup>1502</sup> Energy Union: secure, sustainable, competitive, affordable energy for every European, European Commission 25 February 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-4497\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4497_en.htm)

<sup>1503</sup> Completing the internal energy market: €100 million released to connect European energy networks, European Commission 5 March 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-4560\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4560_en.htm)

<sup>1504</sup> Mergers: Commission clears joint venture between Global Infrastructure Management and ACS in renewable energy sector, European Commission 30 March 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_MEX-15-4728\\_en.htm](http://europa.eu/rapid/press-release_MEX-15-4728_en.htm)

<sup>1505</sup> Energy: EU invests €150 million in energy infrastructure, European Commission 14 July 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5362\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5362_en.htm)

<sup>1506</sup> Transforming Europe's energy system - Commission's energy summer package leads the way, European Commission 15 July 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5358\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5358_en.htm)

<sup>1507</sup> Questions and answers on the proposal to revise the EU emissions trading system (EU ETS), European Commission 15 July 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-5352\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5352_en.htm)

## 10. Health: Ebola Virus Disease

“We will work to expedite the effective and targeted disbursement of funds [balancing between emergency and longer-term needs.]”

*G20 Brisbane Leaders Declaration*

### Assessment

Country	No Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia		0	
Brazil			+1
Canada			+1
China		0	
France			+1
Germany			+1
India			+1
Indonesia	-1		
Italy	-1		
Japan			+1
Korea			+1
Mexico	-1		
Russia			+1
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.35	

### Background

Commitments to expedite funds in response to emergency and long term needs is a new addition in this G20 summit and is in a direct response to encouraging broader international efforts in response to the Ebola crisis in Western Africa. According to the World Health Organization (WHO), as of 28 January 2015 there have been over 22,000 reported Ebola cases and over 8800 deaths in; Guinea, Sierra Leone, Liberia, Mali and Nigeria.<sup>1508</sup> The global response to the epidemic has now moved to a second phase with the WHO’s focus shifting away from slowing the transmission of the virus and moving more towards ending the epidemic. As a result, the WHO encourages efforts to be less directed towards rapidly building infrastructure, and towards ensuring that capacity is built for case finding, case management, safe burials, and community engagement.<sup>1509</sup> Therefore, the G20 members have recognized that current funding commitments to assist in the containment and eradication of the Ebola virus are not sufficient and must become a focus in the 2015 cycle.

<sup>1508</sup> Ebola Situation Report. World Health Organization. Access: 01 February 2015. <http://apps.who.int/ebola/en/ebola-situation-report/situation-reports/ebola-situation-report-28-january-2015>

<sup>1509</sup> Ebola Situation Report. World Health Organization. Access: 01 February 2015. <http://apps.who.int/ebola/en/ebola-situation-report/situation-reports/ebola-situation-report-28-january-2015>

## Commitment Features

This commitment calls on G20 members to assist in the eradication of Ebola virus disease (EBV), outlined by the United Nations as “an unprecedented threat of nature and scope.”<sup>1510</sup> At the Brisbane Summit leaders urged for the “mobilization of resources to strengthen national, regional and global preparedness”<sup>1511</sup> against this threat, specifically calling on international organizations such as the United Nations, the International Monetary Fund<sup>1512</sup> and the World Bank Group to pledge financial aid.

This commitment has two components. The first is to expedite targeted disbursement of funds for emergency response to counter imminent damage done by the virus.<sup>1513</sup> In this case targeted refers to specific goals outlined with measurable outcomes. Expedited in this commitment refers to the rapid transfer of funds from donors at the most cost-effective opportunity for a national government, without putting an undue administrative burden on either the donor or the recipient.<sup>1514</sup>

The second part of the commitment states G20 leaders will expedite funds to focus on development cooperation in affected areas. Specifically, according to the European Commission, fund disbursement in the long term should be used for strengthening health care infrastructure, food security, water and sanitation, and the resilience of vulnerable households.<sup>1515</sup> The promotion of long term development and capacity building strategies falls in line with the goal stated by the Special Representative to the Secretary General (SRSG) of the UN Mission for Ebola Emergency Response’s body (UNMEER), which is to narrow the amount of EBV cases to zero.<sup>1516</sup> In this comment, any development initiative on behalf of a G20 member falls under long-term strategy.

### Acting to Expedite Disbursement Funds for Emergency Preparedness and Response Mechanisms:

1. Promote national government contingency funding agreements with donors, specifically to enhance support for community-led tracing of EBV-exposed patients in intense transmission areas (Sierra-Leone, Guinea, Liberia).
2. Enhance fiscal and targeted response capacity strategies of national authorities to monitor surveillance and response activities in Guinea, Sierra-Leone, Liberia directed at mitigating the propagation of EBV
3. Develop new government funded disbursement projects to the IMF/World Bank Group and other international organizations in donor countries
4. Increased efficiency and speed in the disbursement of funds from donor countries
5. Increased intergovernmental fund cooperation and distribution among donor countries and institutions
6. Increased efficiency and speed in the disbursement of funds from donor countries
7. Develop and implement operational support platforms, through identification, gathering, receiving, allocation and tasking of key strategic resources/assets. Focus on resourcing, prioritizing, and allocating resources in accordance with national response plans

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<sup>1510</sup> UN General Assembly underlines 'strong commitment' to bolster response to Ebola outbreak, UN News Center (New York) 14 September 2014. Access Date: 02 February 2015. <http://www.un.org/apps/news/story.asp?NewsID=48756#.VM7-iYeyhSU>

<sup>1511</sup> G20 Leaders' Brisbane Statement on Ebola, G20 Research Group (Toronto). 15 November 2014. Access Date: 02 February 2015. <http://www.g20.utoronto.ca/2014/2014-1115-ebola.html>

<sup>1512</sup> IMF Approves \$130 Million for Countries Worst Hit by Ebola, International Monetary Fund (Washington DC) 26 September 2014. Date Accessed: 02 February, 2015. <http://www.imf.org/external/pubs/ft/survey/so/2014/new092614a.htm>

<sup>1513</sup> Welcoming the G20's Commitment To Stop Ebola and Strengthen Global Health Security, US Department of State Official Blog (Washington DC) 15 November 2014. Access Date: 02 February 2015.

<https://blogs.state.gov/stories/2014/11/15/welcoming-g20s-commitment-stop-ebola-and-strengthen-global-health-security>

<sup>1514</sup> Expediting the Transfer of Funds for HIV/AIDS Services, Management Services for Health (Washington DC) 2005. Access Date: 02 February 2015. [http://www.msh.org/sites/msh.org/files/funds\\_transfer\\_hiv\\_aids.pdf](http://www.msh.org/sites/msh.org/files/funds_transfer_hiv_aids.pdf)

<sup>1515</sup> EU Ebola response: medium/long term support through development cooperation, European Union (Brussels) 08 December 2014. Access Date: 02 February 2015. [http://europa.eu/rapid/press-release\\_MEMO-14-2463\\_en.htm](http://europa.eu/rapid/press-release_MEMO-14-2463_en.htm)

<sup>1516</sup> UNMEER SRSG Pleads for Regional- Collaboration to Battle Ebola, Daily Observer (Monrovia) 01 August 2014. Access Date: 02 February 2015. <http://www.liberianobserver.com/news-development/unmeer-srsg-pleads-regional-collaboration-battle-ebola>



### Acting as problem solvers in the long term eradication of EBV:

1. Encourage national governments and international organizations to pledge funds to establish static long-term plans, such as education, and food security and nutrition and provision to eradicate EBV
2. Promote permanent infections epidemic funds among donor countries to expedite future relief for EBV
3. Develop analytical frameworks to reform public health infrastructure in affected/high transmission areas and countries
4. Develop research and development frameworks on behalf of pharmaceutical companies to develop safe, effective and affordable diagnostic tools, vaccines and treatments

### Scoring Guidelines

-1	G20 member fails to work to expedite funds to any emergency response plan/mechanism AND fails to expedite funds to support any long-term strategy for the eradication of the Ebola virus.
0	G20 member works to expedite funds to an emergency response plan OR expedites funds to a long-term strategy for the eradication of the Ebola virus, but not both.
+1	G20 member works to expedite funds to an emergency response plan AND expedites funds to a long-term strategy for the eradication of the Ebola virus.

### Argentina: -1

Argentina has failed to comply with its commitments to expedite funds to an emergency response plan and for a long term strategy for the eradication of the Ebola virus (EBV).

On 12 November 2014, OXFAM International reported that Argentina was one of four countries that had failed to provide any international assistance to deal with the Ebola crisis<sup>1517</sup>. OXFAM Executive Director Winnie Byanyima stressed the gravity of G20 countries not fulfilling their commitments: “the window of opportunity to bring the spread of Ebola under control is closing fast ... Hiding behind the generosity of others is unacceptable if we are to tackle the immediate emergency and ensure long-term recovery of the region.”<sup>1518</sup>

Although Argentina has not contributed any aid to date, Argentina has contributed important research that may help predict the end of the Ebola virus. A team of researchers lead by Lucas Valdez at the National University of Mar del Plata in Argentina has projected that EBV could be contained as early as May<sup>1519</sup>.

Argentina has not complied with the commitment to provide an emergency response plan nor a long term strategy for the eradication of EBV. It has also failed to indicate any future effort to mobilize any funds.

Thus, Argentina is awarded a score of -1.

*Analyst: Jiyoung Han*

### Australia: 0

Australia has partially complied with its commitment to assist in the eradication of the Ebola virus disease (EBV) through its pledge to help expedite funds to an emergency response plan.

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<sup>1517</sup> Almost Half the G20 Countries Have Failed to Deliver in the Global Fight Against Ebola, OXFAM International (New York) 12 November 2014. Access Date: 29 February 2015. <http://www.oxfam.org/en/pressroom/pressreleases/2014-11-12/ebola-almost-half-g20-countries-have-failed-deliver>

<sup>1518</sup> Almost Half the G20 Countries Have Failed to Deliver in the Global Fight Against Ebola, OXFAM International (New York) 12 November 2014. Access Date: 29 February 2015. <http://www.oxfam.org/en/pressroom/pressreleases/2014-11-12/ebola-almost-half-g20-countries-have-failed-deliver>

<sup>1519</sup> Ebola Epidemic Should End in May, Say Disease Modellers, MIT Technology Review (Cambridge) 12 February 2015. Access Date: 29 February 2015. <http://www.technologyreview.com/view/535151/ebola-epidemic-should-end-in-may-say-disease-modelers/>

On 22 November 2014, the Australian Foreign Minister, Minister Julie Bishop presiding over the United Nations Security Council session, reiterated the international community's concern and commitment to helping eradicate the spread of EBV in the West African nations of Liberia, Guinea, and Sierra Leone.<sup>1520</sup>

The Australian government has contributed USD 42 million to help with EBV efforts globally. USD 20 million has been contracted to a private company Aspen Medical to help run an Ebola treatment center in Sierra Leone.<sup>1521</sup> In addition, Australia is among the top 25 donors to the WHO Ebola response having allocated USD 4 million to the EBV efforts.<sup>1522</sup>

However, the Australian government has come under criticism for slow expedition of funds to critical areas and lack of transparency on when and how emergency funds are disbursed.<sup>1523</sup>

While Australia has taken measurable actions to help expedite funds for an emergency response plan, it has not committed to funding a long-term strategy for eradicating EBV.

Therefore, Australia is awarded a score of 0.

*Analyst: Eddie Kawooya*

### **Brazil: +1**

Brazil has fully complied with its commitment to assist in the eradication of the Ebola virus (EBV), through its expedition of funds to an emergency response plan and a long-term strategy for the eradication of EBV.

On 4 December 2014, the Brazilian government pledged more than USD 9.76 million to help with the international efforts to contain the spread of EBV.<sup>1524</sup> Brazil has donated USD 2.54 million for supporting construction of basic services while, WFP has been granted with USD 1.76 million for food provisions. The WHO has received USD 5 million to help provide care to afflicted populations in Guinea, Liberia, and Sierra Leone.<sup>1525</sup> In addition to emergency funds, Brazil has facilitated in the disbursement of supply kits to Ebola stricken regions in Sierra Leone, Guinea, and Liberia to help control the spread of EBV.<sup>1526</sup>

On 6<sup>th</sup> December 2014, Brazil hosted a meeting of BRICS Health Ministers in Rio de Janeiro where BRICS group countries, Brazil, Russia, India, China, and South Africa, signed an agreement to establish a comprehensive strategy to tackle epidemics including tuberculosis and Ebola.<sup>1527</sup> As part of their long-term strategy to eradicate several health challenges, the BRICS group has commissioned a working group to help deal with the spread of EBV. The joint strategy will be implemented as early as March 2015.

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<sup>1520</sup> Julie Bishop tells UN Ebola threatens global security, The Sydney Morning Herald (Sydney) 22 November 2014. Date Accessed: 25 February 2015. <http://www.smh.com.au/federal-politics/political-news/julie-bishop-tells-un-ebola-threatens-global-security-20141122-11rs87.html>

<sup>1521</sup> Ebola outbreak: Australia's treatment centre in Sierra Leone to open by early December, Aspen Medical says, ABC News (Darwin) 21 November 2014. Date Accessed: 25 February 2015. <http://www.abc.net.au/news/2014-11-21/australia-sierra-leone-ebola-centre-to-open-early-december/5910572>

<sup>1522</sup> Donor Contributions to WHO Ebola Response, World Health Organization (Geneva) 1 January 2015. Date Accessed: 9 October 2015. <http://www.who.int/csr/disease/ebola/funding/en/>

<sup>1523</sup> Only 38% of Australia's Ebola funds have made it to Africa, group claims, The Guardian UK Edition (London) 21 November 2014. Date Accessed: 23 February 2015. <http://www.theguardian.com/world/2014/nov/21/only-38-of-australias-ebola-funds-have-made-it-to-africa-group-claims>

<sup>1524</sup> Brazil donates \$9.76 million to help fight Ebola, EBC Agencia Brasil (Brasilia) 4 December 2014. Access: 25 February 2015. <http://agenciabrasil.ebc.com.br/en/internacional/noticia/2014-12/brazil-donates-976-million-help-fight-ebola>

<sup>1525</sup> WHO Ebola Funding Needs for January – June 2015, World Health Organization (Geneva) 1 January 2015. Access: October 11: <https://ebolaresponse.un.org/sites/default/files/onr2015.pdf>

<sup>1526</sup> Ebola Virus Outbreak – West Africa, Financial Tracking Service, UN Office of Humanitarian Affairs (New York) April 2014. Access: 26 February 2015. [http://fts.unocha.org/reports/daily/ocha\\_R10\\_E16506\\_asof\\_\\_\\_1503010301.pdf](http://fts.unocha.org/reports/daily/ocha_R10_E16506_asof___1503010301.pdf)

<sup>1527</sup> BRICS to jointly fight tuberculosis, Ebola, The BRICS Post (London) 6 December 2014. Access: February 26 2015. <http://thebricspost.com/brics-to-jointly-fight-tuberculosis-ebola/#.VPNYU1PF9XZ>

Thus, Brazil is awarded a score of +1.

*Analyst: Eddie Kawooya*

### **Canada: +1**

Canada has fully complied with its commitments to expedite funds to an emergency response plan and for a long-term strategy for the eradication of the Ebola virus (EBV).

As of March 2015, the World Health Organization (WHO) confirms that there have been no cases of EBV in Canada.<sup>1528</sup> In spite of this, the Canadian government has taken numerous steps to contribute to the eradication of the virus, both within Canada and abroad.

The government of Canada had provided a total of CAD 5 million to assist Guinea, Liberia, Sierra Leone, and other West African countries. Additionally, another CAD 5.55 million was given to WHO by Foreign Affairs, Trade and Development Canada (DFATD) towards the immediate health and security field response.<sup>1529</sup> Further, the Canadian government also provided laboratory and technical services totaling CAD 200,000, which was dispersed from the Public Health Agency of Canada (PHAC) to WHO. This assisted in the coordination of technical support from the international community, in addition to on-the-ground laboratory diagnostic services.<sup>1530</sup>

Additionally, DFATD also provide CAD 2.7 million for physician support and containment to Médecins Sans Frontières (MSF), which supported physician, containment and programs to prevent the spread of EBV to additional communities.<sup>1531</sup>

DFATD has also dispersed CAD 160,000 to various Red Cross agencies, including Canada, Guinea and Liberia and Sierra Leone.<sup>1532</sup> Red Cross has a broad range of activities, including providing medical care, removing dead bodies to prevent further infection, community education about transmission and prevention, psychosocial counseling for families, placement of specialist aid workers and assistance to other agencies.

PHAC has developed the ESV-EBOV vaccine, which is shown to have promising results in clinical trials. As of March 2015, WHO, MSF and the Norwegian Institute of Public Health began testing this vaccine in populations in Guinea.<sup>1533</sup>

As of the April 2015, the Canadian government reaffirmed its commitment to address EBV, such as through partnering with the World Health Organizations and other global organizations to increase support and capacity building, encouraging countries' health investments at a national level, improving epidemic preparedness, such as with respect to rapid response, border control, surveillance, cross-border collaboration and preparation at the community level and facilitating public and private sector collaboration and interregional African partnerships.

Canada has fully complied with the commitment to provide an emergency response plan and a long-term strategy for the eradication, prevention and capacity building, along with its development of new medical treatment for EBV.

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<sup>1528</sup> Ontario Ministry of Health and Long-term Care. Emergency Management - Ebola Virus Disease. 18 March 2015. Access: 27 March 2015. <http://www.health.gov.on.ca/en/public/programs/emu/ebola/>.

<sup>1529</sup> Foreign Affairs, Trade & Development Canada. Canada's response to the Ebola outbreak in the West Africa region. 8 August 2015. Access: 27 March 2015. [http://www.international.gc.ca/media/dev/news-communications/2014/08/08b\\_bg.aspx?lang=eng](http://www.international.gc.ca/media/dev/news-communications/2014/08/08b_bg.aspx?lang=eng).

<sup>1530</sup> Foreign Affairs, Trade & Development Canada. Canada's response to the Ebola outbreak in the West Africa region. 8 August 2014. Access: 27 March 2015. [http://www.international.gc.ca/media/dev/news-communications/2014/08/08b\\_bg.aspx?lang=eng](http://www.international.gc.ca/media/dev/news-communications/2014/08/08b_bg.aspx?lang=eng).

<sup>1531</sup> Foreign Affairs, Trade & Development Canada. Canada's response to the Ebola outbreak in the West Africa region. 8 August 2014. Access: 27 March 2015. [http://www.international.gc.ca/media/dev/news-communications/2014/08/08b\\_bg.aspx?lang=eng](http://www.international.gc.ca/media/dev/news-communications/2014/08/08b_bg.aspx?lang=eng).

<sup>1532</sup> Foreign Affairs, Trade & Development Canada. Canada's response to the Ebola outbreak in the West Africa region. 8 August 2014. Access: 27 March 2015. [http://www.international.gc.ca/media/dev/news-communications/2014/08/08b\\_bg.aspx?lang=eng](http://www.international.gc.ca/media/dev/news-communications/2014/08/08b_bg.aspx?lang=eng).

<sup>1533</sup> World Health Organization. Ebola vaccine efficacy trial ready to launch in Guinea. 5 March 2015. Access: 26

Thus, Canada is awarded a score of +1.

*Analyst: Carol Ramchuram*

### **China: 0**

China has partially complied with its commitment to assist in the eradication of the Ebola virus (EBV).

China has developed research on vaccines and diagnostic tools and has contributed funds to develop long-term strategies and has expedited significant funds to emergency response strategies.

On 3 October 2015, the Beijing Institute of Biotechnology China organized a three-day Ebola (Ad 5-EBOV) Vaccine Phase II Clinical Training for Investigators, in collaboration with the Ministry of Health and Sanitation in Sierra Leone.<sup>1534</sup>

On 11 May 2015, the Chinese Academy of Sciences unveiled a new nanozyme Ebola test that is cheaper and 100 times more sensitive than the current test. The Centres for Disease Control and Prevention will apply the nanozyme test in West African countries affected by the Ebola virus.<sup>1535</sup>

On 24 March 2015, the Jiangsu Provincial Centre for Disease Control and Prevention published results of the Phase I Trials of the novel recombinant adenovirus type-5 vector-based Ebola vaccine. The study shows that the vaccine is safe and provokes an immune response in humans.<sup>1536</sup>

On 13 March 2015, China sent malaria drugs, medical supplies and 40 ambulances to Sierra Leone in order to support the country's fight against the Ebola virus.<sup>1537</sup>

On 13 February 2015, China handed over a P3-level safety laboratory to Sierra Leone. The facility will test blood samples for Ebola and will conduct research on other viruses and bacteria in the post-Ebola era.<sup>1538</sup>

As of 6 February 2015, China has trained more than 10,000 local staff to treat Ebola: 5000 medical personnel in Sierra Leone, nearly 2,000 in Liberia, over 1,400 in Guinea, and nearly another 2,000 in six other countries in West Africa. China has also provided over US\$121 million in cash and supplies,<sup>1539</sup> and has become one of the biggest donors to Ebola-infected countries in Africa.<sup>1540</sup>

The Chinese military medical team sent another 232 medical workers to Sierra Leone and Liberia to fight against Ebola. The workers will help treat patients and train local medical workers in fighting Ebola.<sup>1541</sup>

On 20 December 2014, China sent a group of medical experts to Sierra Leone so as to assist in preventing and controlling Ebola. "The 14 expert members of the team will offer training to 4,000 personnel in Sierra

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<sup>1534</sup> Beijing Institute of Biotechnology Introduces Phase II Ebola Vaccine Trials, Sierra Leone News. 3 October 2015. Access: 3 October 2015. <http://awoko.org/2015/10/02/sierra-leone-news-beijing-institute-of-biotec-introduces-phase-ii-ebola-vaccine-trials/>

<sup>1535</sup> New Ebola Test Could Help Curb Disease Spread, ScienceDaily (Rockville) 9 September 2015. Access: 29 September 2015. <http://www.sciencedaily.com/releases/2015/09/150909100605.htm>

<sup>1536</sup> Made-In-China Ebola Vaccine Clears Phase I Trials, Asian Scientist (Singapore) 30 March 2015. Access: 29 September 2015. <http://www.asianscientist.com/2015/03/topnews/made-in-china-ebola-vaccine-clears-phase-trials/>

<sup>1537</sup> China Donates 40 Ambulances to Boost Fight Against Ebola, The Patriotic Vanguard (Freetown) 19 March 2015. Access: 29 September 2015. <http://www.thepatrioticvanguard.com/china-donates-40-ambulances-to-boost-fight-against-ebola>

<sup>1538</sup> Sierra Leone Gets Level P3 Bio-Safety Laboratory, Ministry of Health and Sanitation (Freetown) 12 February 2015, Access: 29 September 2015. <http://health.gov.sl/?p=2503>

<sup>1539</sup> China Trains 10,000 Ebola Health Workers, 6 February 2015. Access: 30 February 2015. <http://www.telesurtv.net/english/news/China-Trains-10000-Ebola-Health-Workers--20150206-0003.html>

<sup>1540</sup> Chinese Medical Teams Help to Fight Ebola in Africa, Xinhua (Beijing) 16 February 2015. Access: 29 September 2015. [http://news.xinhuanet.com/english/health/2015-02/16/c\\_134000672.htm](http://news.xinhuanet.com/english/health/2015-02/16/c_134000672.htm)

<sup>1541</sup> Ebola: China sends in more medical workers to West Africa, 13 January 2015. Access: 30 February 2015. <http://www.theafricareport.com/West-Africa/ebola-china-sends-in-more-medical-workers-to-west-africa.html>

Leone.” Materials, “including training books and videos; personal protection equipment; temperature-testing equipment; disinfection apparatus; anti-malaria drugs; and logistics” were also taken to Sierra Leone.<sup>1542</sup>

On 25 November 2014, China opened a 100-bed treatment centre in Liberia.<sup>1543</sup>

China has contributed to the long-term strategic eradication of Ebola and has expedited significant funds to an emergency response strategy by strengthening health care infrastructure.

Thus, China has been awarded a score of 0.

*Analyst: Emilia Lochowska*

### **France: +1**

France has complied with its commitment to expedite effective and targeted disbursement of funds for emergency response to counter imminent danger done by the Ebola virus (EBV) as well as promotion of long-term development and capacity building strategies for the eradication of EBV.

In August 2014, France established a four-part plan geared toward the mobilization of up to EUR 100 million in response to Ebola. The plan consists of: 1) Support for Guinea 2) Building capacities to combat Ebola in the sub-region 3) Multilateral action 4) Medical research.<sup>1544</sup> The plan includes building treatment centres in Guinea and emphasizes France’s role in “coordinating international assistance and supporting national coordination in Guinea.”<sup>1545</sup> France provided EUR 4 million for setting up an Institute Pasteur in Guinea to conduct medical research.<sup>1546</sup> In the countries of the sub-region such as Mali, Cote d’Ivoire, Liberia and Cameroon, France provided EUR 20 million.<sup>1547</sup> In addition, France contributed EUR 5 million to multilateral funds of WHO, WFP and UNMEER.<sup>1548</sup>

On 28 November 2014, President Hollande “reaffirmed...France is fully engaged in the fight against the epidemic. It’s on the front line in Guinea...more than EUR 110 million in 2014 and 2015 in bilateral and multilateral contributions.”<sup>1549</sup> Furthermore President Hollande emphasized progress of the French four-part plan, especially the opening of the four treatment centres by the end of 2014 that France has funded.<sup>1550</sup> France is also involved in medical research and has “three laboratories...deployed on the ground.”<sup>1551</sup>

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1542 Chinese Ebola experts leave for Sierra Leone, 20 December 2014. Access: 30 February 2025.  
[http://news.xinhuanet.com/english/china/2014-12/20/c\\_133868423.htm](http://news.xinhuanet.com/english/china/2014-12/20/c_133868423.htm)

1543 China builds Ebola treatment center in Liberia, 25 November 2014. Access: 30 February 2015.  
<http://www.cbsnews.com/news/china-builds-ebola-treatment-center-in-liberia/>

1544 Fight against the Ebola epidemic: France’s response, France Diplomatie (Paris). Date Accessed: 26 February 2015.  
<http://www.diplomatie.gouv.fr/en/french-foreign-policy-1/health-education-gender/fight-against-the-ebola-epidemic/>

1545 Fight against the Ebola epidemic: France’s response, France Diplomatie (Paris). Date Accessed: 26 February 2015.  
<http://www.diplomatie.gouv.fr/en/french-foreign-policy-1/health-education-gender/fight-against-the-ebola-epidemic/>

1546 Fight against the Ebola epidemic: France’s response, France Diplomatie (Paris). Date Accessed: 26 February 2015.  
<http://www.diplomatie.gouv.fr/en/french-foreign-policy-1/health-education-gender/fight-against-the-ebola-epidemic/>

1547 Fight against the Ebola epidemic: France’s response, France Diplomatie (Paris). Date Accessed: 26 February 2015.  
<http://www.diplomatie.gouv.fr/en/french-foreign-policy-1/health-education-gender/fight-against-the-ebola-epidemic/>

1548 Fight against the Ebola epidemic: France’s response, France Diplomatie (Paris). Date Accessed: 26 February 2015.  
<http://www.diplomatie.gouv.fr/en/french-foreign-policy-1/health-education-gender/fight-against-the-ebola-epidemic/>

1549 Fight against Ebola- France’s mobilization- Update, France Diplomatie (Paris) 12 December 2014. Access: 26 February 2015.  
<http://www.diplomatie.gouv.fr/en/french-foreign-policy-1/health-education-gender/fight-against-the-ebola-epidemic/article/fight-against-ebola-france-s>

1550 Fight against Ebola- France’s mobilization- Update, France Diplomatie (Paris) 12 December 2014. Access: 26 February 2015.  
<http://www.diplomatie.gouv.fr/en/french-foreign-policy-1/health-education-gender/fight-against-the-ebola-epidemic/article/fight-against-ebola-france-s>

1551 Fight against Ebola- France’s mobilization- Update, France Diplomatie (Paris) 12 December 2014. Access: 26 February 2015.  
<http://www.diplomatie.gouv.fr/en/french-foreign-policy-1/health-education-gender/fight-against-the-ebola-epidemic/article/fight-against-ebola-france-s>

As of 2 March 2015, France has generated EUR 160 million in addition to providing the necessary “human and scientific resources.”<sup>1552</sup>

As of 16 April 2015 France has published online all the data on their development projects regarding Ebola eradication efforts at: [transparence-aide.gouv.fr/ebola](http://transparence-aide.gouv.fr/ebola). The aim of the website is to provide everyone “accurate and transparent information” about France’s development achievements.<sup>1553</sup>

In 18 June 2015 the minister of state for development and Francophony, Annick Girardin met with Professor Jean-Francois Delfraissy who is responsible for coordinating the fight against Ebola to assess the situation in the West Africa. Although the epidemic has subsided during the first half of 2015, efforts are still underway in Guinea and Sierra Leone in order to defeat it. As a result, France continues to provide on the ground support by “dispatching some 20 civil security trainers to Guinea along with equipment to replenish the stocks of response teams.”<sup>1554</sup>

From the outset of the epidemic, France has contributed multilateral and bilateral emergency funds to tackle the EBV, and has continued to strengthened health care infrastructure.

Thus France, is awarded a score of +1.

*Analyst: Maria Baginska*

### **Germany: +1**

Germany has complied with its commitment to expedite effective and targeted disbursement of funds for emergency response to counter imminent danger done by the Ebola virus (EBV) as well as promotion of long-term development and capacity building strategies for the eradication of EBV.

On 27 October 2014, The German Center for Infection Research (DZIF) initiated a network called EBOKON that will work to strengthen Ebola research.<sup>1555</sup> This network will be supported by the Federal Ministry of Education and Research (BMBF) with EUR 2.3 million until the end of 2015.<sup>1556</sup> EBKON will support ten projects over 14 months that focus on developing vaccines to prevent Ebola virus infections and learning more about the disease.<sup>1557</sup>

On 10 November 2014, the United Nations World Food Program (WFP) received USD 30 million from the German government to provide food assistance to people affected with the Ebola virus.<sup>1558</sup>

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<sup>1552</sup> Ebola-High-level conference, France Diplomate (Paris) 2 March 2015. Access: 4 October 2015. <http://www.diplomatie.gouv.fr/en/french-foreign-policy/health-education-gender/fight-against-the-ebola-epidemic/article/ebola-high-level-conference-02-03>.

<sup>1553</sup> Development-Ebola-Ms. Girardin’s participation in a meeting on the reconstruction of the affected countries, France Diplomate (Washington) 16-19 April 2015. Access: 4 October 2015. <http://www.diplomatie.gouv.fr/en/french-foreign-policy/health-education-gender/fight-against-the-ebola-epidemic/article/development-ebola-ms-girardin-s>.

<sup>1554</sup> Ebola-West Africa-Meeting between Annick Girardin and Professor Jean-Francois Delfraissy, France Diplomate (Paris) 18 June 2015. Access: 4 October 2015. <http://www.diplomatie.gouv.fr/en/french-foreign-policy/health-education-gender/fight-against-the-ebola-epidemic/article/ebola-west-africa-meeting-between>.

<sup>1555</sup> EBKON: Strengthening Ebola Research, DZIF (Germany) 27 October 2014. Access: 12 March 2015. [http://www.dzif.de/en/news\\_events/news\\_press\\_releases/view/detail/artikel/ebokon\\_strengthening\\_ebola\\_research/](http://www.dzif.de/en/news_events/news_press_releases/view/detail/artikel/ebokon_strengthening_ebola_research/)

<sup>1556</sup> EBKON: Strengthening Ebola Research, DZIF (Germany) 27 October 2014. Access: 12 March 2015. [http://www.dzif.de/en/news\\_events/news\\_press\\_releases/view/detail/artikel/ebokon\\_strengthening\\_ebola\\_research/](http://www.dzif.de/en/news_events/news_press_releases/view/detail/artikel/ebokon_strengthening_ebola_research/)

<sup>1557</sup> EBKON: Strengthening Ebola Research, DZIF (Germany) 27 October 2014. Access: 12 March 2015. [http://www.dzif.de/en/news\\_events/news\\_press\\_releases/view/detail/artikel/ebokon\\_strengthening\\_ebola\\_research/](http://www.dzif.de/en/news_events/news_press_releases/view/detail/artikel/ebokon_strengthening_ebola_research/)

<sup>1558</sup> Germany Provides €24 Million to Help WFP Meet Critical Food Needs in Ebola Crisis, World Food Program 10 November 2014. Access: 12 March 2015. <https://www.wfp.org/news/news-release/germany-provides-euro-24-million-help-wfp-meet-critical-food-needs-ebola-crisis>

On 4 December 2014, Germany sent 400 motorbikes equipped with cooler boxes to remote areas in Guinea, Liberia, and Sierra Leone.<sup>1559</sup> These bikes will help facilitate testing for the virus by transporting test samples to laboratories from remote areas.

Germany has established an airlift capability from Dakar, Monrovia, Conakry and Freetown and is committed to providing equipment and operation support to a 100 bed World Health Organization ETU in Monrovia.<sup>1560</sup>

On 10 July 2015 at the International Ebola Recovery Conference, Germany stated that it will make a total of EUR 196 million available for bilateral development cooperation with Liberia, Guinea and Sierra Leone in 2015 to 2016.<sup>1561</sup> Additionally, Germany will use its special program for health in Africa to support health care development by training, education campaigns and providing equipment.<sup>1562</sup>

As of 29 June 2015, Germany has provided EUR 195 million to help fight the epidemic.<sup>1563</sup> The money from Germany has gone to support a Bundeswehr airlift for humanitarian assistance to Guinea, Sierra Leone and Liberia; special motorcycles from the Federal Agency for Technical Relief for transporting blood samples; trucks for the World Food Program to transport food to affected areas and the establishment of treatment centres in Liberia and Sierra Leone.<sup>1564</sup>

Germany has been successful in ensuring the expedited disbursement of funds to affected countries. Additionally, Germany has demonstrated that it is committed to the long term eradication of EBV by investing in the development of diagnostic tools, vaccines and treatments.

Thus, Germany has been awarded a score of +1.

*Analyst: Carol Drumm*

## **India: +1**

India has complied with its commitment to expedite the effective and targeted disbursement of funds both as an emergency response and as a long-term measure to assist with the eradication of the Ebola virus.

For a country with a population density of 1.25 billion people and a developing health infrastructure, the threat of Ebola is a serious problem that might turn into a full-blown epidemic.<sup>1565</sup>

Prior to the Brisbane Summit, the Indian government took necessary emergency precautions to uphold its national security by alerting and establishing active screening of passengers at international airports, opening

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<sup>1559</sup>Cooler box-equipped motorbikes donated to UN will speed up Ebola testing process in West Africa, United Nations 4 December 2014. Access: 12 March 2015. <http://ebolaresponse.un.org/cooler-box-equipped-motorbikes-donated-un-will-speed-ebola-testing-process-west-africa>

<sup>1560</sup> FACT SHEET: Update on the Ebola Response, The White House (United States) 2 December 2014. Access: 12 March 2015. <https://www.whitehouse.gov/the-press-office/2014/12/02/fact-sheet-update-ebola-response>

<sup>1561</sup> Permanent Mission of Germany to the United Nations (New York) 10 July 2015. Access: 9 October 2015. [http://www.new-york-un.diplo.de/Vertretung/newyorkvn/en/\\_\\_pr/speeches-statements/2015/20150710-gies-on-german-involvement-ebola-recovery.html?archive=3759636](http://www.new-york-un.diplo.de/Vertretung/newyorkvn/en/__pr/speeches-statements/2015/20150710-gies-on-german-involvement-ebola-recovery.html?archive=3759636)

<sup>1562</sup> Permanent Mission of Germany to the United Nations (New York) 10 July 2015. Access: 9 October 2015. [http://www.new-york-un.diplo.de/Vertretung/newyorkvn/en/\\_\\_pr/speeches-statements/2015/20150710-gies-on-german-involvement-ebola-recovery.html?archive=3759636](http://www.new-york-un.diplo.de/Vertretung/newyorkvn/en/__pr/speeches-statements/2015/20150710-gies-on-german-involvement-ebola-recovery.html?archive=3759636)

<sup>1563</sup> Supporting the fight against Ebola (Germany) 29 June 2015. Access: 9 October 2015 <http://www.auswaertiges-amt.de/EN/Aussenpolitik/HumanitaereHilfe/Ebola/Ebola.html>

<sup>1564</sup> Supporting the fight against Ebola (Germany) 29 June 2015. Access: 9 October 2015 <http://www.auswaertiges-amt.de/EN/Aussenpolitik/HumanitaereHilfe/Ebola/Ebola.html>

<sup>1565</sup> India steps up watch for deadly Ebola virus, ABC News 9 August 2014, Access: 4 March 2015. <http://www.abc.net.au/news/2014-08-09/india-on-alert-for-ebola/5660586>.

an emergency helpline, and placing major hospitals on alert ready to deal with Ebola patients.<sup>1566</sup> It has also contributed USD 12 million to the United Nations to help fight Ebola.<sup>1567</sup> According to various UN member states, accounts from nongovernmental organizations, the African Development Bank and the private sector, India has pledged a total of USD 10 million for international effort to tackle Ebola to the United Nations Mission for Ebola Emergency Response in October.<sup>1568</sup> It has also designated laboratories and equipment to test the virus.<sup>1569</sup>

On 20 November 2014, the Deputy Consul General of India in Sierra Leone, Harish Agnani, donated USD 50,000 worth of medical supplies and equipment to the Ministry of Health and Sanitation in Sierra Leone.<sup>1570</sup>

On 9 December 2014, in addition to the 25 buses donated on 4 November 2014, the government of India donated 15 Ashok Leyland 222 WB Falcon buses to the government of Liberia to assist the country with the provision of transportation as it struggles with its fight against Ebola.<sup>1571</sup>

On 9 December 2014, Indian Ambassador to the UN Asoke Kumar Mukerji signed the Standard Administrative Arrangement agreement with Yannick Glemarec, Executive Coordinator of the Ebola Response Multi Partner Trust Fund office of UN Development Programme, as part of its commitment to assist in global efforts to combat Ebola. Under the agreement, India transferred USD 10 million towards the global trust fund, specifically established to address the threat of the virus. The donation was pledged back in September, and the signing of the agreement on December 9 has officially transferred the Indian contribution to the Ebola fund.

On 9 December 2014, India provided immediate financial assistance to Sierra Leone, Liberia and Guinea to be allocated towards the purchase of medical supplies and has provided half USD 500,000 to the World Health Organization as part of its international efforts to help eradicate Ebola.<sup>1572</sup>

On 9 December 2014, India pledged USD 2 million for the purchase of Personal Protective Equipment, protective gear designated to assist health workers in countries most affected by Ebola.<sup>1573</sup>

On 9 December 2014, the government of India donated USD 50,000 to Liberia through bilateral assistance in medicines. In addition to the financial assistance, the government of India allocated an ambulance to be sent to Monrovia as part of the assistance package. The Indian Consul General in Liberia, Upjit S. Sachdeva, also reaffirmed that all Indian owned businesses of the Association of the Indian Community remained open, despite the current threat of Ebola.<sup>1574</sup>

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<sup>1566</sup> Ebola and India, the Hindu Businessline 31 October 2014, Access: 4 March 2015.

<http://www.thehindubusinessline.com/features/blink/know/ebola-and-india/article6548637.ece>

<sup>1567</sup> India to contribute USD 12 million to UN to fight Ebola, The Indian Express 25 September 2014, Access: 5 March 2015.

<http://indianexpress.com/article/india/india-others/india-to-contribute-USD-12-million-to-un-to-fight-ebola/>.

<sup>1568</sup> Ebola outbreak response: a breakdown of the key funding pledges, The Guardian 9 October 2014, Access: 5 March 2015.

<http://www.theguardian.com/global-development/2014/oct/09/ebola-outbreak-response-breakdown-key-funding-pledges>.

<sup>1569</sup> How India is Keeping Ebola Out, Rediff News 27 October 2014, Access: 7 March 2015.

<http://www.rediff.com/news/report/how-india-is-keeping-ebola-out/20141027.htm>.

<sup>1570</sup> Sierra Rutile, India Consul and others donate to fight Ebola, State House of the Republic of Sierra Leone Access: 5 March 9,

<http://www.statehouse.gov.sl/index.php/contact/1061-sierra-rutile-india-consul-and-others-donate-to-fight-ebola>.

<sup>1571</sup> India Donates 15 Additional Buses... Ambulance to Follow Soon, The Inquirer Newspaper 9 December 2014, Access: 7 March 2015. <http://monroviainquirer.com/2014/12/09/india-donates-15-additional-busesambulance-to-follow-soon/>.

<sup>1572</sup> Committed to assist in global efforts to combat Ebola: India, Reliefweb 10 December 2014, Access: 7 March 2015.

<http://reliefweb.int/report/liberia/committed-assist-global-efforts-combat-ebola-india>.

<sup>1573</sup> Liberia: India Donates 15 Buses to Liberia, Uncova 10 December 2014, Access: 6 Marh 2015. <http://uncova.com/liberia-india-donates-15-buses-to-liberia>

<sup>1574</sup> India Donates 15 Additional Buses... Ambulance to Follow Soon, The Inquirer Newspaper 9 December 2014, Access: 7 March 2015. <http://monroviainquirer.com/2014/12/09/india-donates-15-additional-busesambulance-to-follow-soon/>.



On 7 January 2015, 26 surveillance experts from the National Polio Surveillance Programme in India flew to Liberia in order to contribute their expertise to help detect Ebola cases and assist with the eradication of the deadly virus.<sup>1575</sup>

On 8 July 2015, the Indian Ambassador to Liberia donated 300 thermometers and six bilateral graduate scholarships to the Government and People of Liberia, to be distributed to health facilities, schools, and institutions in need in order to prevent the spread of the transmission of Ebola virus in Liberia.<sup>1576</sup>

India has fully complied with its efforts to support the global response to tackle Ebola, both through emergency financial assistance and through long-term policies to eradicate Ebola. Thus, India is rewarded a score of +1.

*Analyst: Elizaveta Klimenko*

### **Indonesia: -1**

Indonesia has failed to comply with its commitment to support the to expedite the effective and targeted disbursement of funds both as an emergency response and as a long-term measure to assist with the eradication of Ebola through a failure to pledge any financial contribution.

The possibility of the transmission of Ebola to Indonesia is relatively high, due to the high mobility between Indonesia and African countries. Nevertheless, the Indonesian government has not made serious precautions, and measures such as warnings and the safeguarding of entry points taken by Malaysia were not taken in Indonesia. So far, the Indonesian government has only imparted about the disease in limited scopes.<sup>1577</sup>

On 12 November 2014, Oxfam reported that Indonesia, along with Argentina, Saudi Arabia and Turkey, still need to make contributions to the international response.<sup>1578</sup>

Indonesia has failed to comply with its efforts to support the global response to tackle Ebola, both through emergency financial assistance and through long-term policies to eradicate Ebola. Thus, Indonesia is rewarded a score of -1.

*Analyst: Elizaveta Klimenko*

### **Italy: -1**

Italy has failed to comply with its commitment to expedite effective and targeted disbursement of funds for emergency response to counter imminent danger done by the Ebola virus (EBV) as well as promotion of long-term development and capacity building strategies for the eradication of EBV.

On 8 August 2014, the World Health Organization (WHO) officially declared the Ebola crisis as “global emergency.” Italy initially responded by committing EUR 200,000 to the WHO activities in Guinea Conakry.<sup>1579</sup>

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<sup>1575</sup> Polio and Ebola: Legacy in Action, Global Polio Eradication Initiative 27 February 2015, Access: 7 March 2015. <http://www.polioeradication.org/mediaroom/newsstories/Polio-and-Ebola--Legacy-in-Action/tabid/526/news/1211/Default.aspx>.

<sup>1576</sup> India Donates 300 Thermometers, 6 Graduate Scholarships to Liberia, Reliefweb 8 Jul 2015, Access: 09 October 2015. <http://reliefweb.int/report/liberia/india-donates-300-thermometers-6-graduate-scholarships-liberia>.

<sup>1577</sup> Beware of Ebola, Tempo, 13 October 2014. Access: 25 March 2015. <http://en.tempo.co/read/news/2014/10/13/080613802/Beware-of-Ebola>.

<sup>1578</sup> Almost half the G20 countries have failed to deliver in the global fight against Ebola, Oxfam International 12 November 2014. Access: 25 March 2015. <http://www.oxfam.org/en/pressroom/pressreleases/2014-11-12/ebola-almost-half-g20-countries-have-failed-deliver>.

<sup>1579</sup> The Italian Response to the Ebola Crisis, Cooperazione Italiana allo Sviluppo (Rome). Date Accessed: 28 February 2015. <http://www.cooperazioneallosviluppo.esteri.it/pdgcgs/italiano/Speciali/Speciale%20Emergenze/Ebola.eng.htm>.

Italy made an additional donation of EUR 1.5 million, which consisted of, “another multilateral emergency contribution to WHO of EUR 240,000, and a bilateral emergency initiative executed by Italian NGOs [nongovernmental organizations] operating in the region.”<sup>1580</sup> Italy also financed the United Nations Humanitarian Response Depot in Brindisi, with a donation of EUR 200,000.<sup>1581</sup>

Additional funds allocated include: EUR 3 million to United Nation and the International Red Cross, EUR 1million to UNICEF, EUR 1 million Ficross for the fight against the Ebola epidemic in Sierra Leone, and EUR 1 million to the World Food Programme.<sup>1582</sup>

Although Italy has contributed multilateral and bilateral emergency funds to tackle EBV from the initial stages of the outbreak, as of the G20 summit in Brisbane it has not expedited funds for emergency response and long-term development.

Thus, Italy is awarded a score of -1.

*Analyst: Maria Baginska*

### **Japan: +1**

Japan has fully complied with its commitments to expedite funds to an emergency response plan and for a long-term strategy for the eradication of the Ebola virus (EBV).

On 13 February 2015, the government of Japan announced that it had donated medical and epidemic prevention equipment totalling in the value of USD 12.06 million in support of the United Nations Mission for Ebola Emergency Response.<sup>1583</sup> Further, Japan donated USD 5.94 million to the UN Ebola Response Multi-Partner Trust Fund.<sup>1584</sup>

Japan also announced that it would contribute an additional USD 100 million<sup>1585</sup> to help countries affected by EBV rebuild their healthcare systems and stabilize them from any structural damage the countries might have endured as a result of EBV.

On 24 February, 2015, Japan developed a drug called favipiravir was shown to be somewhat effective in treating patients with a moderate viral load.<sup>1586</sup> The drug, developed by the Fujifilm company is currently undergoing clinical trials in Guinea. The French National Institute of Health and Medical Research, Inserm, has said that the results “encourage us to continue the trial while trying to provide favipiravir treatment as soon as possible after the symptoms appear.”<sup>1587</sup>

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<sup>1580</sup> The Italian Response to the Ebola Crisis, Cooperazione Italiana allo Sviluppo (Rome). Date Accessed: 28 February 2015. <http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/Speciali/Speciale%20Emergenze/Ebola.eng.htm>.

<sup>1581</sup> The Italian Response to the Ebola Crisis, Cooperazione Italiana allo Sviluppo (Rome). Date Accessed: 28 February 2015. <http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/Speciali/Speciale%20Emergenze/Ebola.eng.htm>.

<sup>1582</sup> The Italian Response to the Ebola Crisis, Cooperazione Italiana allo Sviluppo (Rome). Date Accessed: 28 February 2015. <http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/Speciali/Speciale%20Emergenze/Ebola.eng.htm>.

<sup>1583</sup> Japan’s Response to the Ebola Outbreak in West Africa, Ministry of Foreign Affairs Japan (Tokyo) 13 February 2015. Access: 29 February 2015 [http://www.mofa.go.jp/af/af1/page23e\\_000338.html](http://www.mofa.go.jp/af/af1/page23e_000338.html)

<sup>1584</sup> Japan’s Response to the Ebola Outbreak in West Africa, Ministry of Foreign Affairs Japan (Tokyo) 13 February 2015. Access: 29 February 2015 [http://www.mofa.go.jp/af/af1/page23e\\_000338.html](http://www.mofa.go.jp/af/af1/page23e_000338.html)

<sup>1585</sup> Japan’s Response to the Ebola Outbreak in West Africa, Ministry of Foreign Affairs Japan (Tokyo) 13 February 2015. Access: 29 February 2015 [http://www.mofa.go.jp/af/af1/page23e\\_000338.html](http://www.mofa.go.jp/af/af1/page23e_000338.html)

<sup>1586</sup> Ebola Drug Developed in Japan Halved Mortality Rates, Japan Times (Tokyo) 24 February 2015. Access 29 February 2015 <http://www.japantimes.co.jp/news/2015/02/24/national/science-health/ebola-drug-developed-japan-halved-mortality-rates-guinea-patients/#.VPMnxlPF-4Q>

<sup>1587</sup> Ebola Drug Developed in Japan Halved Mortality Rates, Japan Times (Tokyo) 24 February 2015. Access 29 February 2015 <http://www.japantimes.co.jp/news/2015/02/24/national/science-health/ebola-drug-developed-japan-halved-mortality-rates-guinea-patients/#.VPMnxlPF-4Q>

On 25 February 2015, Japan announced that it would be launching a USD 3 million project in partnership with the World Bank and Liberia to study the psychological effects of EBV and to promote psychological health within the regions most affected by EBV.<sup>1588</sup> This grant shows that Japan has consistently complied with the commitments made at the G20 Brisbane Summit.

On 10 March 2015, Japan provided a total of USD 14.58 million to three countries affected by EBV. Approximately USD 6.25 million was distributed to Guinea, USD 4.17 million to Liberia, and USD 4.17 million to Sierra Leone.<sup>1589</sup> These funds were donated to help the countries recover from the economic effects of the Ebola outbreak.<sup>1590</sup>

On 17 April 2015, Japan sent Guinea Ebola test kits developed by Nagasaki University in partnership with Toshiba Corporation. A second set of Ebola test kits were donated in July.<sup>1591</sup>

On 10 July 2015, the government of Japan committed approximately USD 10.24 million in food assistance to Guinea, Liberia and Sierra Leone. Additionally, Japan has invested in various technical cooperation programs that seek to find long-term solutions to the Ebola outbreak, worth USD 1.55 million in total.<sup>1592</sup>

Since the G20 Brisbane Summit, Japan has consistently contributed funds to both emergency response plans and long-term strategies for the eradication of EBV.

Thus, Japan is awarded a score of +1.

*Analyst: Ji yoon Han*

#### **Korea: +1**

Korea has complied with its commitment to assist in the eradication of the Ebola virus (EBV) and pledging funds towards establishing long-term plans.

As of 31 January 2015, Korea made a deposit of USD 5 million to the Multi-Partner Trust Fund (MPTF) that was formed in response to the Ebola epidemic.<sup>1593</sup>

On 26 November 2014, Korea's foreign ministry stated that the country would send a team of medical workers in the following month to assist global efforts to contain the spread of the virus. The first medical team was composed of 15 people: four doctors, six nurses and five medical staff from the military. They attended a safety briefing at an organization related to the Ministry of National Defense on 8 of December 2014, before they departed five days later. The team received further training in the United Kingdom for four days where they learned general safety and how to respond to EBV. They began medical operations in Sierra Leone on 29 December 2014. The team safely returned to Korea after four weeks of humanitarian work.<sup>1594</sup>

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<sup>1588</sup> Japan Funds 3m Psychosocial Project for Ebola Victims, Public Financial Times (London) 25 February 2015. Access: 29 February 2015: <http://www.publicfinanceinternational.org/news/2015/02/japan-funds-3m-psychosocial-project-for-ebola-victims/>

<sup>1589</sup> Japan's Response to the Ebola Outbreak, Ministry of Foreign Affairs Japan (Tokyo) 17 July 2015. Access: 3 October 2015 <http://www.mofa.go.jp/files/000093832.pdf>

<sup>1590</sup> Japan's Response to the Ebola Outbreak, Ministry of Foreign Affairs Japan (Tokyo) 17 July 2015. Access: 3 October 2015 <http://www.mofa.go.jp/files/000093832.pdf>

<sup>1591</sup> Japan's Response to the Ebola Outbreak, Ministry of Foreign Affairs Japan (Tokyo) 17 July 2015. Access: 3 October 2015 <http://www.mofa.go.jp/files/000093832.pdf>

<sup>1592</sup> Japan's Response to the Ebola Outbreak, Ministry of Foreign Affairs Japan (Tokyo) 17 July 2015. Access: 3 October 2015 <http://www.mofa.go.jp/files/000093832.pdf>

<sup>1593</sup> Funding The Ebola Response, Global Ebola Response (South Korea) October 2014. Access: 3 March 2015. <https://ebolaresponse.un.org/funding-ebola-response>

<sup>1594</sup> Seoul To Send 10 Medical Workers To Ebola-hit Regions, The Korea Times Daily (South Korea) 26 November 2014. Access: 19 March 2015. <http://www.koreatimes.net/1132403>

On 26 January 2015, a second team consisting of four doctors and five nurses were dispatched to Freetown, Sierra Leone to treat Ebola patients in a clinic. They conducted blood tests on their patients, among other procedures. The team safely returned back home on 23 February 2015. Upon their return, they were isolated in a facility where they stayed for three weeks — the maximum latent period for the Ebola virus. After medical checks during that period, they returned back to their normal lives.<sup>1595</sup>

On 7 February 2015, the last batch of five rescue workers who departed Korea, completed training in Britain to prepare for their operations in Sierra Leone. The team will stay for a period of four weeks, until the 21 March 2015, before returning to Korea two days later.

The Korean government's humanitarian work to help Ebola patients officially ended on 12 April 2015, when the last batch of medical workers returned to Korea and completed a three-week stay in a quarantine facility.

Korea has succeeded in upholding its commitment to assist in the Ebola epidemic and provide support towards establishing long-term plans of eradication.

Thus, Korea is awarded a score of +1.

*Analyst: Carmen Wong*

### **Mexico: -1**

Mexico has failed to comply with its commitment to expedite the effective and targeted disbursement of funds for both an emergency response and the long-term eradication of Ebola.

As of 22 October 2014, Mexico implemented measures to protect its own national security by training 90% of its healthcare workers, and enforcing airport security checks as of 22 October 2014.<sup>1596</sup>

Between April 2014 and March 2015, Mexico has donated USD 1 million to help combat the outbreak of Ebola, according to Financial Tracking Service.<sup>1597</sup> However, between 17 November 2014, and 28 February 2015, Mexico did not provide sufficient assistance. British officials have emphasized that Mexico is one of the few G20 members that is “doing little to tackle the spread of the disease.”<sup>1598</sup> It has not provided any donations towards emergency response or long-term eradication.<sup>1599</sup>

Despite taking some national action, Mexico has not offered resources for emergency relief or long-term eradication of Ebola, Mexico has failed to uphold its commitment. Thus, Mexico is awarded the score of -1.

*Analyst: Elizaveta Klimentko*

### **Russia: +1**

Russia has fully complied with the commitment to expedite the effective and targeted disbursement of funds to fight the Ebola virus.

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<sup>1595</sup> Ebola Relief Camp For One Day To 21 Days Departure Arrival In Sierra Leone, The Huffington Post (South Korea) 13 December 2014. Access: 19 March 2015. [http://www.huffingtonpost.kr/2014/12/13/story\\_n\\_6318554.html](http://www.huffingtonpost.kr/2014/12/13/story_n_6318554.html)

<sup>1596</sup> Mexico on alert for Ebola, WFAA 21 October 2014. Access: 23 February 2015. <http://www.wfaa.com/story/news/world/2014/10/21/mexico-on-alert-for-ebola/17687913/>.

<sup>1597</sup> Ebola Virus Outbreak, Financial Tracking Service 27 February 2015. Access: 24 February 2015. [http://fts.unocha.org/reports/daily/ocha\\_R10\\_E16506\\_asof\\_\\_\\_1503010301.pdf](http://fts.unocha.org/reports/daily/ocha_R10_E16506_asof___1503010301.pdf).

<sup>1598</sup> G20 leaders call for global action to tackle Ebola, Financial Times 15 November 2014. Access: 25 February 2015. <http://www.ft.com/cms/s/0/3c92b80a-6cbc-11e4-b125-00144feabdc0.html#axzz3T59JhXra>.

<sup>1599</sup> <http://www.theguardian.com/world/2014/nov/14/david-cameron-funding-indemnities-speed-ebola-vaccines-g20>

On 19 January 2015, Prime Minister of Russian Federation Dmitry Medvedev signed an Order № 43-p.<sup>1600</sup> According to this document Russia contributes USD 2 million to the WHO, USD 2 million to the UNICEF, USD 3 million to the World Bank and USD 1 million to the UN to assist Guinea, Liberia and Sierra Leone affected by the Ebola virus.<sup>1601</sup>

On 3 March 2015, the Head of the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Well-being (Rospotrebnadzor) Anna Popova took part in the International High-level Conference “Ebola: From Emergency to Recovery” in Brussels.<sup>1602</sup> The Head of Rospotrebnadzor presented a report on Russia’s emergency response to global efforts in fighting the Ebola. Russia’s contribution was estimated at around USD 60 million to assist the affected countries and strengthen international mechanisms, particularly, in boosting the research of vaccines and increasing regional preparedness.<sup>1603</sup>

On 2 October 2015, Russia’s Health Minister announced highly promising results showed by the first phase of clinical trials of a Russian vaccine against the Ebola virus. The minister hopes to get preliminary results in November, with final results on the second stage due in December.<sup>1604</sup> Russia has pledged USD 11.7 million over three years for joint research with Guinea to combat infectious diseases and train medical personnel.<sup>1605</sup> These actions refer to fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools, as well as strengthening infection control and prevention, and strengthening resistance tracking and laboratory capacity.

During the compliance period Russia has taken steps aimed at financing of emergency and longer-term needs. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **Saudi Arabia: 0**

Saudi Arabia has partially complied with the commitment to assist in the eradication of Ebola virus (EBV).

As of 12 November 2014, Saudi Arabia was one of four G20 members that had not made any financial contribution to the international response on fighting EBV.<sup>1606</sup>

On 11 December 2014, the Saudi King pledged USD 35 million to help fight Ebola in Western African countries.<sup>1607</sup> The Islamic Development Bank states that these funds will provide West African schools, bus, railway and airport stations with thermal sensors and medical examination equipment designed to diagnose

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<sup>1600</sup> Order № 43-p, Government of Russia 19 January 2015. Access: 11 June 2015.

<http://government.ru/media/files/f1CW0xm9K5s.pdf>

<sup>1601</sup> On Russia’s participation in the international efforts against the Ebola virus, Government of Russia 21 January 2015. Access: 11 June 2015. <http://government.ru/en/docs/16561/>

<sup>1602</sup> Head of the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Well-being takes part in the International High-level Conference in Brussels. Access: 11 June 2015. <http://www.russianmission.eu/en/news/head-russian-federal-service-surveillance-consumer-rights-protection-and-human-well-being-takes>

<sup>1603</sup> Head of the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Well-being takes part in the International High-level Conference in Brussels. Access: 11 June 2015.

[http://rospotrebnadzor.ru/press\\_service/publications/?ELEMENT\\_ID=3155](http://rospotrebnadzor.ru/press_service/publications/?ELEMENT_ID=3155)

<sup>1604</sup> Russian Health Minister about Ebola’s vaccine. Access: 20 October 2015. <http://ria.ru/society/20151002/1295417337.html>

<sup>1605</sup> Russia and Guinea continue a joint fight against the Ebola virus. Access: 20 October 2015.

<http://politrussia.com/news/rossiya-i-gvineya-648/>

<sup>1606</sup> Almost half the G20 countries have failed to deliver in the global fight against Ebola, Oxfam 12 November 2014. Access: 24 February 2014. <http://www.oxfam.org.uk/media-centre/press-releases/2014/11/almost-half-the-g20-countries-have-failed-to-deliver-in-the-global-fight-against-ebola>

<sup>1607</sup> Saudi pledges \$35 million for fight against Ebola, Daily Mail (United Kingdom) 11 December 2014. Access: 24 February 2014. <http://www.dailymail.co.uk/wires/ap/article-2870193/Saudi-pledges-35-million-fight-against-Ebola.html>

the virus.<sup>1608</sup> This grant will also be used to establish medical testing centres in Sierra Leone, Guinea and Mali.<sup>1609</sup>

As of 25 February 2015, Saudi Arabia has given USD 590,738 in funding toward EBV relief which includes both contributions and commitments.<sup>1610</sup> Additionally, Saudi Arabia does not have any uncommitted pledges.<sup>1611</sup>

Saudi Arabia has expedited disbursement funds for emergency response and preparedness to recipient countries. However, it has not demonstrated any significant investment in the long-term eradication of EBV. Thus, Saudi Arabia has been awarded a score of 0.

*Analyst: Carol Drumm*

### **South Africa: 0**

South Africa has partially complied with its commitment by expediting a targeted disbursement of funds for emergency response to counter the Ebola virus (EBV) but has failed in the promotion of long-term development and capacity building strategies for the eradication of EBV.

Since August 2014, South Africa, “mobilized its private and public sector to raise approximately R50 million for the international health and humanitarian response in Guinea, Liberia and Sierra Leone.”<sup>1612</sup> According to Health Minister Aaron Motsoaledi, in addition to generating funds, the Department of Health has financed a National Institute for Communicable Diseases (NICD) as well as provided necessary medical resources needed for the lab to function.<sup>1613</sup>

On 10 December 2014, South African Cabinet promoted, “the African Union (AU) SMS resource mobilization campaign,” and encouraged South Africans to send ‘Stop Ebola’ SMS in order to donate R10 to the fight against Ebola.<sup>1614</sup>

On 23 January and 20 February 2015 South Africa sent health workers to Ebola affected countries for six months in order to help with capacity building in dealing with treatment of patients.<sup>1615</sup>

Although South Africa committed itself to mobilizing emergency funds in order to tackle the EBV and provide on-site health aid to affected countries, as of the G20 summit in Brisbane it has not expedited funds or resources for long-term eradication of EBV.

Thus, South Africa is awarded a score of 0.

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<sup>1608</sup> Saudi pledges \$35 million for fight against Ebola, Daily Mail (United Kingdom) 11 December 2014. Access: 24 February 2014. <http://www.dailymail.co.uk/wires/ap/article-2870193/Saudi-pledges-35-million-fight-against-Ebola.html>

<sup>1609</sup> Saudi pledges \$35 million for fight against Ebola, Daily Mail (United Kingdom) 11 December 2014. Access: 24 February 2014. <http://www.dailymail.co.uk/wires/ap/article-2870193/Saudi-pledges-35-million-fight-against-Ebola.html>

<sup>1610</sup> Ebola Virus Outbreak-WEST AFRICA-April 2014, Financial Tracking Service 25 February 2015. Access: 24 February 2014. <http://fts.unocha.org/pageloader.aspx?page=emerg-emergencyDetails&emergID=16506>

<sup>1611</sup> Ebola Virus Outbreak-WEST AFRICA-April 2014, Financial Tracking Service 25 February 2015. Access: 24 February 2014. <http://fts.unocha.org/pageloader.aspx?page=emerg-emergencyDetails&emergID=16506>

<sup>1612</sup> South Africa ready to deal with Ebola, Brand Africa (Johannesburg) 25 November 2014. Date Accessed: 28 February. <http://www.brandsouthafrica.com/press-room/1130-south-africa-ready-to-deal-with-ebola>

<sup>1613</sup> Health on deployment of health workers to treat Ebola in Sierra Leone, South African Government (Johannesburg) 12 February 2015. Date Accessed: February 28 2015. <http://www.gov.za/health-south-african-health-workers-be-deployed-treat-ebola-sierra-leone-under-aseowa>

<sup>1614</sup> Statement on Cabinet meeting of 10 December 2014, South African Government (Johannesburg) 11 December 2014. Date Accessed: February 28 2015. <http://www.gov.za/statement-cabinet-meeting-10-december-2014>

<sup>1615</sup> Health on deployment of health workers to treat Ebola in Sierra Leone, South African Government (Johannesburg) 12 February 2015. Date Accessed: February 28 2015. <http://www.gov.za/health-south-african-health-workers-be-deployed-treat-ebola-sierra-leone-under-aseowa>

**Turkey: 0**

Turkey has partially complied with its commitment to expedite the effective and targeted disbursement of funds and provide an immediate emergency response.

On 12 November 2014, Oxfam urged certain G20 members, among them Turkey, to make a contribution to the international response.<sup>1616</sup>

On 28-30 January 2015, Turkey delivered medical supplies worth TRY2.5 million to Guinea, Sierra Leone and Liberia.<sup>1617</sup>

On 24 February 2015, the Turkish Health Minister Mehmet Müezzinoğlu stated that Turkey would donate six ambulances to Djibouti following an agreement reached between two countries. The agreement also included the establishment of a 50-bed children's hospital, the location of which is still being determined.<sup>1618</sup>

Although Turkey has not contributed to the long-term eradication of Ebola, it has offered only some assistance towards emergency response. Thus, Turkey is awarded the score of 0.

*Analyst: Elizaveta Klimentko*

**United States: +1**

United States has fully complied with its commitment to provide assistance in the fight against the Ebola virus (EBV) and pledging funds towards establishing long-term plans.

On 26 November 2014, the National Institutes of Health (NIH) reached a major milestone for completing the first phase clinical trial for the cAd3 Ebola vaccine candidate. The results indicated that the vaccine is safe and induces an immune response. A second vaccine, rVSV, is underway at the Walter Reed Army Institute of Research at NIH, with results expected in the later months.<sup>1619</sup>

On 2 December 2014, President Barack Obama praised government health care agencies for their accomplishment of the first phase of testing on an Ebola vaccine, and called on Congress to pass additional funding to continue the response against the virus.<sup>1620</sup> The president requested a total of USD 6 billion from both the United States Agency for International Development and the Department of Health and Human Services. It was revealed a few days later that he would be awarded the bulk of his request. The money will be used to improve the public health system in the U.S., combat the epidemic, and speed up the development of vaccines.<sup>1621</sup>

On 2 December 2014, a fact sheet released from the Press Secretary at the White House addressed the additional facilities that will be added over the next several weeks to further broaden the research of the virus

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<sup>1616</sup> Almost half the G20 countries have failed to deliver in the global fight against Ebola, Oxfam International 12 November 2014. Access: 25 February 2015. <http://www.oxfam.org/en/pressroom/pressreleases/2014-11-12/ebola-almost-half-g20-countries-have-failed-deliver>.

<sup>1617</sup> Press Release Regarding the Turkey's Assistance for the Struggle Against Ebola Virus Outbreak, Reliefweb 15 April 2015, Access: 7 October 2015. <http://reliefweb.int/report/sierra-leone/press-release-regarding-turkey-s-assistance-struggle-against-ebola-virus>.

<sup>1618</sup> Turkey to donate 6 ambulances to Djibouti, Anadolu Agency 24 February 2015. Access: 28 February 2015. <http://www.aa.com.tr/en/health/470100--turkey-to-donate-6-ambulances-to-djibouti>.

<sup>1619</sup> Fact Sheet: Update On The Ebola Response, The White House (United States) 2 December 2014. Access: 19 Mar 2015. <https://www.whitehouse.gov/the-press-office/2014/12/02/fact-sheet-update-ebola-response>

<sup>1620</sup> Obama Praises Ebola Vaccine Testing, Calls For More Funding, U.S News (United States) 2 December 2014. Access: 2 March 2015. <http://www.usnews.com/news/articles/2014/12/02/obama-praises-ebola-vaccine-testing-calls-for-more-funding>

<sup>1621</sup> Obama To Get Most Of \$6.2 Billion Request To Fight Ebola, The Huffington Post (United States) 5 December 2014. Access: 2 Mar 2015. [http://www.huffingtonpost.com/2014/12/05/barack-obama-ebola-funding\\_n\\_6275928.html](http://www.huffingtonpost.com/2014/12/05/barack-obama-ebola-funding_n_6275928.html)

and treat Ebola patients. The Department of Health and Human Services (HHS) announced that there is a network of thirty-five Ebola-ready Treatment Centers nationwide with fifty-three treatment beds available. Hospitals with Treatment Centers are staffed, equipped, and have been assessed to have the capability, training, and resources to provide any treatment necessary for an Ebola patient.<sup>1622</sup>

On 11 February 2015, a fact sheet released from the Press Secretary at the White House stated that the epidemic has been placed on a much-improved trajectory. Liberia has reported a handful of new cases per week, a drop of well over 90 per cent compared to the reported cases in October. The United States have trained more than 1,500 healthcare workers, allowing them to provide direct medical care to Ebola patients. As well, the country sent nearly 1,000 civil servants on international deployments to support the Ebola response.<sup>1623</sup>

On 9 June, 2015, the U.S. Agency for International Development (USAID) press release stated commitment to increasing the use of data-driven analysis in addressing global health issues. The commitment was announced formally at the Summit on Measurement and Accountability for Results in Health, and is made by USAID in conjunction with the World Bank Group (WBG), World Health Organization (WHO), and other country partners. The commitment was made in direct reference to the Ebola outbreak.<sup>1624</sup>

On 23 June, 2015, a fact sheet released from USAID reported that humanitarian assistance for the Ebola outbreak amounted to USD 1,736,393,93 (FY 2014 & 2015). The UN Office for the Coordination of Humanitarian Affairs (OCHA) records this as the largest sum of humanitarian funding given to the ebola outbreak. Additionally, the report highlighted the activity of various U.S. health task forces currently fighting the ebola outbreak in Liberia, Sierra Leone, and Guinea. U.S. task forces such as the Disaster Assistance Response Team (DART), are also working alongside other groups to train national and international health care officials in the aforementioned countries on how to combat ebola and future infectious diseases.<sup>1625</sup>

On 28 July, 2015, a fact sheet released from the Press Secretary at the White House stated the county's intent to invest more than USD 1 billion in the Global Health Security Agenda (GHTA). This investment is part of a commitment to expand the capacity disease control capacities of the GHTA. More than half of this investment will be devoted to Africa for the use of developing national and international networks to detect, prevent, and mitigate the impact of infectious diseases.<sup>1626</sup>

On 11 August, 2015, the US Department of State unveiled new biocontainment units developed in conjunction with Dobbins Air Reserve Base. The units enable safe medical containment and air transportation of patients infected with ebola or other diseases.<sup>1627</sup>

On 13 August, 2015, Ambassador Samantha Power addressed the UN Security Council's briefing on ebola. Ambassador Power's address called for continued international response to the ebola outbreak until the

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<sup>1622</sup> Fact Sheet: Update On The Ebola Response, The White House (United States) 2 December 2014. Access: 19 Mar 2015. <https://www.whitehouse.gov/the-press-office/2014/12/02/fact-sheet-update-ebola-response>

<sup>1623</sup> Fact Sheet: Progress In Our Ebola Response At Home And Abroad, The White House (United States) 11 February 2015. Access: 19 March 2015. <https://www.whitehouse.gov/the-press-office/2015/02/11/fact-sheet-progress-our-ebola-response-home-and-abroad>

<sup>1624</sup> USAID, World Bank, and WHO Commit to Strengthen Data-Driven Approach to Global Health. USAID Press Office (United States) 9 June 2015. Access: 29 September 2015. <https://www.usaid.gov/news-information/press-releases/june-9-2015-usaid-world-bank-and-who-commit-strengthen-data-driven-approach>

<sup>1625</sup> USAID West Africa — Ebola Outbreak: Fact Sheet #36, Fiscal Year (FY) 2015. USAID & CDC (United States) 23 June, 2015. Access: 29 September, 2015. <http://photos.state.gov/libraries/guinea/231771/PDFs/ebolaoutbreakjune.pdf>

<sup>1626</sup> Fact Sheet: The Global Health Security Agenda, The White House (United States) 28 July 2015. Access: 29 September 2015. <https://www.whitehouse.gov/the-press-office/2015/07/28/fact-sheet-global-health-security-agenda>

<sup>1627</sup> Response to the Ebola Virus. US Department of State (United States) 11 August 2015. Access: 29 September 2015. <http://www.state.gov/p/af/rt/health/ebola/>



disease was eliminated. Further, Ambassador Power called for the increased development of national and international health systems and infrastructure.<sup>1628</sup>

The United States has succeeded to uphold its commitment to assist in the fight against the Ebola epidemic and provide support towards establishing long-term plans within the country.

Thus, the United States is awarded a score of +1.

*Analyst: Nick Vani*

### **European Union: +1**

The European Union has fully complied with the commitment to assist in the eradication of Ebola virus (EBV).

On 17 November 2014, the European Commission provided new funding of EUR 29 million to the worst hit countries.<sup>1629</sup> This amount will be used for different projects; EUR 17 million for transporting aid supplies and equipment to affected countries and to train and deploy health workers and EUR 12 million will be used to assist countries that neighbor affected countries in order to help them prepare for the risk of an Ebola disease outbreak.<sup>1630</sup>

On 16 January 2015, the European Commission announced eight research projects that will be funded with a total of EUR 215 million.<sup>1631</sup> Three of these projects will work on advancing the development of vaccines.<sup>1632</sup> One project is focused on scaling up vaccine manufacture in order to rapidly produce sufficient quantities of the vaccine.<sup>1633</sup> Another project will be focused on raising awareness of vaccination campaigns and ensure patient compliance for vaccines that require two doses.<sup>1634</sup> There will be another three projects to develop rapid diagnostic tests.<sup>1635</sup> Additionally, it was announced that to reinforce the European Union's efforts to help fight EBV in rural communities of Guinea, the European Centre for Disease Prevention and Control is deploying four teams of French speaking epidemiologists to support response.<sup>1636</sup>

On 13 January 2015, researchers funded by the European Union have developed an approach for identifying and testing antiviral compounds that will help to accelerate the development of treatments for many deadly diseases including Ebola, SARS, and dengue fever.<sup>1637</sup> There has been limited research on the Ebola disease as it was not considered to be a suitable target for drug discovery by the global pharmaceutical industry. Funding

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<sup>1628</sup> Remarks at a UN Security Council Briefing on Ebola: Ambassador Samantha Power, US Permanent Representative to the United Nations. United States Mission to the United Nations (United States) 13 August 2015. Access: 29 September, 2015. <http://usun.state.gov/remarks/6793>

<sup>1629</sup> EU boosts anti-Ebola aid after Commissioners' mission to worse-hit countries, European Commission (Brussels) 17 November 2014. Access: 29 February 2015. [http://europa.eu/rapid/press-release\\_IP-14-1862\\_en.htm](http://europa.eu/rapid/press-release_IP-14-1862_en.htm)

<sup>1630</sup> EU boosts anti-Ebola aid after Commissioners' mission to worse-hit countries, European Commission (Brussels) 17 November 2014. Access: 29 February 2015. [http://europa.eu/rapid/press-release\\_IP-14-1862\\_en.htm](http://europa.eu/rapid/press-release_IP-14-1862_en.htm)

<sup>1631</sup> EU research efforts at front line of fight against Ebola, European Commission (Brussels) 16 January 2015. Access: 29 February 2015. [http://europa.eu/rapid/press-release\\_IP-15-3343\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3343_en.htm)

<sup>1632</sup> EU research efforts at front line of fight against Ebola, European Commission (Brussels) 16 January 2015. Access: 29 February 2015. [http://europa.eu/rapid/press-release\\_IP-15-3343\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3343_en.htm)

<sup>1633</sup> EU research efforts at front line of fight against Ebola, European Commission (Brussels) 16 January 2015. Access: 29 February 2015. [http://europa.eu/rapid/press-release\\_IP-15-3343\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3343_en.htm)

<sup>1634</sup> EU research efforts at front line of fight against Ebola, European Commission (Brussels) 16 January 2015. Access: 29 February 2015. [http://europa.eu/rapid/press-release\\_IP-15-3343\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3343_en.htm)

<sup>1635</sup> EU research efforts at front line of fight against Ebola, European Commission (Brussels) 16 January 2015. Access: 29 February 2015. [http://europa.eu/rapid/press-release\\_IP-15-3343\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3343_en.htm)

<sup>1636</sup> EU research efforts at front line of fight against Ebola, European Commission (Brussels) 16 January 2015. Access: 29 February 2015. [http://europa.eu/rapid/press-release\\_IP-15-3343\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3343_en.htm)

<sup>1637</sup> Leading the fight against neglected and emerging viruses, European Commission, 13 January 2015. Access: 29 February 2015. <http://ec.europa.eu/programmes/horizon2020/en/news/leading-fight-against-neglected-and-emerging-viruses>

from the European Union is helping to change this through the SILVER project that brings together researchers from Europe and Asia.<sup>1638</sup>

Horizon 2020 is the biggest European Union research and innovation program ever with EUR 80 billion of funding available from 2014 to 2020. This funding has led to the development of an antiviral drug called favipiravir. On 24 February 2015, it was announced that this drug may be an effective treatment against early Ebola disease.<sup>1639</sup>

On 3 March 2015, the European Union organized a conference on the Ebola epidemic.<sup>1640</sup> The purpose of the conference was adapting the emergency response to respond appropriately to specific issues and to support the long term recovery of affected countries and the development of their health systems.

On 10 July 2015, at the International Ebola Recovery Conference, the European Union stated that the European Commission will support the recovery plans for Guinea, Liberia and Sierra Leone with a total of EUR 450 million in development assistance over the next 24 months.<sup>1641</sup> The support will help the countries' long term recovery, and will be spent on healthcare, agriculture, infrastructure, education, sanitation, macro-economic stability and transport programs.<sup>1642</sup> This amount is in addition to the EUR 210 million in development assistance already pledged, the EUR 140 million for research on the virus and the EUR 70 million for humanitarian responses.<sup>1643</sup> In total, the European Union has given EUR 660 million to the Ebola virus response.<sup>1644</sup>

On 7 September 2015, the European Commission stated it will provide an additional EUR 1 million in funding to children orphaned and affected by Ebola, to ensure they receive education and psychosocial support.<sup>1645</sup> This funding will also support the re-opening of schools that were closed due to the epidemic.

The European Union is continuously working to develop partnerships with affected African countries. The European Developing Countries Clinical Trial Partnership is an effort between European and Sub-Saharan African countries to develop and test new medical interventions for poverty-related diseases including Ebola.<sup>1646</sup>

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<sup>1638</sup> Leading the fight against neglected and emerging viruses, European Commission, 13 January 2015. Access: 29 February 2015. <http://ec.europa.eu/programmes/horizon2020/en/news/leading-fight-against-neglected-and-emerging-viruses>

<sup>1639</sup> EU-funding Ebola treatment delivers encouraging results, European Commission, 24 February 2015. Access: 29 February 2015. <http://ec.europa.eu/programmes/horizon2020/en/news/eu-funded-ebola-treatment-delivers-encouraging-results>

<sup>1640</sup> EU response to the Ebola outbreak in West Africa (Brussels) 2 March 2015. Access: 8 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-4507\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-4507_en.htm)

<sup>1641</sup> Remarks at the International Ebola Recovery Conference, United Nations, 10 July 2015. Access: 8 October 2015. [http://ec.europa.eu/commission/2014-2019/stylianides/announcements/remarks-international-ebola-recovery-conference-united-nations-10-july-2015\\_en](http://ec.europa.eu/commission/2014-2019/stylianides/announcements/remarks-international-ebola-recovery-conference-united-nations-10-july-2015_en)

<sup>1642</sup> EU pledges €450 million to Ebola affected countries (Brussels) 10 July 2015. Access: 8 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5338\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5338_en.htm)

<sup>1643</sup> Remarks at the International Ebola Recovery Conference, United Nations, 10 July 2015. Access: 8 October 2015. [http://ec.europa.eu/commission/2014-2019/stylianides/announcements/remarks-international-ebola-recovery-conference-united-nations-10-july-2015\\_en](http://ec.europa.eu/commission/2014-2019/stylianides/announcements/remarks-international-ebola-recovery-conference-united-nations-10-july-2015_en)

<sup>1644</sup> Remarks at the International Ebola Recovery Conference, United Nations, 10 July 2015. Access: 8 October 2015. [http://ec.europa.eu/commission/2014-2019/stylianides/announcements/remarks-international-ebola-recovery-conference-united-nations-10-july-2015\\_en](http://ec.europa.eu/commission/2014-2019/stylianides/announcements/remarks-international-ebola-recovery-conference-united-nations-10-july-2015_en)

<sup>1645</sup> EU pledges €450 million to Ebola affected countries (Brussels) 10 July 2015. Access: 8 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5338\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5338_en.htm)

<sup>1646</sup> EU-funded research on Ebola: REACTION project Questions and Answers, European Commission (Brussels) 24 February 2015. Access: 29 February 2015. <http://ec.europa.eu/research/health/infectious-diseases/emerging-epidemics/pdf/ebola-reaction-project-q-and-a.pdf>

Since March 2014, the European Union has allocated around EUR 60 million in humanitarian funding to address urgent needs.<sup>1647</sup> These funds are dispersed through humanitarian organizations such as MSF, the International Federation of the Red Cross and Red Crescent societies, IMC, Save The Children, IRC, Alima, WFP's Humanitarian Air Service, UNICEF and WHO. This aid helps with treatment and medical supplies, the deployment of doctors and nurses and raising awareness about the disease.<sup>1648</sup>

Evidently, the European Union has been successful in ensuring the expedient disbursement of funds to affected countries. Additionally, the Union has demonstrated that it is committed to the long term eradication of EBV by investing in the development of diagnostic tools, vaccines and treatments.

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

*Analyst: Carol Drumm*

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<sup>1647</sup> The European Union's response to Ebola emergency (Brussels) 8 December 2014. Access: 29 February 2015.  
[http://europa.eu/rapid/press-release\\_MEMO-14-2464\\_en.htm](http://europa.eu/rapid/press-release_MEMO-14-2464_en.htm)

<sup>1648</sup> The European Union's response to Ebola emergency (Brussels) 8 December 2014. Access: 29 February 2015.  
[http://europa.eu/rapid/press-release\\_MEMO-14-2464\\_en.htm](http://europa.eu/rapid/press-release_MEMO-14-2464_en.htm)

## 11. Health: Antimicrobial Resistance

2014-109: We also commit to fight anti-microbial resistance.

*G20 Leaders' Brisbane Statement on Ebola*

### Assessment

Country	No Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia		0	
Saudi Arabia			+1
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.95	

### Background

The G20 addressed the issue of anti-microbial resistance (AMR) for the first time at the Brisbane summit within the special Statement on Ebola.<sup>1649</sup>

The World Health Organization (WHO) defines AMR as “resistance of a microorganism to an antimicrobial drug that was originally effective for treatment of infections caused by it.”<sup>1650</sup> In that case standard treatments become ineffective, increasing the risk of infection spread to others. While “the evolution of resistant strains is a natural phenomenon” their emergence is accelerated by “the use and misuse of antimicrobial drugs,” including in animal husbandry, “poor infection control practices, inadequate sanitary conditions and inappropriate food-handling.”<sup>1651</sup>

In 2014, WHO published its first global report on surveillance of antimicrobial resistance, with data provided by 114 countries. The report revealed that “antibiotic resistance is no longer a prediction for the future; it is happening right now, across the world, and is putting at risk the ability to treat common infections in the community and hospitals.” The WHO noted that “without urgent, coordinated action, the world is heading

<sup>1649</sup> G20 Leaders' Brisbane Statement on Ebola, G20 Information Centre 15 November 2014.

<http://www.g20.utoronto.ca/2014/2014-1115-ebola.html>.

<sup>1650</sup> Antimicrobial resistance. Fact sheet N°194, WHO April 2014. <http://www.who.int/mediacentre/factsheets/fs194/en/>.

<sup>1651</sup> Antimicrobial resistance. Fact sheet N°194, WHO April 2014. <http://www.who.int/mediacentre/factsheets/fs194/en/>.

towards a post-antibiotic era, in which common infections and minor injuries, which have been treatable for decades, can once again kill.”<sup>1652</sup>

### Commitment Features

When making the commitment on AMR the G20 also noted that “interested G20 members are supporting this goal through initiatives to accelerate action across the Economic Community of West African States and other vulnerable regions and will report progress and announce a time frame by May 2015 at the World Health Assembly.” Given that it does not constitute a separate commitment and does not cover all G20 members these actions should not be regarded as binding for achieving full compliance. However, they should be included in the report as additional actions.

As measures, which policymakers can take to tackle AMR, the WHO defines the following:

1. strengthening resistance tracking and laboratory capacity;
2. strengthening infection control and prevention;
3. regulating and promoting appropriate use of medicines;
4. promoting cooperation and information sharing among all stakeholders.
5. fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools.<sup>1653</sup>

### Scoring Guidelines

-1	Member does not take actions to fight anti-microbial resistance in any of five areas defined by the World Health Organization.
0	Member takes actions to fight anti-microbial resistance in less than four out of five areas defined by the World Health Organization.
+1	Member takes actions to fight anti-microbial resistance in four or five areas defined by the World Health Organization.

### Argentina: +1

Argentina has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions to fight antimicrobial resistance as defined by the World Health Organization (WHO).

On 18 November 2014, a delegation from Argentina’s Ministry of Health attended a meeting on health cooperation agreement with Caribbean countries signed in 2013. According to the agreement, its sides are to collaborate in such spheres as organ procurement and transplantation, strengthening antimicrobial resistance and control of chronic noncommunicable diseases. During the two days of the conference, the sides analyzed the current outcomes of collaboration as well as proposed new measures to foster cooperation. In that way, Argentina, on the one hand, strengthened resistance tracking and, on the other hand, promoted international cooperation in the field.<sup>1654</sup>

On 8 January 2015, Argentina started a nationwide rotavirus vaccination, which will be compulsory and free for all children born after 1 November 2014. The vaccine has been included into the official national vaccination calendar and is available in all public hospitals and health centres. In Argentina, rotavirus is

<sup>1652</sup> Antimicrobial resistance: global report on surveillance 2014, WHO. <http://www.who.int/drugresistance/documents/surveillancereport/en/>.

<sup>1653</sup> Antimicrobial resistance. Fact sheet N°194, WHO April 2014. <http://www.who.int/mediacentre/factsheets/fs194/en/>.

<sup>1654</sup> Argentina asiste a reunión por acuerdo de cooperación sanitaria con los países del Caribe, Ministerio de Salud de Argentina. 18 November 2014. Access: 7 April 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2404-argentina-asiste-a-reunion-por-acuerdo-de-cooperacion-sanitaria-con-los-paises-del-caribe>.

reported to cause between 100,000 to 165,000 cases of acute diarrhoea annually among the children under five years old. As a result, Argentina has strengthened infection control and prevention.<sup>1655</sup>

On 15 January 2015, Argentina announced the vaccination of children against chickenpox that is due to start in the second quarter of 2015. The vaccination is already included into the National Immunization Schedule and will be compulsory and free for all children at the age of 15 months. Chickenpox leads to about 400,000 new cases, 1,000 hospitalizations and between 15 to 20 deaths every year. Therefore, this vaccination will be a step to greater infection control and prevention.<sup>1656</sup>

On 3-4 March 2015, the Ministry of Health held a two-day training course on the prevention and treatment of the Chikungunya virus. The event was organized in cooperation with the Pan American Health Organization (PAHO) of WHO to prepare for possible outbreaks of the virus that has already been detected in several Caribbean and South American countries. By holding this training course, Argentina has strengthened infection control and prevention.<sup>1657</sup>

On 6 March 2015, the Ministry of Health announced the start of registration for a free online course “Drugs in Primary Care Health Care: Medication Management Cycle” organized in close collaboration with PAHO. The ones who enroll for the course will get acquainted with the production, distribution and medication use. Thus, Argentina has taken steps to promoting appropriate use of medicines.<sup>1658</sup>

On 17 March 2015, the Ministry of Health of Argentina introduced a two-day Remediation Programme that is aimed at promoting the importance of rational drug use. The event was attended by teachers from a number of Argentinian universities and institutes and can be rated as a step to promoting appropriate use of medicines.<sup>1659</sup>

On 22 March 2015, Daniel Gollan, the Minister of Health, officially included the meningococcal vaccination into the official national vaccination calendar. The vaccine will be free for all children under one year old (one dose of the vaccine used to cost almost USD 100). In Argentina, 200-300 cases of meningococcal disease are recorded annually (with the 100% hospitalization rate), in 1 case out of 10 the infection leads to fatal outcome. Therefore, this vaccination will improve infection control and prevention.<sup>1660</sup>

On 26 March 2015, Gollan received Francisco Osuna Ortega, the Secretary for Health of the Federal District of Mexico. During the meeting, the officials discussed the potential areas of future cooperation including the possibility for the exchange of the medical staff as well as the practical experience in the prevention of various

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<sup>1655</sup> Desde Jujuy, autoridades sanitarias pusieron en marcha la vacunación contra el rotavirus en todo el país, Ministerio de Salud de Argentina. 8 January 2015. Access: 7 April 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2489-desde-jujuy-autoridades-sanitarias-pusieron-en-marcha-la-vacunacion-contra-el-rotavirus-en-todo-el-pais>.

<sup>1656</sup> Confirmó Manzur que en el segundo trimestre de 2015 comenzará vacunación gratuita y obligatoria contra la varicela, Ministerio de Salud de Argentina. 15 January 2015. Access: 7 April 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2497-confirmo-manzur-que-en-el-segundo-trimestre-de-2015-comenzara-vacunacion-gratuita-y-obligatoria-contra-la-varicela>.

<sup>1657</sup> Ministerio de Salud de la Nación impulsa capacitación sobre chikunguña para trabajadores sanitarios, Ministerio de Salud de Argentina. 3 March 2015. Access: 7 April 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2544-ministerio-de-salud-de-la-nacion-impulsa-capacitacion-sobre-chikunguna-para-trabajadores-sanitarios>.

<sup>1658</sup> Abren la inscripción al curso virtual de cuidado de medicamentos en atención primaria de la salud, Ministerio de Salud de Argentina. 6 March 2015. Access: 7 April 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2552-abren-la-inscripcion-al-curso-virtual-de-cuidado-de-medicamentos-en-atencion-primaria-de-la-salud>.

<sup>1659</sup> El Programa Remediar capacitará a equipos docentes de universidades públicas y privadas de todo el país, Ministerio de Salud de Argentina. 17 March 2015. Access: 7 April 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2565-el-programa-remediar-capacitara-a-equipos-docentes-de-universidades-publicas-y-privadas-de-todo-el-pais#sthash.Lq6gRpBl.dpuf>.

<sup>1660</sup> Vacuna contra Meningococo quedó incluida oficialmente en el Calendario Nacional de Vacunación, Ministerio de Salud de Argentina. 12 March 2015. Access: 7 April 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2559-vacuna-contra-meningococo-queda-incluida-oficialmente-en-el-calendario-nacional-de-vacunacion>.

diseases. In this way, Argentina took actions on promoting cooperation and information sharing among the G20 stakeholders.<sup>1661</sup>

On 20 May 2015, the National Administration of Drugs, Food and Medical Technology (ANMAT) warned about the rational use of such drugs as Paracetamol and Ibuprofen. In its announcement ANMAT indicated the recommended doses for treatment of various diseases, which might be considered as a step promoting appropriate use of medicines.<sup>1662</sup>

On 1 June 2015, Argentina set up a contest for health projects. The jury of the contest is to select 15 projects, which will receive USD 100,000 each for its implementation. The project is aimed at strengthening health networks and enhance access of the population to primary care. Therefore, it fosters innovations in the domain and is somewhat related to the G20 obligations of Argentina.<sup>1663</sup>

Moreover, on 22 June 2015, the Ministry for Health of Argentina launched a strategy for the responsible use of antibiotics.<sup>1664</sup>

On 25 June 2015, the national vaccination against varicela was launched in Tucuman, Argentina. The vaccination is free and will hopefully help to avoid an average of 17 deaths of children, 400,000 medical consultations and 1,000 hospitalizations annually. This step might be viewed as an action towards greater infections control.<sup>1665</sup>

On 31 July 2015, a comprehensive plan aimed at fighting microbial resistance was announced by the Ministry for Health of Argentina. One of the primary points of the plan is to increase the awareness between the professionals and promote rational use of drugs.<sup>1666</sup>

On 30 September 2015, the national meeting of health workers started. The topics discussed included infection control and prevention as well as health in schools; vector-borne diseases; epidemiology, etc.<sup>1667</sup>

On 7 October 2015, 2 new medical centres were opened in the provinces La Matanza and Cañuelas. The total cost of the project has exceeded USD 96 million. The new hospitals are well-equipped and are aimed at

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<sup>1661</sup> Gollan recibió a Secretario de Salud del Distrito Federal de México, Ministerio de Salud de Argentina. Access: 7 April 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2576-gollan-recibio-a-secretario-de-salud-del-distrito-federal-de-mexico>.

<sup>1662</sup> ANMAT informa sobre uso adecuado de Paracetamol e Ibuprofeno, Ministerio de Salud de Argentina. 20 May 2015. Access: 11 October 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2683-anmat-informa-sobre-uso-adecuado-de-paracetamol-e-ibuprofeno>

<sup>1663</sup> El Ministerio de Salud convoca a equipos de salud a llevar a cabo proyectos innovadores, Ministerio de Salud de Argentina. 1 June 2015. Access: 11 October 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2706-el-ministerio-de-salud-convoca-a-equipos-de-salud-a-llevar-a-cabo-proyectos-innovadores>

<sup>1664</sup> Salud y Agricultura ponen en marcha estrategia para garantizar uso responsable de antimicrobianos, Ministerio de Salud de Argentina. 22 June 2015. Access: 11 October 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2737-salud-y-agricultura-ponen-en-marcha-estrategia-para-garantizar-uso-responsable-de-antimicrobianos>

<sup>1665</sup> Gollan lanzó oficialmente en Tucumán la vacunación nacional contra la varicela, Ministerio de Salud de Argentina. 25 June 2015. Access: 11 October 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2740-gollan-lanzo-oficialmente-en-tucuman-la-vacunacion-nacional-contra-la-varicela>

<sup>1666</sup> Gollan to control antimicrobial resistance must be addressed from the control and awareness of health professionals, Ministerio de Salud de Argentina. 31 July 2015. Access: 11 October 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2777-para-gollan-control-de-la-resistencia-antimicrobiana-se-debe-abordar-desde-la-fiscalizacion-y-la-concientizacion-de-los-profesionales-de-la-salud>

<sup>1667</sup> Comienza el encuentro nacional de trabajadores de la Salud, Ministerio de Salud de Argentina. 30 September 2015. Access: 11 October 2015. <http://www.msal.gov.ar/prensa/index.php/noticias/noticias-de-la-semana/2878-comienza-manana-el-encuentro-nacional-de-trabajadores-de-la-salud>

infection control and prevention. The 115 ambulances also provided by the government will also benefit the community.<sup>1668</sup>

Argentina has taken actions to fight AMR in four of the five areas defined by WHO. Thus, it is awarded a score of +1.

*Analyst: Anton Markov*

### **Australia: +1**

Australia has fully complied with the commitment on fighting anti-microbial resistance (AMR).

Australian Government plans to develop the National AMR Strategy, focusing on bacterial resistance and the use of antibiotics. The development is being led by the Australian Antimicrobial Resistance Prevention and Containment (AMRPC) Steering Group, which includes government officials from the Departments of Health and Agriculture, as well as Chief Medical Officer and Chief Veterinary Officer.<sup>1669</sup> The Steering Group employing scientific and clinical expert advice promotes infection prevention and control activities, while ensuring integration of AMR policies across health and agriculture.<sup>1670</sup>

The Australian Strategic and Technical Advisory Group on AMR was created by the Departments of Health and Agriculture “to develop and provide technical, scientific and clinical advice to the Steering Group to inform the development of the National AMR Strategy, and strategic advice to help ensure actions under the strategy are effectively and efficiently implemented.”<sup>1671</sup>

According to the Australian Strategic and Technical Advisory Group on Antimicrobial Resistance Terms of reference, published in November 2014, the group will, in addition to the functions mentioned above, ensure “effective linkages between governments, industry, professional bodies, educational institutions and other key stakeholders.” The group also provides advice to the Pharmaceutical Benefits Advisory Committee (PBAC), the Therapeutic Goods Administration (TGA) and the Australian Pesticides and Veterinary Medicines Authority (APVMA) on the availability and conditions of use of specific antimicrobial products.<sup>1672</sup>

On 1 June 2015, the National Antimicrobial Resistance Strategy 2015-2019 was released by the Department of Health. The strategy contains seven major objectives:

- Increase awareness and understanding of antimicrobial resistance, its implications and actions to combat it, through effective communication, education, and training.
- Implement effective antimicrobial stewardship practices across human health and animal care settings to ensure the appropriate and judicious prescribing, dispensing and administering of antimicrobials.
- Develop nationally coordinated One Health surveillance of antimicrobial resistance and antimicrobial usage.
- Improve infection prevention and control measures across human health and animal care settings to help prevent infections and the spread of resistance

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<sup>1668</sup> President and Minister of Health put up in modern hospitals in La Matanza and Cañuelas, Ministerio de Salud de Argentina. 7 October 2015. Access: 11 October 2015. <http://www.msal.gob.ar/prensa/index.php/noticias/noticias-de-la-semana/2896-presidenta-y-ministro-de-salud-pusieron-en-marcha-modernos-hospitales-en-la-matanza-y-canuelas>

<sup>1669</sup> Antimicrobial resistance (AMR), Australian Government. Access 16 May 2015. <http://www.health.gov.au/internet/main/publishing.nsf/Content/ohp-amr.htm>

<sup>1670</sup> Australian Strategic and Technical Advisory Group on Antimicrobial Resistance Terms of Reference, Australian Government. Access 16 May 2015. [https://www.health.gov.au/internet/main/publishing.nsf/Content/1803C433C71415CACA257C8400121B1F/\\$File/ASTAG-TOR.pdf](https://www.health.gov.au/internet/main/publishing.nsf/Content/1803C433C71415CACA257C8400121B1F/$File/ASTAG-TOR.pdf)

<sup>1671</sup> Antimicrobial resistance (AMR), Australian Government. Access 16 May 2015. <http://www.health.gov.au/internet/main/publishing.nsf/Content/ohp-amr.htm>

<sup>1672</sup> Australian Strategic and Technical Advisory Group on Antimicrobial Resistance Terms of reference, Australian Government November 2014. Access 14 May 2015. [http://www.health.gov.au/internet/main/publishing.nsf/Content/1803C433C71415CACA257C8400121B1F/\\$File/ASTAG-TOR.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/1803C433C71415CACA257C8400121B1F/$File/ASTAG-TOR.pdf)



- Agree a national research agenda and promote investment in the discovery and development of new products and approaches to prevent, detect and contain antimicrobial resistance.
- Strengthen international partnerships and collaboration on regional and global efforts to respond to antimicrobial resistance.
- Establish and support clear governance arrangements at the local, jurisdictional, national and international levels to ensure leadership, engagement and accountability for actions to combat antimicrobial resistance.<sup>1673</sup>

The Australian government also pledged to continue funding the Australian Commission on Safety and Quality in Health Care (ACSQHC) to establish national surveillance of AMR and antibiotic usage. The statement also stipulated the establishment “of a national surveillance system for antimicrobial resistance and antibiotic usage across hospital and community settings” as a deliverable of the Safety and Quality in Health Care program for 2015-2016.<sup>1674</sup>

Thus, Australia takes actions conforming to the following recommendations by the WHO: strengthening resistance tracking and laboratory capacity, strengthening infection control and prevention, regulating and promoting appropriate use of medicines, promoting cooperation and information sharing among all stakeholders.

During the compliance period Australia has taken steps aimed at fighting anti-microbial resistance in four out of five areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Brazil: +1**

Brazil has fully complied with the commitment on fighting anti-microbial resistance (AMR). Brazil has taken actions to fight AMR as defined by the World Health Organization (WHO).

On 19 November 2014, ANVISA suspended distribution, sale and use of D713005 Lot Aldosterin medicine (Spironolactone 100 mg tablet with 16 tablets). The product was manufactured by Aspen Pharma Ind. Farm. Ltda and is valid until 04/2016. The measure was taken because of the unsatisfactory results obtained in the description of sample essays and Appearance.<sup>1675</sup> The action refers to regulating and promoting appropriate use of medicines.

On 27 November 2014, Brazil closed first stage of restructuring Haiti’s public health. Brazil financed the reconstruction of two specialized laboratories in epidemiological surveillance, responsible for carrying out the main examinations necessary for the identification of relevant diseases such as malaria, dengue, tuberculosis, leprosy and cholera, and the vector control and insects. Brazil also made other measures aimed at health surveillance, such as hiring of professionals specializing in the prevention and control of communicable diseases. Other actions were promoted by supporting vaccination campaigns and sending vaccines — Brazil sent nearly 6 million doses to the Caribbean island, worth about USD 1.9 million.<sup>1676</sup> The actions refer to strengthening resistance tracking and laboratory capacity; strengthening infection control and prevention.

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<sup>1673</sup> Antimicrobial resistance (AMR), Australian Government Department of Health 1 June 2015. Access: 21 October 2015. <http://www.health.gov.au/internet/main/publishing.nsf/Content/ohp-amr.htm>.

<sup>1674</sup> Budget 2015-2016, Portfolio Budget Statement, Health portfolio, Australian Government 2015. Access 16 May 2015. [http://www.health.gov.au/internet/budget/publishing.nsf/Content/2015-2016\\_Health\\_PBS\\_sup1/\\$File/2015-16\\_Health\\_PBS\\_0.0\\_Complete.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2015-2016_Health_PBS_sup1/$File/2015-16_Health_PBS_0.0_Complete.pdf).

<sup>1675</sup> Suspendo Lote de Medicamento, Brazilian ANVISA 19 November 2014. Access: 1 April 2015. <http://s.anvisa.gov.br/wps/r/c/WCZ>

<sup>1676</sup> Brasil Encerra Primeira Etapa da Restruturação da Saúde Pública do Haiti, Brazilian Portal da Saúde 4 December 2014. Access: 1 April 2015. <http://portalsaude.saude.gov.br/index.php/o-ministerio/principal/secretarias/570-secretaria-executiva-raiz/secretaria-se/desid-raiz/15923-brasil-encerra-primeira-etapa-da-restruturacao-da-saude-publica-do-haiti>

On 1 December 2014, ANVISA updated antimicrobial list prescription. New substances included in the list are: Besifloxacin, rifabutin, Ceftazidime, dactinomycin, mitomycin, Nitrofurantoin, Sulfacetamide Chlorphenesin and Gramicidin. The new determination came into force from 16 December 2014. The purpose of the standard is to reduce the damage due to the misuse of antibiotics. Incorrect use of these products leads to increased microbial resistance and the medium term makes them less effective.<sup>1677</sup> The action refers to regulating and promoting appropriate use of medicines.

On 4 December 2014, it was reported that Brazil's government had provided more than USD 9.76 million to help efforts against Ebola in Guinea, Liberia, and Sierra Leone. The donation was allocated to multiple UN divisions. Half was given to WHO to provide care to infected populations and support prevention efforts. The United Nations High Commissioner for Refugees (UNHCR) received USD 2.54 million for basic services including healthcare. The World Food Programme received USD 1.76 million to provide food. The remaining USD 590,000 was channeled into the United Nations Mission for Ebola Emergency Response. According to a statement from the Foreign and Health Ministries, Brazil had provided another USD 1.17 million to WHO and the Pan American Health Organization in November for the same purpose.<sup>1678</sup>

On 5 December 2014, Ministers of Health of Brazil, Russia, India, China and South Africa developed joint strategy to expand supply of medicines to patients with the disease in the BRICS and in low-income countries.<sup>1679</sup> The action refers to promoting cooperation and information sharing among stakeholders.

On 8 December 2014, ANVISA registered two generic drugs as alternatives to Nitazoxanide and Mebeverine Hydrochloride. The registration of generics results in drop in prices of medicines and provides both patients and physicians with variety of options for treatment.<sup>1680</sup> The action refers to fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools.

On 10 December 2014, Brazil conducted a training exercise for Ebola suspected case in Port of Santos. The objective was to put into practice the developed protocol for this situation, serving as training institutions involved in conditions simulating a real case.<sup>1681</sup>

On 10 December 2014, The Inter-American System Rapid Alerts (Siar) was launched during the meeting of the Organization of American States Permanent Council on 10 December in Washington DC. ANVISA contributed technical information and financial resources to develop the project. The Siar is a tool to exchange information and experience on the safety of consumer products and their impact on health.<sup>1682</sup> The action refers to strengthening infection control and prevention; promoting cooperation and information sharing among all stakeholders.

On 1 January 2015, ANVISA granted a registration application for a new drug to treat hepatitis C, the Daklinza (daclatasvir). Thus, physicians and patients now have another treatment option for the disease.<sup>1683</sup>

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<sup>1677</sup> Mais Nove Antibióticos Passam a Ter Retenção de Receita, Brazilian ANVISA 1 December 2014. Access: 1 April 2015. <http://s.anvisa.gov.br/wps/s/r/cWPy>

<sup>1678</sup> Brazil Donates \$9.76 Million to Help Fight Ebola, Agência Brasil 4 December 2014. Access: 1 April 2015. <http://agenciabrasil.ebc.com.br/en/internacional/noticia/2014-12/brazil-donates-976-million-help-fight-ebola>

<sup>1679</sup> BRICS: Países Propõe Acesso Universal aos Medicamentos Contra Tuberculose, Brazilian Associação de Imprensa da Barra 5 December 2014. Access: 1 April 2015. <http://aibnews.com.br/noticias/plantao-mundo/2014/12/brics-paises-propoe-acesso-universal-aos-medicamentos-contratuberculose.html>

<sup>1680</sup> Anvisa Aprova Mais Dois Genéricos Inéditos para o Mercado, Brazilian ANVISA 8 December 2014. Access: 1 April 2015. <http://s.anvisa.gov.br/wps/s/r/cWW3>

<sup>1681</sup> Porto de Santos Realiza Simulado para Ebola, Brazilian Portal da Saúde 10 December 2014. Access: 1 April 2015. <http://portalsaude.saude.gov.br/index.php/o-ministerio/principal/secretarias/svs/noticias-svs/15977-porto-de-santos-realiza-simulado-para-ebola>

<sup>1682</sup> Sistema Interamericano com Alertas de Segurança de Produtos já Está Funcionando, Brazilian ANVISA 26 December 2014. Access: 1 April 2015. <http://s.anvisa.gov.br/wps/s/r/cXjJ>

<sup>1683</sup> Anvisa Registra Novo Medicamento para Tratamento da Hepatite C, Brazilian ANVISA 14 January 2015. Access: 1 April 2015. <http://s.anvisa.gov.br/wps/s/r/cXnQ>

The action refers to fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools.

On 20 January 2015, the law 13,097/15 was introduced, which has a number of innovations to the work of health surveillance in Brazil. The new law brings innovations that will change the way of doing the sanitary regulation in the country, giving more flexibility to ANVISA and the National Health Surveillance System to prioritize risk situations. The standard will also allow an expansion of the laboratory network that perform control and supervision of analyzes for the health surveillance, that because ANVISA or own official laboratories may accredit other public or private laboratories for this purpose.<sup>1684</sup> The action refers to strengthening resistance tracking and laboratory capacity; strengthening infection control and prevention.

On 5 February 2015, ANVISA approved the new standard which requires that in case the Agency does not perform the evaluation of the Drug Clinical Development Briefings (DDCM) containing clinical trials projects to be held in Brazil within 90 days, the study can be started, if approved by the bodies that assess the ethical aspects of research. Thus, Clinical trials which are necessary for the development of new medicines and health products gained more agility in the country.<sup>1685</sup> The action refers to fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools.

On 19 February 2015, the National Health Fund transferred USD 16.2 million to the State and Municipal Health Funds. The funds will be used for investments in Public Health Network. These investments are allocated to the construction of the Health Clubs; UBS Renewal Program and the Basic Health Units (BHU).<sup>1686</sup> The action refers to strengthening resistance tracking and laboratory capacity; strengthening infection control and prevention.

On 25 February 2015, the Ministry of Health announced it was selecting 50 young people between 18 and 26 to monitor and supervise the public health policies on HIV and AIDS area. The goal is to form a group to participate in the New Training Course Leaders Population Key Aiming at the Social Control of the Unified Health System in the context of HIV and AIDS. The course is performed by the STD, AIDS and Viral Hepatitis Surveillance Secretariat of Health of the Ministry of Health, together with the Joint United Nations Programme on HIV/AIDS (UNAIDS) the United Nations Children's Fund (UNICEF) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).<sup>1687</sup> The action refers to promoting cooperation and information sharing among stakeholders.

On 9 March 2015, Health Minister Arthur Chioro launched the vaccination campaign against human papillomavirus, which is being held across the country.<sup>1688</sup> The action refers to strengthening infection control and prevention.

On 7 June 2015, by resolution of the National Health Surveillance Agency published in the Official Gazette, the distribution, marketing and use of the drug Amoxicillin 500 was suspended.<sup>1689</sup> The action refers to regulating and promoting appropriate use of medicines.

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<sup>1684</sup> Nova Lei Moderniza o Trabalho da Vigilância Sanitária no País, Brazilian ANVISA 21 January 2015. Access: 1 April 2015.

<http://s.anvisa.gov.br/wps/s/r/c/Yqf>

<sup>1685</sup> Brasil Moderniza Regras para Pesquisa Clínica, Brazilian ANVISA 6 February 2015. Access: 1 April 2015.

<http://s.anvisa.gov.br/wps/s/r/c/YEW>

<sup>1686</sup> FNS Transfere Recursos para Investimentos na Rede Pública de Saúde, Brazilian Fundo Nacional de Saúde 20 February 2015.

Access: 1 April 2015. <http://www.fns.saude.gov.br/visao/carregarInformacao.jsf>

<sup>1687</sup> Brasil e ONU Formam Líderes para Controle do HIV e Aids, Portal Brasil 25 February 2015. Access: 1 April 2015.

<http://www.brasil.gov.br/saude/2015/02/brasil-e-onu-formam-lideres-para-controle-do-hiv-e-aids>

<sup>1688</sup> Ministério da Saúde Lança Campanha de Vacinação Contra HPV, Brazilian Portal da Saúde 6 March 2015. Access: 1 April 2015.

<http://portalsaude.saude.gov.br/index.php/cidadao/principal/agencia-saude/16948-ministerio-da-saude-lanca-campanha-de-vacinacao-contra-hpv>

<sup>1689</sup> Anvisa Suspende Distribuição do Antibiótico Amoxicilina, Portal Brasil 7 June 2015. Access: 11 October 2015.

<http://www.brasil.gov.br/saude/2015/07/anvisa-suspende-distribuicao-do-antibiotico-amoxicilina>

On 30 June 2015, the International Seminar: Challenges and trends in the field of health monitoring took place in Brazil. More than 380 health surveillance professionals and representatives of national and international organizations attended the seminar in order to exchange experience in tracking appropriate use of medicine.<sup>1690</sup> The event refers to promoting cooperation and information sharing among stakeholders.

On 28 July 2015, The National Health Surveillance Agency of Brazil registered a new drug indicated for the treatment of patients with chronic lymphocytic leukemia or lymphocytic lymphoma small cell.<sup>1691</sup> The action refers to fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools.

On 14 August 2015, the vaccination of children from six months to five years of age against polio was launched in Brazil. The purpose of the campaign is to immunize 12 million children.<sup>1692</sup> The action refers to strengthening infection control and prevention.

On 8 October 2015, National Health System incorporated a new survey to assess the degree of impairment of the liver of patients with hepatitis C. It will facilitate the diagnosis of patients who need new drugs for hepatitis C treatment.<sup>1693</sup> The action refers to fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools.

Brazil has taken actions to fight anti-microbial resistance in all five areas defined by the WHO. Thus, it is awarded a score of +1.

*Analyst: Sergey Burok*

#### **Canada: +1**

Canada has fully complied with the commitment on fighting anti-microbial resistance (AMR).

Canada has taken actions to fight AMR in five areas defined by the World Health Organization (WHO).

On 13 April 2015, the government of Canada announced investing CAD 4 million to support researchers to work with international partners on projects that focus on identifying new targets for antimicrobial drug development, new approaches to treating drug-resistant bacterial infections, and methods for preserving the effectiveness of existing antibiotics.<sup>1694</sup>

On 17 April 2015, Health Canada proposed new measures and strengthen regulations to minimize the global emergence and spread of antimicrobial resistance (AMR), and conserve the effectiveness of available antimicrobials.<sup>1695</sup> These actions will protect public health and food safety. These initiatives are part of the Government of Canada's recently released Action Plan on Antimicrobial Resistance (AMR) and Use in Canada.<sup>1696</sup> This Plan refers to actions in all five areas.

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<sup>1690</sup> Seminário Internacional Promove Intercambio de Experiências em Vigilância Sanitária, Brazilian ANVISA 30 June 2015. Access: 11 October 2015. <http://s.anvisa.gov.br/wps/s/r/dtvl>

<sup>1691</sup> Anvisa Registra Novo Medicamento para Leucemia, Portal Brasil 28 July 2015. Access: 11 October 2015. <http://www.brasil.gov.br/saude/2015/07/anvisa-registra-novo-medicamento-para-leucemia>

<sup>1692</sup> Sábado é Dia D da Vacinação Contra a Paralisia Infantil, Portal Brasil 14 August 2015. Access: 11 October 2015. <http://www.brasil.gov.br/saude/2015/08/sabado-e-dia-d-da-vacinacao-contra-a-paralisia-infantil>

<sup>1693</sup> SUS Oferece Novo Exame para Hepatite C, Portal Brasil 8 October 2015. Access: 11 October 2015. <http://www.brasil.gov.br/saude/2015/10/sus-oferece-novo-exame-para-hepatite-c>

<sup>1694</sup> Government of Canada supports world-class research on antimicrobial resistance. Access: 25 April 2015. <http://news.gc.ca/web/article-en.do?mthd=tp&ctr.page=1&nid=962359>

<sup>1695</sup> Health Canada proposes new measures to address antimicrobial resistance. Access: 25 April 2015. <http://news.gc.ca/web/article-en.do?nid=965249>

<sup>1696</sup> Federal Action Plan on Antimicrobial Resistance and Use in Canada: Building on the Federal Framework for Action. Access: 25 April 2015. <http://healthycanadians.gc.ca/publications/drugs-products-medicaments-produits/antibiotic-resistance-antibiotique/action-plan-daction-eng.php>

During the compliance period Canada has taken actions to AMR in five areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **China: +1**

China has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions in four areas defined by the World Health Organization (WHO).

On 3 December 2014, members of the China-aided Ebola centre in Liberia reported that they could start to receive and diagnose suspected Ebola patients. The medical treatment procedures includes patients' reception, diagnosis and nursing care to be provided in accordance with a carefully designed process and a very strict standard.<sup>1697</sup> Thus China cooperates with Liberia to fight AMR.

On 14 January 2015, the China Food and Drug Administration stated that it "approved the production of the first inactivated poliomyelitis vaccine made from Sabin strains (single component), which was researched and developed by the Institute of Medical Biology, Chinese Academy of Medical Sciences. The vaccine protects children against infecting poliovirus by injection. The launch of the Sabin IPV will be critical to eradicating poliomyelitis in China."<sup>1698</sup> This fact demonstrates that China develops new vaccines to fight AMR.

On 31 January 2015, China's first laboratory to study highly contagious and fatal diseases opened in Wuhan city, which provides scientists possibility to research live Ebola viruses. China thus strengthened its laboratory capacity to fight AMR.<sup>1699</sup>

On 2 March 2015, Botswana and China signed a protocol on the 14th China Medical Team to work in Botswana. Botswana Minister of Health Dorcas Makgato said China will also provide scholarships for short- and long-term training in different health programs, particularly in medicine, nursing, laboratory sciences, HIV/AIDS and pharmacy.<sup>1700</sup> China thus provides Botswana with specialized medical personnel to promote cooperation, and shares information in health sphere with them.

On 11 March 2015, China opened a biosafety laboratory in Sierra Leone to support lab testing for contagious diseases and provide a foundation for redeveloping Sierra Leone's health system. This lab will play a major role in preventing and controlling Ebola.<sup>1701</sup> China thus promotes cooperation and information sharing with Sierra Leone specialists, and strengthens infection control and prevention.

On 27 March 2015, at a China-Africa health roundtable director of the Foreign Ministry's African Affairs Department, Lin Songtian stated that China will help the African Union to construct a disease prevention and control centre, which will join epidemic surveillance facilities in each member. It will improve Africa with its public health system post-Ebola.<sup>1702</sup> Consequently China not only promotes cooperation with the African Union, but also strengthens infection control and prevention in African countries.

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<sup>1697</sup> China-aided Ebola center in Liberia to receive patients, the Ministry of National Defence of the People's Republic of China 3 December 2015. Access: 25 April 2015. [http://eng.mod.gov.cn/DefenseNews/2014-12/05/content\\_4555783.htm](http://eng.mod.gov.cn/DefenseNews/2014-12/05/content_4555783.htm)

<sup>1698</sup> The first Sabin IPV approved by CFDA, China Food and Drug Administration 14 January 2015. Access: 25 April 2015. <http://eng.sfda.gov.cn/WS03/CL0757/112461.html>

<sup>1699</sup> Top-level lab gears up to study Ebola virus, the State Council of the People's Republic of China 31 January 2015. Access: 25 April 2015. [http://english.gov.cn/news/top\\_news/2015/02/02/content\\_281475048993472.htm](http://english.gov.cn/news/top_news/2015/02/02/content_281475048993472.htm)

<sup>1700</sup> Botswana: More Chinese Medical Workers Coming to Botswana, the Chinese Government Forum on China-Africa Cooperation 2 March 2015. Access: 25 April 2015. <http://www.mfa.gov.cn/zflt/eng/jlydh/mtsy/t1241679.htm>

<sup>1701</sup> Chinese bio-safety lab put in place in Africa, the National Health and Family Planning Commission of the People's Republic of China 11 March 2015. Access: 25 April 2015. [http://en.nhfdc.gov.cn/2015-03/16/content\\_19825809.htm](http://en.nhfdc.gov.cn/2015-03/16/content_19825809.htm)

<sup>1702</sup> China to help Africa strengthen post-Ebola health system, the State Council of the People's Republic of China 27 March 2015. Access: 25 April 2015. [http://english.gov.cn/news/international\\_exchanges/2015/03/28/content\\_281475079091506.htm](http://english.gov.cn/news/international_exchanges/2015/03/28/content_281475079091506.htm)

On 10 July 2015, at the International Ebola Recovery Conference China ambassador Liu Jieyi stated that China will actively support and participate in the building of disease control systems and medical and health infrastructure in Africa, help the African countries establish and improve their public health systems and improve their capacity to respond to public health emergencies. In order to support the UN in continuing to play a leading and coordinating role in the recovery process of the affected areas, the Chinese government will make an additional donation of USD 5 million to the UN Ebola Response Multi-Partner Trust Fund.<sup>1703</sup> China thus strengthened infection control and its prevention in Africa.

On 8 August 2015, China Foreign Minister Wang Yi said that China will help Sierra Leone establish a West African prevention and treatment center covering medical treatment, study and scientific research of tropical diseases and offer more scholarship quotas in medicine, boost technical cooperation and personnel training and give priorities in implementation of exemplary projects in public health.<sup>1704</sup> China thus strengthened infection control and its prevention in Sierra Leone.

During the compliance period China has taken actions to fight AMR in four areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Svetlana Nikitina*

### **France: +1**

France has fully complied with the commitment on fighting anti-microbial resistance (AMR). France has taken actions in four areas defined by the World Health Organization (WHO).

France supports a large number of projects on resistance to Ebola and other viruses in Guinea and other African countries.<sup>1705</sup> In 2015 France continues financing retrovirus actions to eradicate Ebola.<sup>1706</sup> This action refers to strengthening resistance tracking and laboratory capacity, as well as strengthening infection control and prevention.

On 4 December 2014, France proposed special network coordinated by professor Delfraissy to serve as a host panel to unite researchers and health authorities to discuss current microbial issues.<sup>1707</sup> Also Institute Pasteur's Ebola Task Force is fighting the virus on the ground and in the laboratory in France, together with the WHO and non-governmental organizations including Médecins Sans Frontières and the Red Cross and Red Crescent.<sup>1708</sup> This action is in line with promoting cooperation and information sharing among all stakeholders, as recommended by the WHO.

On 27 January 2015, French Minister of Finance and Public Accounts, French Minister of State for Development and Francophony and the Bill & Melinda Gates Foundation announced the innovative mechanism aimed at increasing funding to support vaccination and immunization programs, and to improve the efficiency of the health sector, in the Sahel region. The pilot initiative will amount to EUR 100 million over the period 2016-2020.<sup>1709</sup> This action refers to fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools.

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<sup>1703</sup><http://www.fmprc.gov.cn/ce/ceun/eng/hyyfy/t1280588.htm>

[http://english.gov.cn/news/international\\_exchanges/2015/03/28/content\\_281475079091506.htm](http://english.gov.cn/news/international_exchanges/2015/03/28/content_281475079091506.htm)

<sup>1704</sup><http://www.fmprc.gov.cn/ce/ceun/eng/hyyfy/t1280588.htm>

[http://english.gov.cn/news/international\\_exchanges/2015/03/28/content\\_281475079091506.htm](http://english.gov.cn/news/international_exchanges/2015/03/28/content_281475079091506.htm)

<sup>1705</sup> Lutte contre Ebola. Access: 22 April 2014. <http://www.transparence-aide.gouv.fr/ebola/>

<sup>1706</sup> Que faire face à Ebola ? Access: 22 April 2014. [http://www.afd.fr/home/projets\\_afd/sante-health/ebola-afd](http://www.afd.fr/home/projets_afd/sante-health/ebola-afd)

<sup>1707</sup> Plan interministériel de prévention et de lutte contre le virus Ebola. Access: 22 April 2015. <http://www.developpement-durable.gouv.fr/Plan-interministeriel-de.html>

<sup>1708</sup> Fighting Ebola on All Fronts. Access: 22 April 2015.. <http://www.project-syndicate.org/commentary/ebola-institut-pasteur-africa-by-christian-br-chot-2014-12>

<sup>1709</sup> La France et la Fondation Bill & Melinda Gates annoncent une initiative commune de 100 millions d'euros pour accélérer l'accès à la vaccination au Sahel. Access: 22 2015. <http://www.afd.fr/home/presse-afd/communiqués?actuCtnId=124658>

During the compliance period France has taken actions to fight anti-microbial resistance in four areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **Germany: +1**

Germany has fully complied with the commitment on fighting anti-microbial resistance (AMR) as defined by the World Health Organization (WHO).

On 10 December 2014, the German Ministry of Health posted on its website a report concerning the main measures already taken against Ebola.<sup>1710</sup> Among them are measures that correspond with the following guidelines:

- In the course of strengthening resistance tracking and laboratory capacity 24-hour hotline was set up at the Robert Koch Institute, the Bernhard Nocht Institute for Tropical Medicine and the Institute for Virology of the University of Marburg provide a 24-hour emergency service for diagnosis-related questions;
- In the course of strengthening infection control and prevention all airports have special emergency plans and special spaces, the Robert Koch Institute cooperated with the health authorities of the Federal Länder and the scientific medical societies to draw up the Ebola virus disease framework;
- In the course of promoting cooperation and information sharing among all stakeholders a special human pathogen information sheet about the Ebola virus was issued, regular training and simulation exercises are conducted under the supervision of the competent health authorities (for example, by Robert Koch Institute, the National Association of Statutory Health Insurance Physicians, the German Hospital Federation and the Federal Union of German Associations of Pharmacists).

On 26-27 January 2015, Germany hosted the GAVI pledging conference to replenish the fund for 2016-2020.<sup>1711</sup> (GAVI is an international organization bringing together the public and private sectors to create equal access to new and underused vaccines for children living in the world's poorest countries.) On the whole, USD 7.539 billion were pledged. From 2016 to 2020, there will be EUR 600 million just from the increases in German support. These funds are also intended to support efforts to develop an Ebola vaccine and establish basic healthcare structures in the affected countries.<sup>1712</sup> Apart from that, a six-point plan based on the lessons to be learned from the Ebola crisis and aimed at better mastering international health emergencies was proposed by Federal Chancellor Angela Merkel. It contains measures that correspond with all five guidelines.<sup>1713</sup>

On 13 May 2015, new German Antibiotic Resistance Strategy (DART 2020) was adopted by the Cabinet.<sup>1714</sup> Its aim is to take an overarching approach in order to stem the spread of resistant pathogens. Among the measures outlined in DART are strict rules governing the use of antibiotics in medicine and stock farming, R&D of new antibiotics, alternative treatment methods and tests permitting swift diagnoses, as well as better informing people about antimicrobial resistance and hygiene in hospitals. The document was elaborated on the eve of the adoption of Global Action Plan on Antibiotic Resistance on the 68th World Health

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<sup>1710</sup> Protection Against Infection In Germany, Federal Ministry of Health of Germany 10 December 2014. Access: 22 April 2015. <http://www.bmg.bund.de/en/ministry/news/protection-against-infection-in-germany.html>

<sup>1711</sup> GAVI Pledging Conference January 2015, GAVI 26 January 2015. Access: 22 April 2015.

<http://www.gavi.org/Funding/Resource-mobilisation/Process/Gavi-pledging-conference-January-2015/>

<sup>1712</sup> Target Of 7.5 Billion Us Dollars For GAVI, The Vaccine Alliance Is Surpassed, Federal Ministry for Economic Cooperation and Development of Germany 27 January 2015. Access: 22 April 2015. <http://www.bmz.de/20150127-2en>

<sup>1713</sup> White Helmets Against Ebola, German G7 Presidency 27 January 2015. Access: 14 October 2015.

[http://www.g7germany.de/Content/EN/Artikel/2015/01\\_en/2015-01-27-gavi-sechs-punkte\\_en.html;jsessionid=79AD939E98676F0B1D97701C778474D6.s1t2](http://www.g7germany.de/Content/EN/Artikel/2015/01_en/2015-01-27-gavi-sechs-punkte_en.html;jsessionid=79AD939E98676F0B1D97701C778474D6.s1t2)

<sup>1714</sup> New Strategy To Fight Antimicrobial Resistance, Federal Government of Germany 13 May 2015, Access: 22 April 2015.

[https://www.bundesregierung.de/Content/EN/Artikel/2015/05\\_en/2015-05-13-kabinett-dart-2020.html](https://www.bundesregierung.de/Content/EN/Artikel/2015/05_en/2015-05-13-kabinett-dart-2020.html)

Assembly.<sup>1715</sup> Under this global initiative Member States of WHO are called upon to adopt national cross-sectoral action plans within the coming two years, thus Germany has already complied with its obligations.

Additionally, antibiotic resistance was specified by Germany as one of the priorities within the framework of its G7 Presidency. On 8 June 2015, the G7 Summit was held in Schloss Elmau. Heads of State and Government of G7 countries adopted a Summit Declaration in which they clearly affirmed their support of the above mentioned Global Action Plan.<sup>1716</sup> In particular they attached importance to the mandatory prescription requirements in human medicine as well as to an analogous procedure in veterinary medicine.

Germany has taken actions to fight AMR in all areas defined by WHO. Thus, it is awarded a score of +1.

*Analyst: Sergei Titov*

### **India: +1**

India has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions as defined by the World Health Organization (WHO).

On 10-13 November 2014, in Jaipur at the Regional Meeting on Antimicrobial Resistance India and 11 other member states of the South-East Asian Region, pledged to carry out research studies in order to assess trend of AMR and address local challenges and to make the communities aware of the particular risks connected with self-medication. This action strengthens infection control.

According to the conclusions of the meeting, India will use social institutes to raise awareness of the issue of AMR, which promotes information sharing.

The countries have to create a system to test and assess the quality of drugs, recovery methods and conditions of sale to promote appropriate use of medicines.<sup>1717</sup>

Acting within the WHO Regional Office for South-East Asia, the Indian government published booklets on prevention of antibiotic resistance<sup>1718</sup> and on how to use antibiotics rationally<sup>1719</sup> in order to promote both appropriate use of medicines and information sharing.

On 27 February 2015 the Department of Community Medicine and Family Medicine (All India Institute of Medical Sciences) published an article that stated that according to the recommendation of the National Technical Advisory Group on Newer Antimicrobials four new vaccines would be included in the Universal Immunization Program.<sup>1720</sup> The establishment of National Technical Advisory Group was an obligation of the government of India (National Centre for Disease Control) according to the incumbent National Policy

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<sup>1715</sup> Federal Minister of Health Hermann Gröhe attends the 68th World Health Assembly in Geneva, Federal Ministry of Health of Germany 18-20 May 2015, Access: 22 April 2015. <http://www.bmg.bund.de/en/ministry/news/68th-world-health-assembly.html>.

<sup>1716</sup> The G7 Summit Sends Out A Strong, Joint Signal In The Area Of Health, Federal Ministry of Health of Germany 8 June 2015, Access: 22 April 2015. <http://www.bmg.bund.de/en/ministry/news/g7-summit.html>.

<sup>1717</sup> Regional Meeting on Antimicrobial Resistance Jaipur, WHO Regional Office for South-East Asia 10-13 November 2014. Access: 11 October 2015. [http://www.searo.who.int/entity/antimicrobial\\_resistance/con\\_recom\\_amr2014.pdf?ua=1](http://www.searo.who.int/entity/antimicrobial_resistance/con_recom_amr2014.pdf?ua=1).

<sup>1718</sup> Seasonal Communicable Diseases and Prevention of Antibiotic Resistance, WHO Regional Office for South-East Asia Access: 11 October 2015. [http://www.searo.who.int/entity/antimicrobial\\_resistance/WHD-11\\_cds-info.pdf?ua=1](http://www.searo.who.int/entity/antimicrobial_resistance/WHD-11_cds-info.pdf?ua=1).

<sup>1719</sup> Use Antibiotics Rationally, WHO Regional Office for South-East Asia Access: 11 October 2015. [http://www.searo.who.int/entity/antimicrobial\\_resistance/links/WHD-11\\_UAR-poster.pdf?ua=1](http://www.searo.who.int/entity/antimicrobial_resistance/links/WHD-11_UAR-poster.pdf?ua=1).

<sup>1720</sup> Four new vaccines for routine immunization in India: What about hemophilus influenza B and pneumococcal vaccine? Journal of Family Medicine and Primary Care, Official Publication of the Academy of Family Physicians of India 27 February 2015. Access: 11 October 2015. <http://www.jfmpc.com/article.asp?issn=2249-4863;year=2015;volume=4;issue=1;spage=9;epage=12;aulast=Paul>.



for Containment of Antimicrobial Resistance and aimed at fostering research and development of new drugs and vaccines.<sup>1721</sup>

India's Ministry of Health and Family Welfare and Department of Health and Family Welfare announced that 12 medical college labs are collaborating with the National Centre for Disease Control and nine with the Indian Council of Medical Research.<sup>1722</sup> The Ministry of Health set up a goal to establish 10 medical college labs by the year of 2015.<sup>1723</sup> Thus, India is strengthening its laboratory capacity.

On 14-16 May 2015, under the aegis of the Integrated Disease Surveillance Programme, a National Review Workshop was held. The meeting aimed at assessing the progress made by the programme.<sup>1724</sup> Moreover, on 15-16 May 2015 joint Workshop on Risk Communication, attended by officers of Indian surveillance teams as well as by WHO experts, was organized. During the meeting the principles and concepts of risk communication, based on Indian experience and challenges, were developed.<sup>1725</sup> These events can be considered as tools contributing to information sharing among stakeholders.

On 30 July 2015, Ministry of Health and Family Welfare declared that it lacked data on death due to antibiotic resistance. In order to gather data on AMR negative consequences, it was decided to establish a National Anti-Microbial Resistance Research and Surveillance Network. Besides, to control the sales of drugs falling under Schedule H1 (that is, medications the use of which might lead to the development of AMR), the Ministry obliged producers to label these drugs and to record all the sales giving the information concerning as the prescriber, as the patient.<sup>1726</sup>

India has acted to fight AMR in the five areas defined by WHO. Thus, it is awarded a score of +1.

*Analyst: Anastasiia Matiukhina*

### **Indonesia: +1**

Indonesia has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions as defined by the World Health Organization (WHO).

On 24 March 2015, Indonesian vice president Jusuf Kalla and minister of health Nila F. Moeloek launched the National Strategy of Tuberculosis Control for 2015-2019. The strategy provides for a number of measures to address tuberculosis, including those related to tackling drug resistance. The measures included in the strategy correspond with the following areas defined by the WHO: strengthening resistance tracking and laboratory capacity; strengthening infection control and prevention; regulating and promoting appropriate use of medicines.<sup>1727</sup>

On 5 August 2015, Indonesian Ministry of Health in partnership with the Foundation for Concerned Parents (YOP) and the WHO organized a workshop aimed at improving understanding of the dangers of

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<sup>1721</sup> National Policy for Containment of Antimicrobial Resistance, Centre for Disease Control, Directorate General of Health Services, Ministry of Health & Family Welfare, Government of India. Access: 11 October 2015. [http://www.ncdc.gov.in/writereaddata/linkimages/amr\\_policy1600931343.pdf](http://www.ncdc.gov.in/writereaddata/linkimages/amr_policy1600931343.pdf).

<sup>1722</sup> Laboratories under the IDSP (NCDC) and ICMR network with capacity of testing Influenza virus, Government of India Ministry of Health & Family Welfare, Department of Health & Family Welfare 26 February 2015. Access: 11 October 2015. <http://mohfw.gov.in/WriteReadData/l892s/58722977381424952600.pdf>.

<sup>1723</sup> Review of Performance, Government of India, Ministry of Health & Family Welfare, Department of Health & Family Welfare 30 July 2014. Access: 11 October 2015. <http://mohfw.nic.in/WriteReadData/l892s/8ReviewofPerformance2906.pdf>.

<sup>1724</sup> IDSP National Review Workshop held at Hyderabad, NCDC Newsletter, April-June 2015, National Center for Disease Control Government of India. Access: 11 October 2015. <http://ncdc.gov.in/writereaddata/linkimages/Newletter08157953137651.pdf>.

<sup>1725</sup> Workshop on Risk Communication to strengthen IHR. Ibid.

<sup>1726</sup> Measures to Contain Death from Antibiotic Resistance, Government of India, Ministry of Health & Family Welfare 30 July 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=123915>.

<sup>1727</sup> Cadre Knocking the Door to Control TB, Ministry of Health of Indonesia 24 March 2015. Access date: 17 April 2015. <http://www.depkes.go.id/article/view/15040100001/kader-ketok-pintu-untuk-kendalikan-tb.html>.

antimicrobial resistance in the community and developing joint recommendations as the basis for fighting it.<sup>1728</sup> This action is in line with the objective to promote cooperation and information sharing among all stakeholders defined by WHO.

Indonesia has taken actions to fight anti-microbial resistance in four areas defined by WHO. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **Italy: +1**

Italy has fully complied with the commitment on fighting anti-microbial resistance (AMR). It is cooperating with the European Union on a number of policies aimed at fighting AMR.

Italian Ministry of Health in accordance with the EU guidelines for the control of antibiotic resistance in the veterinary field, guarantees the application of the EU requirements in development and production of veterinary medicines containing antibiotics, provides instructions to ensure the prudent use of antibiotics and monitors educational and outreach initiatives to inform farmers and veterinarians on the conscious use of antibiotics and chemotherapeutics. At the same time it is taking steps to make available national guidelines on prudent use of antibiotics in veterinary.<sup>1729</sup>

The Experimental veterinary institutes (Istituti zooprofilattici sperimentali) network serves as an important mechanism of surveillance for the National Health Service of Italy, monitoring animal diseases and of their transmissibility to humans and supporting veterinarians through providing, upon request, specific diagnostic services for anti-microbial resistance assessment.<sup>1730</sup>

On 20 October 2015, Italy's General Directory for Development Cooperation approved a EUR 1 million concession to UNICEF to fight Ebola virus epidemic in Sierra Leone. This contribution to the international effort is a part of the overall EUR 4 million package of the Italian assistance to fight the disease in 2015.<sup>1731</sup>

Thus, Italy takes actions which correspond with the following recommendations by the WHO: strengthening resistance tracking and laboratory capacity, strengthening infection control and prevention, regulating and promoting appropriate use of medicines, promoting cooperation and information sharing among all stakeholders.

During the compliance period Italy has taken steps aimed at fighting anti-microbial resistance in four out of five areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Andrei Sakharov*

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<sup>1728</sup> PENGGUNAAN ANTIBIOTIK BIJAK DAN RASIONAL KURANGI BEBAN PENYAKIT INFEKSI, Ministry of Health of Indonesia 5 August 2015. Access date: 13 October 2015. <http://www.depkes.go.id/article/print/15081100001/penggunaan-antibiotik-bijak-dan-rasional-kurangi-beban-penyakit-infeksi.html>.

<sup>1729</sup> Politiche comunitarie contro l'antibiotico-resistenza e attività degli organismi nazionali e sovranazionali, Italian Ministry of Health 28 January 2015. Access: 18 May 2015. [http://www.salute.gov.it/portale/temi/p2\\_6.jsp?lingua=italiano&id=1449&area=veterinari&menu=antibiotici](http://www.salute.gov.it/portale/temi/p2_6.jsp?lingua=italiano&id=1449&area=veterinari&menu=antibiotici).

<sup>1730</sup> Politiche comunitarie contro l'antibiotico-resistenza e attività degli organismi nazionali e sovranazionali, Italian Ministry of Health 28 January 2015. Access: 18 May 2015. [http://www.salute.gov.it/portale/temi/p2\\_6.jsp?lingua=italiano&id=1449&area=veterinari&menu=antibiotici](http://www.salute.gov.it/portale/temi/p2_6.jsp?lingua=italiano&id=1449&area=veterinari&menu=antibiotici).

<sup>1731</sup> Sierra Leone: contributo di un milione di euro all'Unicef per risposta all'epidemia di Ebola, Italian International Cooperation Agency 20 October 2015. Access: 20 October 2015. [http://www.cooperazioneallosviluppo.esteri.it/pdgcgs/index.php?option=com\\_content&view=article&id=12894:20-10-2015-sierra-leone-contributo-di-un-milione-di-euro-all-unicef-per-risposta-all-epidemia-di-ebola&catid=8&Itemid=515](http://www.cooperazioneallosviluppo.esteri.it/pdgcgs/index.php?option=com_content&view=article&id=12894:20-10-2015-sierra-leone-contributo-di-un-milione-di-euro-all-unicef-per-risposta-all-epidemia-di-ebola&catid=8&Itemid=515).

## Japan: +1

Japan has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions in five areas defined by the World Health Organization (WHO).

Japan surveys 110 infectious diseases including seven AMR bacterial infections using National Epidemiological Surveillance of Infectious Disease (NESID).<sup>1732</sup> This action refers to strengthening resistance tracking and laboratory capacity, as well as strengthening infection control and prevention.

On 18 December 2015, UK-Japan Workshop on AMR was held in Tokyo. The workshop brought together expert scientists, clinicians, academics and veterinarians from UK and Japan to discuss this threat and to explore ways of mutually tackling antimicrobial resistance in a joint collaborative manner.<sup>1733</sup> This action refers to the promoting cooperation and information sharing among all stakeholders action area defined by the WHO.

On 1 January 2015, about 1600 hospitals are participating to Japan Nosocomial Infections Surveillance (JANIS) designed to fight AMR.<sup>1734</sup> JANIS<sup>1735</sup> is organized by Ministry of Health Labour and Welfare<sup>1736</sup> and JANIS management office at National Institute of Infectious Diseases.<sup>1737</sup> This action refers to the area of fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools, and also with regulating and promoting appropriate use of medicines especially among children.

During the compliance period Japan has taken actions to fight anti-microbial resistance in five areas defined by the WHO. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

## Korea: +1

Korea has fully complied with the commitment on fighting anti-microbial resistance (AMR).

The Korean National Institute of Health operates a laboratory surveillance system to track AMR. The monitoring within this system is conducted for 12 weeks annually.<sup>1738</sup> This action refers to strengthening resistance tracking and laboratory capacity.

The Korean Centers for Disease Control and Prevention under the Ministry of Health and Welfare is operating an AMR surveillance program to prevent nosocomial infections, known as KONIS. Approximately 200 health care institutes are participating in this program.<sup>1739</sup> This action refers to strengthening infection control and prevention.

On 14-15 May 2015, Korea hosted the 10th International Symposium on Antimicrobial Agents and Resistance to discuss strategies and actions. The conference was supported by the Seoul based Asia Pacific

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<sup>1732</sup> Surveillance system of antimicrobial resistance and healthcare-associated infections in Japan. Access: 22 April 2015.

[http://www.e-jmii.com/article/S1684-1182\(15\)00179-6/fulltext](http://www.e-jmii.com/article/S1684-1182(15)00179-6/fulltext)

<sup>1733</sup> UK-Japan Antimicrobial Resistance Workshop. Access: 22 April 2015. <http://bsac.org.uk/news/uk-japan-antimicrobial-resistance-workshop/>

<sup>1734</sup> Participating medical institutions List January 2015. Access: 22 April 2015. <http://www.nih-janis.jp/hospitalist/index.html>

<sup>1735</sup> Japan Nosocomial Infections Surveillance (JANIS) . Access: 22 April 2015. <http://www.nih-janis.jp/about/index.html>

<sup>1736</sup> Ministry of Health Labour and Welfare. Access: 22 April 2015. <http://www.mhlw.go.jp/english/>

<sup>1737</sup> National Institute of Infectious Diseases.(NIID) . Access: 22 April 2015. <http://www.nih.go.jp/niid/>

<sup>1738</sup> Laboratory monitoring of antimicrobial resistant bacteria, Centers for Disease Control and Prevention 21 August 2015. Date of Access: 11 November 2015.

<http://www.cdc.gov/kcr/CdcKrContentView.jsp?cid=24323&viewType=CDC&menuIds=HOME001-MNU1175-MNU1192-MNU1195>.

<sup>1739</sup> Korean nosocomial infections surveillance system. Date of Access: 11 November 2015.

<http://konis.cdc.go.kr/konis/index.jsp>.

Foundation for Infectious Diseases (APFID).<sup>1740</sup> This action refers to the promoting cooperation and information sharing among all stakeholders action area defined by the World Health Organization (WHO).

On 10-12 June 2015, Korea hosted the 6th Annual Meeting of the Advisory Group on Integrated Surveillance of Antimicrobial Resistance (AGISAR). One of the objectives of the meeting was to “develop a five-year strategic plan following the adoption of the WHO Global Action Plan on Antimicrobial Resistance at the Sixty-eighth World Health Assembly in May 2015.”<sup>1741</sup> This action refers to the promoting cooperation and information sharing among all stakeholders action area defined by WHO.

The National Institute of Health conducts on a permanent basis research on antimicrobial resistance mechanism of major pathogens which cause nosocomial infections, resistance mechanism for the prevention of AMR transmission, and the molecular epidemiology attributes of resistant bacteria.<sup>1742</sup> This action refers to the area of fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools.

During the compliance period Korea has taken action to fight anti-microbial resistance in four of the five areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **Mexico: +1**

Mexico has fully complied with the commitment on fighting antimicrobial resistance (AMR).

Mexico observes Antibiotic Awareness Day on 18 November.<sup>1743</sup> The materials with information on a wide range of antibiotic related topics, including antimicrobial resistance are disseminated this day.

Individual Mexican specialists as well as Mexican Society of Infectious Diseases and Clinical Microbiology supported the World Alliance Against Antibiotic Resistance declaration against antibiotic resistance.<sup>1744</sup> The declaration advocates 10 actions aimed at adopting proactive strategies to preserve efficacy of antibiotics. These actions include promoting awareness of all the stakeholders of the threat represented by AMR; elaborating in each country a national plan for the containment of antibiotic resistance; development and implementation of new rapid, cost-effective and accurate diagnostic tests to aid in distinguishing bacterial and nonbacterial etiologies; and stimulating research of new drugs and vaccines.

The priority research areas indicated in the annual work program of Mexican National Institute of Public Health for 2015 include antimicrobial resistance.<sup>1745</sup>

On 3 February 2015, during his visit to Tlaxcala state Mexican Minister of Health Mercedes Juan inaugurated new units of State Laboratory of Public Health.<sup>1746</sup> Medical equipment of new units will help to address

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<sup>1740</sup> 10th International Symposium on Antimicrobial Agents and Resistance, Hong Kong Society for Infectious Diseases. Date of assess: 25 May 2015. <http://www.hksid.org/pdf/temp/ISAAR%202015%20program.pdf>.

<sup>1741</sup> 6th Meeting of the WHO Advisory Group on Integrated Surveillance of Antimicrobial Resistance (AGISAR), WHO 10 June 2015. Access: 16 June 2015. [http://www.who.int/foodsafety/areas\\_work/antimicrobial-resistance/disclaimer\\_public\\_notice\\_comment\\_final.pdf](http://www.who.int/foodsafety/areas_work/antimicrobial-resistance/disclaimer_public_notice_comment_final.pdf).

<sup>1742</sup> Antimicrobial Resistance Research, Centers for Disease Control and Prevention 21 August 2015. Date of Access: 11 November 2015. <http://www.cdc.go.kr/CDC/contents/CdcKrContentView.jsp?cid=24322&viewType=CDC&menuIds=HOME001-MNU1175-MNU1192-MNU1194>.

<sup>1743</sup> Objective 1. Date of assess: 22 September 2015. [http://www.who.int/drugresistance/global\\_action\\_plan/Objective\\_1\\_related\\_activities\\_amr\\_dec\\_2014.pdf?ua=1](http://www.who.int/drugresistance/global_action_plan/Objective_1_related_activities_amr_dec_2014.pdf?ua=1).

<sup>1744</sup> The WAAAR declaration against antibiotic resistance. June 2014. Date of assess: 23 February 2015. <http://www.ac2bmr.fr/index.php/en/waaar-declaration>.

<sup>1745</sup> Programa anual del trabajo 2015. Date of assess: 23 February 2015. [http://www.insp.mx/images/stories/Planeacion/Docs/pi/141106\\_programaTrabajo2015.pdf](http://www.insp.mx/images/stories/Planeacion/Docs/pi/141106_programaTrabajo2015.pdf).

health risks and strengthen epidemiological surveillance. A sum of USD 2.9 million was allocated to expand the State Laboratory of Public Health areas of work by including molecular biology, epidemiology and bacterial control spheres. The laboratory will provide an opportunity to detect contagions such as HIV and rotavirus.

On 16 February 2015, new rules on adoption of biotech pharmaceuticals were approved,<sup>1747</sup> including the requirements on control of biotech pharmaceuticals production. According to new rules all biotech pharmaceuticals should be approved by Committee on New Molecules and Subcommittee on Evaluation of Biotech Products comprising of specialists and researchers in biotechnologies to test safety, quality and efficiency of new pharmaceuticals.

In May 2015, Mexico as a member of the World Health Organization (WHO) endorsed the global action plan on antimicrobial resistance.<sup>1748</sup> The action plan sets five strategic objectives, including “to improve awareness and understanding of antimicrobial resistance; to strengthen knowledge through surveillance and research; to reduce the incidence of infection; to optimize the use of antimicrobial agents; and develop the economic case for sustainable investment that takes account of the needs of all countries, and increase investment in new medicines, diagnostic tools, vaccines and other interventions.”

On 27-30 May 2015, XL National Congress on Infectious Diseases and Clinical Microbiology was held in San Luis Potosí.<sup>1749</sup> The discussion among other topics focused on an overview of anti-microbial resistance in Mexico, new antimicrobial agents etc.<sup>1750</sup>

In July 2015, the Mexican company Grupo Nutec manufactured a new product, Plofora, based on plant extracts. Plofora activates specific genes that strengthen animals’ immune systems to viral and digestive diseases and prevents development of resistance to medical antibiotics “replacing them with a mixture of oleoresins (resin and oil) with herbal extracts and phytobiotics.”<sup>1751</sup>

During the compliance period Mexico has taken steps aimed at fighting antimicrobial resistance in four out of five areas defined by the World Health Organization. Thus, it has been awarded a score of +1.

*Analyst: Elizaveta Safonkina*

## **Russia: 0**

Russia has partially complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions in five areas defined by the World Health Organization (WHO).

In December 2014, an aid to Russia’s Minister of Healthcare participated in WHO high-level meeting on AMR in Stockholm, where the development of a Global Action Plan on AMR was discussed.<sup>1752</sup>

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<sup>1746</sup> Se refuerza la infraestructura sanitaria del país. 3 February 2015. Date of assess: 23 February 2015.

<http://www.presidencia.gob.mx/articulos-prensa/se-refuerza-la-infraestructura-sanitaria-del-pais/>.

<sup>1747</sup> COMUNICAD O DE PRENSA No.096. 16 February 2015. Date of assess: 23 February 2015.

[http://portal.salud.gob.mx/redirector?tipo=0&n\\_seccion=Boletines&seccion=2015-02-16\\_7465.html](http://portal.salud.gob.mx/redirector?tipo=0&n_seccion=Boletines&seccion=2015-02-16_7465.html).

<sup>1748</sup> Global action plan on antimicrobial resistance. Date of assess: 22 September 2015.

[http://www.who.int/drugresistance/global\\_action\\_plan/en/](http://www.who.int/drugresistance/global_action_plan/en/).

<sup>1749</sup> XL CONGRESO NACIONAL DE INFECTOLOGÍA Y MICROBIOLOGÍA CLÍNICA 2015. Date of assess: 22 September 2015.

<http://www.amimc.org.mx/evento/con2015/>

<sup>1750</sup> PROGRAMA FINAL DEL XL CONGRESO NACIONAL DE INFECTOLOGÍA Y MICROBIOLOGÍA CLÍNICA 2015, SAN LUIS POTOSÍ. Date of assess: 22 September 2015. <http://www.amimc.org.mx/wp-content/uploads/2015/05/PROGRAMA-final.pdf>

<sup>1751</sup> With plant extracts, preventing antibiotic resistance in farm animals. Date of assess: 22 September 2015.

<http://phys.org/news/2015-07-antibiotic-resistance-farm-animals.html>

<sup>1752</sup> Meeting of the APEC Working Group on Healthcare 27 January 2015. <http://www.rosminzdrav.ru/news/2015/01/27/2210-sostoyalos-zasedanie-rabochey-gruppy-po-zdravoohraneniyu-foruma-aziatsko-tihookeanskogo-ekonomicheskogo-sotrudnichestva>.

In January 2015, representatives of the Ministry of Healthcare participated in the meeting of the APEC Working Group on Healthcare in Philippines. A special working plan for 2015 was adopted by the Asia Pacific Economic Co-operation (APEC) forum. Russia supported the need of developing a new strategic cooperation plan after 2016 and a roadmap on implementation of the Healthy Asia-Pacific 2020 initiative. Russia supported APEC economies' initiatives on universal health coverage and infectious diseases control, including AMR.<sup>1753</sup>

On 11 March 2015, Russian Minister of Healthcare Veronika Skvortsova adopted an order creating a special position within the ministry — senior specialist on clinical microbiology and antimicrobial resistance.<sup>1754</sup>

In May 2015, Russian Minister of Healthcare attended the 68th session of the World Health Assembly. In her address to the assembly Minister Skvortsova mentioned that Russian specialists together with other partners had been actively working on drafting a Global Plan on Antimicrobial Resistance. She expressed hope for a constructive discussion of this issue and its adoption by the member-states.<sup>1755</sup>

Russia has taken actions to fight antimicrobial resistance in less than four out of five areas defined by the WHO. Thus, it has been awarded a score of 0.

*Analyst: Mark Rakhmangulov*

### **Saudi Arabia: +1**

Saudi Arabia has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions in five areas defined by the World Health Organization (WHO).

On 2 January 2015, the Minister of Health, Dr. Muhammad bin Ali Alhayaza, announced reshuffling leadership of the Command and Control Center (CCC), and activating it to combat Corona virus, Ebola and others infectious diseases. The center will undertake control of all infectious diseases and the early preparation for the protection against them.<sup>1756</sup> This action refers to strengthening resistance tracking and laboratory capacity, as well as strengthening infection control and prevention of risks.

On 3 December 2014, the Acting Minister of Health, Adel Faqih, meet WHO's and CDC's experts to develop the responding to the risks of coronavirus. This comes within the framework of the ongoing cooperation between the MOH and the international health organizations aiming at combating coronavirus.<sup>1757</sup> This action refers to promoting cooperation and information sharing among all stakeholders.

On 16-18 May 2015, the Saudi Health Exhibition was held in Riyadh. The second session was on the microbes resisting antibiotics and discussed several important topics about the burden of antibiotic-resistant microbes, including a lecture on how to overcome antibiotics resistance and on the antibiotics management

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<sup>1753</sup> Meeting of the APEC Working Group on Healthcare 27 January 2015. <http://www.rosminzdrav.ru/news/2015/01/27/2210-sostoyalos-zasedanie-rabochey-gruppy-po-zdravoohraneniyu-foruma-aziatsko-tihookeanskogo-ekonomicheskogo-sotrudnichestva>.

<sup>1754</sup> Russian Ministry of healthcare 11 March 2015. <http://www.rosminzdrav.ru/news/2015/03/11/2254-vneseny-izmeneniya-v-prikaz-o-glavnyh-vneshtatnyh-spetsialistah-minzdrava-rossii>.

<sup>1755</sup> Minister Veronika Skvortsova participated in the 68<sup>th</sup> session of the World Health Assembly, Russian Ministry of Healthcare 19 May 2015. <http://www.rosminzdrav.ru/news/2015/05/19/2347-ministr-veronika-skvortsova-prinyala-uchastie-v-68-oy-sessii-vsemirnoy-assamblei-zdravoohraneniya>.

<sup>1756</sup> Minister of Health Issues a Resolution to Transfer the CCC from Jeddah to the Ministry's Headquarter. Access date: 18 May 2015. <http://www.moh.gov.sa/en/Ministry/MediaCenter/News/Pages/News-2015-01-02-001.aspx>

<sup>1757</sup> Fruitful Cooperation between MOH, WHO, and CDC Targeting Control of MERS-CoV <http://www.moh.gov.sa/en/Ministry/MediaCenter/News/Pages/News-2014-12-03-001.aspx>

program.<sup>1758</sup> This action is in line with fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools area defined by WHO.

On 1 February 2015, the Ministry of Health launched three months vaccination campaign against pneumococci. PCV13 vaccine is secure and provides broader protection against the most common and serious types than the previous vaccines due to antimicrobial resistance measures.<sup>1759</sup> This action is in line with fostering innovation and research and development of new vaccines, diagnostics, infection treatment options and other tools area defined by WHO, and also with regulating and promoting appropriate use of medicines especially among children.

During the compliance period Saudi Arabia has taken actions to fight anti-microbial resistance in five areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **South Africa: +1**

South Africa has fully complied with the commitment on fighting anti-microbial resistance (AMR). The fight against AMR in South Africa is carried out under the Antimicrobial Resistance National Strategy Framework 2014-2024, which provides for four objectives:

- Strengthen, coordinate and institutionalize interdisciplinary efforts;
- Optimize surveillance and early detection of antimicrobial resistance;
- Enhance infection control and prevention;
- Promote appropriate use of antimicrobials in human and animal health.<sup>1760</sup>

During the compliance period South Africa has taken actions to fight anti-microbial resistance in four areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Lyudmila Tarasenko*

### **Turkey: +1**

Turkey has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions as defined by the World Health Organization (WHO).

On 19 November 2014, Turkish ministry of health and the Istanbul Provincial Health Directory organized a symposium for medical and academic societies aimed at raising awareness on the misuse and overuse of antibiotics. The representative of the ministry of health Ali Alkan said that there was an increasing trend of antibiotics consumption between 2007 and 2013, and the government had taken measures to promote their adequate use to avoid stronger resistance.<sup>1761</sup> Thus, Turkey took actions in regulating and promoting appropriate use of medicines.

On 15 April 2015, Turkish ministry of foreign affairs announced measures Turkey had taken to help fight the Ebola outbreak. These include delivering medical supplies worth TRY2.5 million to Guinea, Sierra Leone and Liberia, and granting grant USD 1 to the mechanism established by the African Union to support the fight

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<sup>1758</sup> Saudi Health Exhibition. Access date: 18 May 2015. <http://www.saudihealthexhibition.com/en/ConferenceZone/Conference-Programes/IPaCConference/Agenda/>

<sup>1759</sup> MOH to Launch Pneumococcal Vaccinations Campaign for Children . Access date: 18 May 2015. <http://www.moh.gov.sa/en/Ministry/MediaCenter/News/Pages/News-2015-01-29-001.aspx>

<sup>1760</sup> Antimicrobial Resistance, Department of Health of South Africa 10 October 2014. . Access: 29 April 2015. <http://www.fundisa-academy.com/downloads/New-Anti-infective-Drugs-AMR-10Oct2014-G-Steel.pdf>.

<sup>1761</sup> Turkey leads Europe in antibiotics consumption, Anadolu Agency 19 November 2014. Access: 27 April 2015. <http://www.aa.com.tr/en/health/423181--turkey-leads-europe-in-antibiotics-consumption>.

against the Ebola virus (Africa Union Support to Ebola Outbreak in West Africa, ASEOWA).<sup>1762</sup> Thus, Turkey took actions in strengthening resistance tracking and laboratory capacity, as well as strengthening infection control and prevention.

On 23 April 2015, minister of health of Turkey Dr. Mehmet Müezzinoğlu participated in the “World Malaria Day” in Saudi Arabia organized in the cooperation with the Islamic Development Bank. One of the goals of this event was delivering the Turkish experience in implementing its “Malaria Elimination Program.”<sup>1763</sup> Thus, Turkey took actions in promoting cooperation and information sharing among all stakeholders.

Turkey has taken actions to fight anti-microbial resistance in 4 areas defined by the WHO. Thus, it is awarded a score of +1.

*Analyst: Nadezhda Sporysheva*

### **United Kingdom: +1**

The United Kingdom has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions as defined by the World Health Organization (WHO).

On 2 September 2013, the UK Department of Health published the Five Year Antimicrobial Resistance Strategy 2013 to 2018, providing for actions in all five areas defined by WHO.<sup>1764</sup>

According to the Annual progress report and implementation plan published on 11 December 2014, progress has been achieved on all action areas defined in the Antimicrobial Resistance Strategy.<sup>1765</sup> In particular, the Public Health England (PHE) established a new system enabling hospital laboratories that submit data on resistance to PHE to interrogate their own local data. PHE also contributes data on antibiotic resistance and prescribing to pan-European surveillance, and works with the WHO to support development of a Global Action Plan to tackle antibiotic resistance.<sup>1766</sup>

The UK has taken actions to fight AMR in five areas defined by WHO. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepon*

### **United States: +1**

The United States has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions in five areas defined by the World Health Organization (WHO).

On 23 March 2015, the U.S. Department of Health and Human Services announced USD 31 million arrangement with Emergent BioSolutions Inc. that will develop an improved anthrax vaccine to provide

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<sup>1762</sup> No: 116, 15 April 2015, Press Release Regarding the Turkey's Assistance for the Struggle Against Ebola Virus Outbreak, Ministry of Foreign Affairs of Turkey 15 April 2015. Access: 27 April 2015. [http://www.mfa.gov.tr/no\\_-116\\_-15-april-2015\\_-press-release-regarding-the-turkey\\_s-assistance-for-the-struggle-against-ebola-virus-outbreak.en.mfa](http://www.mfa.gov.tr/no_-116_-15-april-2015_-press-release-regarding-the-turkey_s-assistance-for-the-struggle-against-ebola-virus-outbreak.en.mfa).

<sup>1763</sup> Müezzinoğlu, "Dünya Sıtma Günü" Etkinliğine Katıldı, the Ministry of Health of the Turkish Republic 23 April 2015. Access: 27 April 2015. <http://www.saglik.gov.tr/TR/belge/1-39905/muezzinoglu-dunya-sitma-gunu-etkinligine-katildi.html>.

<sup>1764</sup> UK Five Year Antimicrobial Resistance Strategy 2013 to 2018, UK Government 2 September 2013. Access date: 17 April 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/244058/20130902\\_UK\\_5\\_year\\_AMR\\_strategy.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/244058/20130902_UK_5_year_AMR_strategy.pdf).

<sup>1765</sup> UK 5 Year Antimicrobial Resistance (AMR) Strategy 2013–2018. Annual progress report and implementation plan, 2014, UK Government 11 December 2014. Access date: 17 April 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/385733/UK\\_AMR\\_annual\\_report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/385733/UK_AMR_annual_report.pdf)

<sup>1766</sup> PHE leading initiatives on surveillance and the evaluation of antibiotics, UK Government 5 February 2015. Access date: 17 April 2015. <https://www.gov.uk/government/news/phe-leading-initiatives-on-surveillance-and-the-evaluation-of-antibiotics>.



protection in fewer doses and with lower costs than currently used vaccine.<sup>1767</sup> This action fosters innovation and research and development of new vaccines.

On 27 March 2015, the White House released the National Action Plan for Combating Antibiotic-Resistant Bacteria. The aims of the plan by 2020 include creating detect network of antibiotic resistance regional laboratories, improving international cooperation and capacities for antibiotic resistance prevention and control, supporting research and development for new antibiotics and other drugs, as well as vaccines, reducing the inappropriate antibiotic use and eliminating the use of medically important antibiotics for growth stimulation in animals.<sup>1768</sup> Thus, this action contributes to all five areas defined by WHO.

On 31 March 2015, the Office of the Assistant Secretary for Preparedness and Response of the US Department of Health and Human Services granted USD 12 million to BioCryst Pharmaceuticals to develop a promising experimental medicine for Ebola.<sup>1769</sup> This action fosters innovation and research and development of new vaccines.

On 1 July 2015, the U.S. Department of Health and Human Services opened the National Ebola Training and Education Center to train healthcare providers in the sphere of Ebola and other infection diseases management. For this aim the department will provide USD 12 million to three academic institutions during the next 5 years.<sup>1770</sup> This strengthens infection control and prevention.

On 16 September 2015, the U.S. Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response (ASPR) announced a public-private partnership with AstraZeneca to develop a portfolio of drugs to combat life-threatening bacterial infections and bioterrorism threats. According to the agreement, BARDA will spend USD 50 million and could spend up to USD 170 million to develop additional drugs in the next 5 years.<sup>1771</sup> This contributes to fostering innovation and research and development of new infection treatment options.

On 21 September 2015, the Biomedical Advanced Research and Development Authority (BARDA) of the ASPR awarded USD 38 million to develop and start manufacturing of a new Ebola antibody drug for use in studies, through an agreement with Regeneron Pharmaceuticals.<sup>1772</sup> This also contributes to fostering innovation and research and development of new infection treatment options.

During the period under review, the United States has taken steps to fight AMR in all five areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Tatiana Lanshina*

### **European Union: +1**

The European Union has fully complied with the commitment on fighting anti-microbial resistance (AMR). It has taken actions in five areas defined by the World Health Organization (WHO).

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<sup>1767</sup> HHS seeks to develop improved anthrax vaccine, the U.S. Department of Health & Human Services 23 March 2015. Access: 29 April 2015. <http://www.hhs.gov/news/press/2015pres/03/20150323a.html>.

<sup>1768</sup> Fact Sheet: Obama Administration Releases National Action Plan to Combat Antibiotic-Resistant Bacteria, The White House 27 March 2015. Access: 5 May 2015. <https://www.whitehouse.gov/the-press-office/2015/03/27/fact-sheet-obama-administration-releases-national-action-plan-combat-ant>.

<sup>1769</sup> HHS contracts to develop new Ebola drug, the U.S. Department of Health & Human Services 31 March 2015. Access: 29 April 2015. <http://www.hhs.gov/news/press/2015pres/03/20150331a.html>.

<sup>1770</sup> HHS launches National Ebola Training and Education Center, the U.S. Department of Health & Human Services 1 July 2015. Access: 8 October 2015. <http://www.hhs.gov/news/press/2015pres/07/20150701a.html>.

<sup>1771</sup> HHS enters into strategic alliance to accelerate new antibiotic development, the U.S. Department of Health & Human Services 16 September 2015. Access: 8 October 2015. <http://www.hhs.gov/news/press/2015pres/09/20150916a.html>.

<sup>1772</sup> HHS advances development of new monoclonal antibody drug for Ebola, the U.S. Department of Health & Human Services 21 September 2015. Access: 8 October 2015. <http://www.hhs.gov/news/press/2015pres/09/20150921a.html>.

On 17 November 2014, the new aid was announced by Christos Stylianides, EU Ebola Coordinator and Commissioner for Humanitarian Aid and Crisis Response. New funding of USD 36 million was made by the European Commission to fight Ebola including improvement of local health facilities and provision of early detection and public awareness measures in the affected countries.<sup>1773</sup> These measures will strengthen infection control and prevention.

On 18 November 2014, the European Commission confirmed USD 199 million funding for a multisectoral research program until 2020 to address Ebola-related challenges such as vaccines development, clinical trials, storage and transport, as well as diagnostics and treatments to tackle Ebola. The European Commission also announced that the first projects are expected to begin in early 2015. These projects will assess the safety of several potential vaccines and the level of protection they offer against the disease.<sup>1774</sup> These measures will foster innovation and research and development of new vaccines, diagnostics and infection treatment options.

To stop the Ebola epidemic from spreading further, mobile laboratories for early detection of the virus are deployed by the European Union in the affected region. For example, on 4 December 2014, one more mobile laboratory was deployed to Guinea with support of the EU Civil Protection Mechanism.<sup>1775</sup> These measures will strengthen laboratory capacity.

On 26 February 2015, the European Commission also published a progress report on its five-year Action Plan on Antimicrobial Resistance adopted in 2011. Among the new measures there is the commitment of the European Commission to develop a strategic approach to the pollution of water by pharmaceuticals by September 2015. There is also confirmed the commitment of the European Commission to fund EUR 25 million for HIV vaccine research in 2015.<sup>1776</sup> These measures will foster innovation and research and development of new vaccines, diagnostics and infection treatment options.

On 26 February 2015, the European Commission announced a USD 1.1 million prize to the person or team that develops a rapid test to tell whether a patient needs to be treated with antibiotics or not. The aim of this prize was to stop overuse of antibiotics and prevent the growing antimicrobial resistance.<sup>1777</sup> These measures will help to regulate appropriate use of medicines.

On 2 April 2015, the European Parliament published the draft report “Safer Healthcare in Europe: Improving Patient Safety and Fighting Antimicrobial Resistance.” The document contains a wide range of measures including regulating and promoting appropriate use of antibiotics, launching awareness campaigns on the rational use of antibiotics, engaging in a dialogue with all stakeholders and develop a EU strategy for patient safety.<sup>1778</sup> These proposed measures should help to regulate appropriate use of medicines and

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<sup>1773</sup> EU boosts anti-Ebola aid after Commissioners' mission to worst-hit countries, European Commission 17 November 2014. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-14-1862\\_en.htm](http://europa.eu/rapid/press-release_IP-14-1862_en.htm)

<sup>1774</sup> The European Union's response to Ebola emergency, European Commission 18 November 2014. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_MEMO-14-1903\\_en.htm](http://europa.eu/rapid/press-release_MEMO-14-1903_en.htm)

<sup>1775</sup> EU Ebola Response: Member States send additional health personnel to the region, European Commission 6 December 2014. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-14-2440\\_en.htm](http://europa.eu/rapid/press-release_IP-14-2440_en.htm)

<sup>1776</sup> Progress report on the Action plan against the rising threats from Antimicrobial Resistance, European Commission 26 February 2015. Access: 18 April 2015. [http://ec.europa.eu/health/antimicrobial\\_resistance/docs/2015\\_amr\\_progress\\_report\\_en.pdf](http://ec.europa.eu/health/antimicrobial_resistance/docs/2015_amr_progress_report_en.pdf)

<sup>1777</sup> Antimicrobial Resistance: Commission launches a €1 million prize and publishes a progress report of its Action Plan, European Commission 26 February 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_MEX-15-4514\\_en.htm](http://europa.eu/rapid/press-release_MEX-15-4514_en.htm)

<sup>1778</sup> Draft report on Safer healthcare in Europe: Improving patient safety and fighting antimicrobial resistance, European Parliament 2 April 2015. Access: 18 April 2015. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2F%2FEP%2F%2FNONSGML%2BCOMPARL%2BPE-549.124%2B01%2BDOC%2BPDF%2BV0%2F%2FEN>

promote cooperation and information sharing among all stakeholders. On 19 May 2015, the European Parliament adopted the related resolution.<sup>1779</sup>

On 1 June 2015, the European Parliament and the European Union Council reached a political agreement on the Commission's proposal for a revised EU legislation on the animal health. This agreement covers the issues of combating transmissible animal diseases, including the issues of antimicrobial resistance or biodiversity.<sup>1780</sup> These measures will strengthen infection control and prevention

During the compliance period the European Union has taken actions to fight AMR in five areas defined by WHO. Thus, it has been awarded a score of +1.

*Analyst: Mark Rakhmangulov*

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<sup>1779</sup> MEPs propose blueprint for safer healthcare, European Parliament 19 May 2015. Date of Access: 10 October 2015. <http://www.europarl.europa.eu/news/en/news-room/content/20150513IPR55317/html/MEPs-propose-blueprint-for-safer-healthcare>

<sup>1780</sup> Commissioner for Health and Food Safety Vytenis Andriukaitis welcomes the political agreement on animal health, European Commission 1 June 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_STATEMENT-15-5091\\_en.htm](http://europa.eu/rapid/press-release_STATEMENT-15-5091_en.htm)

## 12. Gender

“We agree to the goal of reducing the gap in labour force participation rates between men and women in our countries by 25 per cent by 2025, taking into account national circumstances. This will bring more than 100 million women into the labour force [and] significantly increase global growth.”

*G20 Brisbane Action Plan*

### Assessment

	No Compliance	Work in Progress	Full Compliance
Argentina	-1		
Australia		0	
Brazil		0	
Canada		0	
China			+1
France			+1
Germany			+1
India		0	
Indonesia	-1		
Italy			+1
Japan			+1
Korea			+1
Mexico		0	
Russia			+1
Saudi Arabia		0	
South Africa	-1		
Turkey		0	
United Kingdom			+1
United States			+1
European Union	Not applicable		
Average Score	+0.32		

### Background

The 2014 Brisbane Summit marks the first time G20 members declared a goal with a specific timeline to reduce the inequality in the labour force between men and women. The first time women were explicitly mentioned during a summit, however, was at the 2009 London Summit when G20 members committed to encouraging a “fair and family-friendly labour market for both women and men.”<sup>1781</sup> The 2012 Los Cabos Summit then marked the first year an entire commitment targeted the improvement of the socioeconomic status of women.

Around the world, the labour force continues to grow faster than the number of jobs created. Over the last year, in “Indonesia, for example, the number of formal jobs grew by only 2.8 million, while the labor force increased by 7.2 million.”<sup>1782</sup> The International Labour Organisation (ILO), in its *World Employment and Social Outlook: Trends 2015*, notes that “by 2019, more than 212 million people will be out of work, up from 201

<sup>1781</sup> G20 Leaders Statement: London Summit, 2-3 April 2009. Access: 4 February 2015.

<http://www.g20.utoronto.ca/analysis/commitments-09-london.html>

<sup>1782</sup> G20 Leaders Pledge Inclusive Growth for Women: More Promises or Real Possibility?, The Asian Foundation (San Francisco) 3 December 2014. Access: 3 February 2015. <http://asiafoundation.org/in-asia/2014/12/03/g20-leaders-pledge-inclusive-growth-for-women-more-promises-or-real-possibility/>

million now.”<sup>1783</sup> Gender-specific inclusive growth policies in the labour markets are therefore indispensable in reversing the current trends.

Currently, on a global scale, 40% of the workforce is composed of women.<sup>1784</sup> One third of all registered enterprises are owned by women, despite the multiple barriers they face, such as access to finance and business exclusion.<sup>1785</sup> It is now common knowledge that increasing women’s participation in the labour force contributes to both economic growth and national prosperity, especially if inequality is reduced. It is estimated by the Organisation for Economic Co-operation and Development (OECD) that “a boost to women’s participation of [the scale of the commitment] would increase G20 GDP [gross domestic product] by between 1.2 and 1.6% by 2025, adding more than USD 1 trillion to the global economy.”<sup>1786</sup> The OECD further notes, “that if we close the global gap in workforce participation between men and women, GDP worldwide would grow by nearly 12% by 2030.”<sup>1787</sup>

By introducing a commitment that is specifically dedicated to women, the G20 members are reaffirming the importance of the inclusion of women in the labour markets as an imperative to the improvement of the global economic balance and labour market.

### **Commitment Features**

According to the OECD, the while the “female employment rates have increased in most countries” since 2000, reaching “60% or more in half of the G20 countries, ... gender employment gaps remain larger than 10 percentage points in 15 of the G20 countries.”<sup>1788</sup>

It must be acknowledged that this particular commitment is aimed at the long term. Nonetheless, for full compliance, G20 members must set concrete policies and amend laws aimed at reducing the gap in participation rates between men and women in their respective countries by 25% by 2025, taking into account national circumstances, as to bring more than 100 million women in the labour force.

For the purpose of this commitment, the labour participation rate will be defined as follows:

A measure of the proportion of a country’s working-age population that engages actively in the labour market, either by working or looking for work; it provides an indication of the size of the supply of labour available to engage in the production of goods and services, relative to the population at working age.<sup>1789</sup>

In an effort to effectively measure the progress pertaining to this commitment within each individual country, it is necessary to determine the national baselines. National baselines include the following components: the current female participation rate, the current male participation rate and the estimation of the percentage of women who are excluded from the formal labour market as to determine the gap.

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<sup>1783</sup> Global unemployment to rise to 212 million, says ILO, The Guardian (London) 19 January 2015. Access: 4 February 2015. <http://www.theguardian.com/business/2015/jan/19/global-unemployment-rising-ilo-social-unrest>

<sup>1784</sup> 2014 Financial Inclusion Action Plan, Global Partnership for Financial Inclusion 2 September 2014. Access: 2 February 2015. [https://g20.org/wp-content/uploads/2014/12/2014\\_g20\\_financial\\_inclusion\\_action\\_plan.pdf](https://g20.org/wp-content/uploads/2014/12/2014_g20_financial_inclusion_action_plan.pdf)

<sup>1785</sup> Banking on Women, International Financial Corporation (Washington) 2014.

<sup>1786</sup> G20 Leaders Agree To Reduce Gender Employment GAP, Prime Minister of Australia (Brisbane) 16 November 2014. Access: 3 February 2015. <https://www.pm.gov.au/media/2014-11-16/g20-leaders-agree-reduce-gender-employment-gap>

<sup>1787</sup> Unfinished Business for the world’s women, The Economist (London) 5 November 2014. Access: 23 January 2015. <http://www.economist.com/news/21631962-anniversary-landmark-un-conference-women-opportunity-renew-its-vision-says>

<sup>1788</sup> Achieving stronger growth by promoting a more gender-balanced economy, G20 Labour and Employment Ministerial Meeting (Melbourne) 15 August 2014. Access: 13 February 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf>

<sup>1789</sup> Labour Force Participation Rate, International Labour Organization (Geneva) 2014. Access: 3 February 2015. <http://kilm.ilo.org/2011/download/kilm01EN.pdf>

Furthermore, each report will assess the problems that women face when entering the labour market specific to their country and, accordingly, evaluate whether the concerned government is taking actions to reduce these barriers. The reports will take note of the 10 following policy aspects taken from OECD recommendations and ILO conventions:<sup>1790</sup>

1. “Adopt practices that promote gender equality in education”<sup>1791</sup>
2. “Promote family-friendly policies and working conditions which enable fathers and mothers to balance their working hours and their family responsibilities and facilitate women to participate more in private and public sector employment”<sup>1792</sup>
3. “Increase the representation of women in decision-making positions”<sup>1793</sup>
4. “Eliminate the discriminatory gender wage gap”<sup>1794</sup>
5. “Promote all appropriate measures to end sexual harassment in the workplace, including awareness and prevention campaigns and actions by employers and unions”
6. “Reduce the gender gap in entrepreneurship activity”<sup>1795</sup>
7. “Pay attention to the special needs of women from disadvantaged minority groups and migrant women in relation to the aims set out above”
8. “Reduce the gender gap in financial literacy”<sup>1796</sup>
9. “Mainstream the gender equality perspective in the design, development and evaluation of relevant policies and budgets”<sup>1797</sup>
10. “Strengthen accountability mechanisms for gender equality and mainstreaming initiatives across and within government bodies.”

### Scoring Guidelines

-1	Member does not have adequate information on women in the labour force AND did not take actions to improve the information or associated policies
0	Member has reported the appropriate information on women in the labour force BUT has not taken strong and/or sufficient actions to increase women’s participation in the labour force
+1	Member has appropriate information on women in the labour force AND has taken strong or/and sufficient actions to increase women’s participation in the labour force

### Argentina: -1

Argentina has failed to comply with its commitment in reducing the gender gap between men and women in the labour market. This failure is a consequence of Argentina’s inability to increase the participation rates of women in the global labour force.

<sup>1790</sup> Achieving stronger growth by promoting a more gender-balanced economy, G20 Labour and Employment Ministerial Meeting (Melbourne) 15 August 2014. Access: 13 February 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf>

<sup>1791</sup> For more specific policy angles, please refer to Annex 2 of “Achieving stronger growth by promoting a more gender-balanced economy, G20 Labour and Employment Ministerial Meeting”

<sup>1792</sup> For more specific policy angles, please refer to Annex 2 of “Achieving stronger growth by promoting a more gender-balanced economy, G20 Labour and Employment Ministerial Meeting”

<sup>1793</sup> For more specific policy angles, please refer to Annex 2 of “Achieving stronger growth by promoting a more gender-balanced economy, G20 Labour and Employment Ministerial Meeting”

<sup>1794</sup> “by strengthening the legal framework and its enforcement for combating all forms of discrimination in pay, recruitment, training and promotion; promoting pay transparency; ensuring that the principle of equal pay for equal work or for work of equal value is respected in collective bargaining and/or labour law and practice; tackling stereotypes, segregation and indirect discrimination in the labour market, notably against part-time workers; promoting the reconciliation of work and family life”

<sup>1795</sup> For more specific policy angles, please refer to Annex 2 of “Achieving stronger growth by promoting a more gender-balanced economy, G20 Labour and Employment Ministerial Meeting”

<sup>1796</sup> “by developing and implementing initiatives and programmes aimed at addressing women’s financial literacy needs, and in particular at fostering their awareness, confidence, competencies and skills when dealing with financial issues”

<sup>1797</sup> “for example by conducting systematic gender-impact assessments and generating appropriate data and evidence to build a benchmark for future assessments as well as a compilation of best practices for governments and government agencies”

According to the most recent statistics provided by the World Bank, in Argentina the female labour participation consists of 48%<sup>1798</sup> and the male labour participation consists of 75%.<sup>1799</sup> Therefore the labour participation gap is 27%. A recent publication by the Organisation for Economic Co-operation and Development confirmed that in 2012, the female level of informal employment is 49.6%. The gender gap in the incidence of informal unemployment is hence 0.2%.<sup>1800</sup> According to the Gender Gap Index 2014, Argentina ranks 31 out of 142 countries.<sup>1801</sup>

Argentina has failed to take further action regarding the promotion of increased female employment during this compliance cycle. Thus, Argentina is awarded a score of -1.

*Analyst: Allison Ing*

## **Australia: 0**

Australia has partially succeeded in working to improve gender equality participation in the economy by 2.5 per cent. Recent promises have been made by the government that will work towards dismantling barriers prohibiting women from entering the labour force, as well as improve social services to support working women. However, the country has failed to meet goals in reducing the gender gap of labour force participation. While Australia still faces a significant gap in pay equality and labour participation rate, the country has complied with creating strategies to improve these issue areas.

In February 2015, Prime Minister Tony Abbott announced the government development of a family policy and package that would focus on childcare.<sup>1802</sup> The Australian government has also announced various new policies that will be introduced to help women to better balance family and professional life. These policies will include a universal paid parental leave scheme, to be implemented 1 July 2015. This scheme will provide up to 26 weeks of paid support to replace mothers' working wage, up to \$100,000.<sup>1803</sup> Furthermore, the government is working to encourage female participation in the economy by ceasing the eligibility for this support once the child in question reaches the age of six, as well as lowering the threshold from \$150,000 to \$100,000 in an attempt to encourage women to enter the workforce at increased hours.<sup>1804</sup> This does not apply to low income single parents.<sup>1805</sup>

In January 2015, female participation in Australia is 58.6 per cent, while male participation averages at 71 per cent, with roughly one million more men working than females.<sup>1806</sup> This means that female participation rate

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<sup>1798</sup> Labor force participation rate, female (% of female population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1799</sup> Labor force participation rate, male (% of male population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

<sup>1800</sup> Indicators on male and female labour outcomes, Achieving stronger growth promoting a more gender-balanced economy, OECD, ILO, IMF, World Bank Group (Melbourne) 15 August 2014. Date of Access: 1 March 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf>. Data refer to 2009.

<sup>1801</sup> Economies: Argentina, The Global Gender Gap Index 2014, World Economic Forum. Date of Access: 1 March 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=ARG>.

<sup>1802</sup> Federal Government Promises to Focus on Childcare, BPW Australia (Loganholme) February 15 2015. Date of Access: February 23 2015. <http://www.bpw.com.au/>

<sup>1803</sup> Employment Plan 2014, Australia, G20 Information Centre 2014. Date of Access: February 23 2014. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_australia\\_0.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_australia_0.pdf)

<sup>1804</sup> Employment Plan 2014, Australia, G20 Information Centre 2014. Date of Access: February 23 2014. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_australia\\_0.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_australia_0.pdf)

<sup>1805</sup> Employment Plan 2014, Australia, G20 Information Centre 2014. Date of Access: February 23 2014. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_australia\\_0.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_australia_0.pdf)

<sup>1806</sup> Population by Age and Sex, Australia, States and Territories, Australian Bureau of Statistics, December 2014. Date of Access: February 24 2015. <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3101.0Feature%20Article1Jun%202014?opendocument&tabname=Summary&prodno=3101.0&issue=Jun%202014&num=&view>

is 12.4 per cent lower than men. This does not comply with the goal of increasing female participation in the economy by 2.5 per cent per annum.

In August 2015, female workforce participation rate for women is 59.0 per cent, while male participation rate remains steady at 71.1 per cent.<sup>1807</sup> This demonstrates a 0.4 per cent increase since January 2015. The gender pay gap has increase in New South Wales, as well as the Australian Capital Territory.<sup>1808</sup>

In September 2015 5.3 per cent of organizations have newly launched gender pay gap analysis which are currently under development.<sup>1809</sup> Based on these indications, 29.3 per cent of organizations will have begun gender pay gap analysis in the following year. This indicates an increased awareness of the issue of gender pay inequality.

While female participation rates have increased nationally, they have also decreased in regions of Australia. The country has also failed to meet requirements of increased female participation in the economy by 2.5 per cent, however are demonstrating active policy to work towards their goal.

Thus, Australia has received a score of 0.

### **Brazil: 0**

Brazil has partially complied with its commitment to reduce the gap in participation rates between men and women in the labour force by 25 per cent by 2025.

According to the most recent statistics provided by the World Bank, in Brazil the female labour participation rate is 59 per cent (a decrease of 1 per cent from the year before).<sup>1810</sup> The male participation rate is 81 per cent.<sup>1811</sup> Therefore the gender labour participation is 22 per cent.

On 16 December 2014, the Department of Policies for Women (SPM) published the fifth edition of the Equality of Gender and Race Program. The SPM will disseminate concepts in management to achieve equality between men and women in the workplace. Participating companies will be educated on how to overcome inequality of pay and trained in effective management. After completion in the program, the firm will receive the Seal of Equality of Gender and Race. By promoting equality within the work environment, the program hopes to encourage women to enter the labour force.<sup>1812</sup>

On 23 January 2015, the government of the State of São Paulo announced its commitment to “Decent Work.” Established by the International Labour Organization, Decent Work promotes equal pay between individuals of varying gender, race and nationality. Decent Work also promotes sustainability, equitable wealth distribution, and overcoming poverty.<sup>1813</sup>

On 11 January 2015, a special committee of the House of Representatives approved the “Status of Early Childhood” or Bill 6.998/2013. The bill extended maternal leave from 120 days to 180 days, at the employer’s

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<sup>1807</sup> Gender workplace statistics at a glance, Workplace Gender Equality, Government of Australia, August 2015. Date of Access: November 7th 2015. [https://www.wgea.gov.au/sites/default/files/Stats\\_at\\_a\\_Glance.pdf](https://www.wgea.gov.au/sites/default/files/Stats_at_a_Glance.pdf)

<sup>1808</sup> Gender pay gap statistics, Workplace Gender Equality, Government of Australia, September 2015. Date of Access: November 7th 2015. [https://www.wgea.gov.au/sites/default/files/Gender\\_Pay\\_Gap\\_Factsheet.pdf](https://www.wgea.gov.au/sites/default/files/Gender_Pay_Gap_Factsheet.pdf)

<sup>1809</sup> Gender pay gap statistics, Workplace Gender Equality, Government of Australia, September 2015. Date of Access: November 7th 2015. [https://www.wgea.gov.au/sites/default/files/Gender\\_Pay\\_Gap\\_Factsheet.pdf](https://www.wgea.gov.au/sites/default/files/Gender_Pay_Gap_Factsheet.pdf)

<sup>1810</sup> Labor force participation rate, female (% of female population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1811</sup> Labor force participation rate, male (% of male population ages 15+) (modelled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

<sup>1812</sup> Equality of Gender and Race Program - 5th Edition (Brasília) 16 December 2014. Date of Access: 20 February 2015. <http://www.spm.gov.br/assuntos/mulher-e-trabalho/programa-pro-equidade-de-genero-e-raca>.

<sup>1813</sup> The Effective Inclusion (São Paulo) 23 January 2015. Date of Access: 20 February 2015. <http://www.emprego.sp.gov.br/pela-efetiva-inclusao/>.



discretion. Additionally, the bill extended paternal leave from five to 20 days.<sup>1814</sup> The bill also contained other childcare initiatives that would encourage women's participation in the labour force.<sup>1815</sup> However, as of 26 January 2015, the Early Childhood Bill has been postponed indefinitely. Due to recent elections, many of the original signatories of the bill were not re-elected to the House of Representatives. Consequently, the law will no longer proceed directly to the Senate.

On 30 January 2015, the Department of Employment and Labour Relations announced that the Time of Employment program would expand in 2015 to accommodate 1,115 participants. The program engages primarily female Brazilians who are at least 16-years-old in interview preparation and job market coaching.<sup>1816</sup>

On 28 January 2015, the Ministry of Agrarian Development announced that officials would travel to the northern rural regions of Brazil, enabling women to receive free documentation. The Ministry will begin to document 9,000 women in 29 municipalities in March 2015. The free documentation will promote women's autonomy through productive inclusion. Furthermore, women will have access to the public policies of the federal government.<sup>1817</sup>

On 4 February 2015, 500 teachers completed training in a pilot program on "socioeducation." The teachers, who were primarily female, received specialized training in working with adolescent offenders.<sup>1818</sup> This pilot program has the potential to provide employment for many women in the future.

On 16-17 February 2015, Brazil attended the 38th Board of Governors of the International Fund for Agricultural Development. At the conference, Brazil pledged to continue programs in rural regions to enable women to have access to credit and land tenure.<sup>1819</sup>

On 8 March 2015, President Dilma Rousseff introduced the Femicide Act, which criminalizes gender-based violence.<sup>1820</sup>

On 1 June 2015, the Ministry of Labour and Employment announced that they will stimulate the inclusion black women into the labour force. These promises will build upon the Statute of Racial Equality (Law 12.228/2010) by providing vocational and educational training to women of colour. Further, the Ministry will give authority to the Deliberative Council of the Fund for Workers to develop these programs and to guide funding.<sup>1821</sup>

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<sup>1814</sup> Paternity Leave Can be Extended to 20 Days, Estado de Minas (Belo Horizonte) 11 January 2015. Date of Access: 19 February 2015. [http://www.em.com.br/app/noticia/nacional/2015/01/11/interna\\_nacional,606810/licenca-paternidade-pode-ser-ampliada-para-20-dias.shtml](http://www.em.com.br/app/noticia/nacional/2015/01/11/interna_nacional,606810/licenca-paternidade-pode-ser-ampliada-para-20-dias.shtml).

<sup>1815</sup> Members Try to Delay the Early Childhood Bill, Examination Magazine (Brasília) 26 January 2015. Date of Access: 20 February 2015. <http://exame.abril.com.br/brasil/noticias/deputados-tentam-atrasar-projeto-de-lei-da-primeira-infancia>

<sup>1816</sup> Growing, Employment Team Offers 1,115 Jobs (São Paulo) 30 January 2015. Date of Access: 20 February 2015. <http://www.emprego.sp.gov.br/em-crescimento-time-do-emprego-oferece-1115-vagas/>.

<sup>1817</sup> Boats Will Take Documentation Task Forces to Over 9,000 Rural Women (Brasília) 28 January 2015. Date of Access: 21 February 2015. <http://www.brasil.gov.br/cidadania-e-justica/2015/01/lanchas-levarao-mutiroes-de-documentacao-a-mais-de-9-mil-mulheres-rurais>.

<sup>1818</sup> Course Prepares Teachers to Work with Socioeducation (Brasília) 4 February 2015. Date of Access: 21 February 2015. <http://www.brasil.gov.br/educacao/2015/02/curso-prepara-professores-para-trabalhar-com-socioeducacao>.

<sup>1819</sup> Brazil Defends Sustainable Rural Development in Meeting the IFAD (São Paulo) 20 February 2015. Date of Access: 20 February 2015. <http://www.planejamento.gov.br/conteudo.asp?p=noticia&ler=12049>.

<sup>1820</sup> In Women's Day speech, Dilma advocates measures for fiscal adjustment, Rede Brasil Atual (Sao Paulo) 8 March 2015. Date of Access: 11 October 2015. <http://www.redebrasilatual.com.br/politica/2015/03/em-discurso-em-rede-dilma-defende-medidas-para-ajuste-fiscal-5319.html>.

<sup>1821</sup> Work: Government will encourage the inclusion of the black population, A Tarde (Salvador) 1 June 2015. Date of Access: 11 October 2015. <http://atarde.uol.com.br/empregos/noticias/1685403-trabalho-governo-estimulara-a-inclusao-da-populacao-negra>.

On 11 September 2015, 30 transwomen met in Brasilia for a two-day meeting that was facilitated by the SPM. After the two-day meeting, the women concluded that there must be most diversity in the workforce. The delegates expressed that there is severe discrimination against transwomen in employment. Due to this boundary to the formal workplace, 90 per cent of transwomen are forced to engage in prostitution. This important conference will be integral to the future of employment policy and for narrowing the gender gap for all women.<sup>1822</sup>

Thus, Brazil is awarded a score of 0.

*Analyst: Sarah Sgambelluri*

## **Canada: 0**

Canada has partially complied with its commitment to reduce barriers preventing women from entering into the labour participation market.

At the time of the Brisbane Summit, Canada's rate of women's participation at the labour force stood at 61.6 per cent nationally, compared to 70.6 per cent for men; thus representing a gender gap of 9 per cent.<sup>1823</sup> Women also have a lower employment rate as "the employment rate of women aged 15 and over was 57.3 per cent compared to 65.5 per cent."<sup>1824</sup> According to the 2014 economic security fact sheet provided by the government of Canada, women represented nearly 70 per cent of all part-time workers in 2013. Women are also more likely to have "casual work (i.e., hours that vary from one week to the next)."<sup>1825</sup> This means "women's average annual earning [are] ... approximately 71 per cent of men's."<sup>1826</sup> Furthermore, "when factoring gender differences in industry, occupation, education, age, job tenure, province of residence, marital status, and union status, women's annual wages amounted to 92 per cent of men's in 2011."<sup>1827</sup>

Canada has committed to reducing its barriers to women's participation in the labour force through programs aimed at providing skilled trades training and investing in traditionally male-dominated fields, such as science, technology, engineering and mathematics and the woodworking industry, to ensure more participation of women.<sup>1828</sup> Most recently, the Status of Women Ministry has given CAD 258 million to the woodworking industry in Vancouver to ensure increased participation of women through mentorship.<sup>1829</sup>

To address the other commitments, it is necessary to evaluate Canada's starting position at the time of the 2014 Summit and recognize that, at this time, all laws contradicting gender equality have been struck down; furthermore, constitutional provisions for gender equality exist in the constitution (section 15) and in

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<sup>1822</sup> Transgender women meet in Brasilia to discuss public policy, Rede Brasil Atual (Brasilia) 11 September 2015. Date of Access: 11 October 2015. <http://agenciabrasil.ebc.com.br/direitos-humanos/noticia/2015-09/mulheres-transexuais-se-reunem-em-brasilia-para-debater-politicas>.

<sup>1823</sup> Labour force, employment and unemployment, levels and rates, by province, Statistics Canada (Ottawa) 28 January 2015. Date of Access: 06 March 2015. <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labor07a-eng.htm>

<sup>1824</sup> Status of Women in Canada, Fact sheet: Economic Security, Government of Canada (Ottawa). Date of Access: 16 March 2015. <http://www.swc-cfc.gc.ca/initiatives/wesp-sepf/fs-fi/es-se-eng.html>

<sup>1825</sup> Status of Women in Canada, Fact sheet: Economic Security, Government of Canada (Ottawa). Date of Access: 16 March 2015. <http://www.swc-cfc.gc.ca/initiatives/wesp-sepf/fs-fi/es-se-eng.html>

<sup>1826</sup> Status of Women in Canada, Fact sheet: Economic Security, Government of Canada (Ottawa). Date of Access: 16 March 2015. <http://www.swc-cfc.gc.ca/initiatives/wesp-sepf/fs-fi/es-se-eng.html>

<sup>1827</sup> Status of Women in Canada, Fact sheet: Economic Security, Government of Canada (Ottawa). Date of Access: 16 March 2015. <http://www.swc-cfc.gc.ca/initiatives/wesp-sepf/fs-fi/es-se-eng.html>

<sup>1828</sup> Harper Government supports mentoring opportunities for women across Canada in skilled and professional trades, Status of Women Canada (Ottawa), February 12, 2015. Date of access: March 06, 2015. <http://www.swc-cfc.gc.ca/med/news-nouvelles/2015/0212-eng.html>

<sup>1829</sup> Harper Government supports mentoring opportunities for women across Canada in skilled and professional trades, Status of Women Canada (Ottawa), February 12, 2015. Date of access: March 06, 2015. <http://www.swc-cfc.gc.ca/med/news-nouvelles/2015/0212-eng.html>

provincial human rights Codes. However, the Status of Women Ministry has identified that, while those laws exist in theory, women are still under-represented in many areas, and has committed to creating jobs and opportunities for women across the country to correct this discrepancy.<sup>1830</sup>

Finally, Canada's current laws state that women are entitled to 35 weeks to maternity benefits, as well as an equivalent amount of maternity leave from their employment, under the Employment Insurance program.<sup>1831</sup> While this provision is guarded by law, there have not been changes or improvements since 2014.

On 4 March 2015, the Parkland Institute, an Alberta-wide, non-partisan research centre published a report discussing the gender income gaps in Canada; particularly in Alberta where "gender income gaps ... are the largest in Canada ... [and women] perform an average of 35 hours of unpaid work each week." The report extends further to note that "this unpaid work burden compels many women in Alberta to seek part-time, flexible work arrangements, and a lack of affordable childcare spaces in the province is an additional barrier to women's participation in the paid workforce."<sup>1832</sup>

Thus, Canada is awarded a score of 0.

*Analyst: Daryna Kutsyna*

### **China: +1**

China has fully complied with its gender commitment to close the gap in participation rates between men and women and remove barriers hindering women's ability to participate in the labour market.

As of 28 October 2014, the female labour force participation rate was 70 per cent, compared to a male participation rate of 84 per cent.<sup>1833</sup> The labour participation gap is therefore 14 per cent. Furthermore, the informal labour market female participation rate was 35.7 per cent, compared to a male participation rate of 30.1 percent.<sup>1834</sup> The average estimated annual income for women in China is US\$499, compared to US\$1247 for men.<sup>1835</sup> The female-to-male ratio of wages for similar work is 0.63.<sup>1836</sup> According to the World Economic Forum, the average length of maternity leave is 98 calendar days, with 100 per cent of wages paid in the covered period by the employer and the government.<sup>1837</sup> While wages for paternity leave were also covered 100 per cent, only three days were allowed. Furthermore, instead of a joint provision of benefits with government, benefit delivery is the responsibility of employers.<sup>1838</sup>

On 13 January 2015, Vice President Li Yuanchao delivered a keynote speech at the 11<sup>th</sup> Executive Committee Meeting of the All-China Women's Federation praising the work of women's federations at all levels across

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<sup>1830</sup> Harper Government supports economic opportunities for women, Status of Women Canada (Ottawa), March 02, 2015. Date of access: March 06, 2015. <http://www.swc-cfc.gc.ca/med/news-nouvelles/2015/0302-en.html>

<sup>1831</sup> Employment Insurance Maternity and Parental Benefits, Service Canada (Ottawa), 21 November 2014. Date of access: 06 March 2015. [http://www.servicecanada.gc.ca/eng/ei/types/maternity\\_parental.shtml#eligible](http://www.servicecanada.gc.ca/eng/ei/types/maternity_parental.shtml#eligible)

<sup>1832</sup> The Alberta Disadvantage Gender, Taxation, and Income Inequality, Parkland Institute (Alberta) 4 March 2015. Date of Access: 11 March 2015. [http://parklandinstitute.ca/research/summary/the\\_alberta\\_disadvantage](http://parklandinstitute.ca/research/summary/the_alberta_disadvantage)

<sup>1833</sup> China Gender Gap Index 2014, World Economic Forum 28 October 2014. Date of Access: 17 February 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=CHN>.

<sup>1834</sup> Women and Men in the Informal Economy: A Statistical Picture, International Labour Organization 3 January 2013. Date of Access: 17 February 2015. [http://www.ilo.org/wcmsp5/groups/public/--dgreports/---stat/documents/publication/wcms\\_234413.pdf](http://www.ilo.org/wcmsp5/groups/public/--dgreports/---stat/documents/publication/wcms_234413.pdf).

<sup>1835</sup> China Gender Gap Index 2014, World Economic Forum 28 October 2014. Date of Access: 17 February 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=CHN>.

<sup>1836</sup> China Gender Gap Index 2014, World Economic Forum 28 October 2014. Date of Access: 17 February 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=CHN>.

<sup>1837</sup> China Gender Gap Index 2014, World Economic Forum 28 October 2014. Date of Access: 17 February 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=CHN>

<sup>1838</sup> China Gender Gap Index 2014, World Economic Forum 28 October 2014. Date of Access: 17 February 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=CHN>

the country.<sup>1839</sup> On 22 January 2015, a 0.5 per cent increase in formal female committee members was reported after villagers committee elections in the new year.<sup>1840</sup>

On 11 February 2015, it was announced that China's first-ever women's marathon is to be held in Shenzhen city on International Women's Day in efforts to raise awareness for women's health and poverty issues.<sup>1841</sup>

On 15 February 2015, its Ministry of Education released a notice banning colleges from implementing gender ratios during enrollment, advancing the cause of gender equality in education.<sup>1842</sup> However, no steps were taken to enforce the ban.

On 3 March 2015, a draft labour protection regulation for female workers was unveiled in Wuhan, the capital of Hubei Province. The regulation proposed two days' paid leave in the case of menstruation preventing regular or pain-free work, as well as guaranteed access to rest for menstruating female employees spending the majority of the work day standing up and working more than four-hour shifts.<sup>1843</sup>

On 30 March 2015, a draft labour protection regulation for female workers was unveiled in the Shanxi Province, providing extended protections to women experiencing painful or heavy menstruation, pregnancy, breast-feeding or menopause.<sup>1844</sup> The regulation would require employers to reduce the volume of work or arrange alternate tasks for employees with conditions confirmed by certified medical institutions. The regulation also extends existing protections to migrant and part-time employees previously excluded due to their lack of social insurance.

On 6 May 2015, the official Xinhua News Agency announced a renewed crackdown on pre-birth gender testing and sex-selective abortions, in efforts to reduce the demographic gender imbalance.<sup>1845</sup>

On 20 May 2015, the National Women's and Children's Health Research Society launched China's first ever science and technology awards in the field of women's and children's health.<sup>1846</sup> The awards aim to promote and recognize research into topics including prenatal health, family planning, and reproductive health.

On 10 June 2015, draft labour protection regulations in Wuhan, Hubei province were adopted.<sup>1847</sup> Provisions include better working conditions for pregnant women, three quarters' salary paid leave for women on pregnancy leave after 28 weeks, between 98 and 128 days of maternity leave for female employees, 10 days of nursing leave for women's spouses, additional leave for female employees that miscarry or have more than one child, and one hour of breastfeeding time a day for female employees with babies under the age of one

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<sup>1839</sup> China Vice President Praises ACWF'S Achievements in 2014, China Women's News 15 January 2015. Date of Access: 17 February 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1501/1209-1.htm>.

<sup>1840</sup> Women See Increased Role in Political Participation across China, acwf.people.com.cn 22 January 2015. Date of Access: 17 February 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1501/1767-1.htm>.

<sup>1841</sup> China's First Women's Marathon to Kick Off in Shenzhen, news.21cn.com 11 February 2015. Date of Access: 17 February 2015. <http://www.womenofchina.cn/womenofchina/html1/news/sports/1502/841-1.htm>.

<sup>1842</sup> China Bans Student Gender Ratio in College Enrolment, Beijing Times 16 February 2015. Date of Access: 17 February 2015. <http://www.womenofchina.cn/womenofchina/html1/features/education/1502/1242-1.htm>.

<sup>1843</sup> Hubei May Introduce Regulations on Menstrual Leave, Stirring Discussion on China-Wide Feasibility, China Women's News 9 March 2015. Date of access: 30 September 2015. <http://www.womenofchina.cn/womenofchina/html1/features/rights/1503/1130-1.htm>.

<sup>1844</sup> New Shanxi Draft Legislation an Unparalleled Step Forward for Women's Labor Rights, China Women's News 3 April 2015. Date of access: 30 September 2015. <http://www.womenofchina.cn/womenofchina/html1/features/rights/1504/533-1.htm>.

<sup>1845</sup> China Tries to Fix Skewed Sex Ratios, Wall Street Journal 6 May 2015. Date of access 30 September 2015. <http://blogs.wsj.com/chinarealtime/2015/05/06/china-tries-to-fix-skewed-sex-ratios/>.

<sup>1846</sup> China Launches Sci-Tech Award to Promote Women's, Children's Health, China Women's News 21 May 2015. Date of access: 30 September 2015. <http://www.womenofchina.cn/womenofchina/html1/projects/awards/1505/2024-1.htm>.

<sup>1847</sup> Women's Labor Rights: Wuhan Approves New, Far-Reaching Regulations, China Women's News 10 June 2015. Date of access: 30 September 2015. <http://www.womenofchina.cn/womenofchina/html1/features/rights/1506/896-1.htm>.

year old. They also prohibit discrimination against female employees in job promotion, professional title appraisal, and salary adjustment, with violations punishable through monetary and criminal sanctions.

Between 27 and 28 June 2015, The First International Forum on Women and Children's Healthcare was held in Nanning, with 48 domestic and foreign experts discussing latest research results in pregnancy management, gynecology, pediatrics, anesthesiology and genetics.<sup>1848</sup>

On 10 July 2015, a symposium on the opportunities and challenges of improving China's maternity insurance system was held in Beijing.<sup>1849</sup>

In July 2015, Shanxi province passed draft labour regulations providing the first laws in China to give menopausal rights to female workers.<sup>1850</sup> The law allows one to two days leave to those experiencing menstrual cramps, as well as requires employers to allow breastfeeding times to female employees with babies and build mother-child nursing rooms.

In July 2015, China also opened up the jobs of flight attendants to mothers for the first time, raising the age limit to 30.<sup>1851</sup>

In September 2015, the National Natural Science Foundation of China raised the age of women that can apply for funding of youth projects from 35 to 40, to reduce barriers faced by female researchers due to marriage and childbearing years.<sup>1852</sup>

On September 8, the China Association of Marriage and Family Studies held a forum in Beijing to discuss an upcoming draft of China's first Anti-Domestic Violence Law.<sup>1853</sup>

From September 15-17, the 8th Asia Women's Forum was held in the Tianjin Municipality of north China, aiming to "pool women's power and promote prosperity in the Asia-Pacific Region", and promoting dialogue between female professionals in the fields of politics, commerce, education, culture, and social work.<sup>1854</sup>

On September 22, the State Council released a white paper on gender equality and women's development. The paper reported significant progress in the economic status of Chinese women, as well as higher life expectancy, greater participation in public and domestic decision-making and management, and better access to compulsory education. The paper attributed this process to policy measures taken to ensure equal employment and education opportunities, better social security, and improved maternal and health care services for Chinese women.<sup>1855</sup>

On September 28, President Xi Jinping made a four-point proposal at the UN Global Leaders' Meeting on Gender Equality and Women's Empowerment. He called for "women's development in tandem with social and economic progress," the "[protection] of women's rights and interests ... by laws and regulations,"

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<sup>1848</sup> 1st Int'l Forum on Women, Kids' Healthcare Kicks Off in S China, China Women's News 1 July 2015. Date of access: 1 October 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1507/48-1.htm>.

<sup>1849</sup> Experts Put China's Maternity Insurance System in the Spotlight, China Women's News 14 July 2015. Date of access: 1 October 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1507/1061-1.htm>.

<sup>1850</sup> Shanxi: China's 1st Province to Give Women 'Menopause Rights', China Women's News 31 August 2015. Date of access: 1 October 2015. <http://www.womenofchina.cn/womenofchina/html1/features/rights/1508/3403-1.htm>.

<sup>1851</sup> Flight Attendant Jobs Open to Mothers for the First Time, China Women's News 31 July 2015. Date of access: 1 October 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1507/3742-1.htm>.

<sup>1852</sup> Sci-Tech Foundation Relaxes Funding Rules for Female Scientists, China Women's News 7 September 2015. Date of access: 1 October 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1509/467-1.htm>.

<sup>1853</sup> Domestic Violence Proposals Discussed at Law Forum in Beijing, China Women's News 21 September 2015. Date of access 8 October 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1509/1978-1.htm>.

<sup>1854</sup> Tianjin Hosts Forum to Promote Prosperity Among Asia's Women, China Women's News 18 September 2015. Date of access: 2 October 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1509/1831-1.htm>.

<sup>1855</sup> China Releases White Paper on Gender Equality, Women's Development, China Women's News 22 September 2015. Date of access 8 October 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1509/2083-1.htm>.

“[building] up women’s capacity of playing their part in the society and economy,” and creating “a global environment favourable for women’s development.” The President also announced that China will be sending aid to developing countries in the next five years to help build health projects, provide medical services, and raise girls’ school enrollment rates.<sup>1856</sup>

China has taken strong and sufficient action to address the policy areas of affordable child care, paid sick days and paid maternity leave; equal wage for equal work; amending all laws that discriminate against women and taking active steps in ensuring that they are implemented; and reducing the informal employment of women as well as underemployment.

Thus, China is awarded a score of +1.

*Analyst: Grace Lee*

### **France: +1**

France has fully complied with its commitment to increasing the gender participation rate of women.

According to statistics provided by the World Bank, the labour force participation of women in France stands at 51 per cent,<sup>1857</sup> as compared to the 62 per cent participation of men.<sup>1858</sup> The gender labour participation gap consists of 11 per cent. This gender gap has consistently narrowed in recent years.<sup>1859</sup>

In December 2014, in an effort to reduce pay inequalities,<sup>1860</sup> France introduced contractual provisions requiring businesses to provide maternity and other provisions to women to prevent career derailment, as well as further mandating an equal salary.<sup>1861</sup> However, France has also reported that women currently earn EUR 0.75 to a man’s euro, and has indicated no provisions extending further than requiring gender parity among certain enterprises to correct for that inequality.<sup>1862</sup>

In late 2014, a government conference indicated that in France over 80 per cent of professional women have been victims of sexism and the conference proposed measures to combat workplace sexism. However there is no current evidence that these measures have been put in place in a tangible manner.<sup>1863</sup>

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<sup>1856</sup> Chinese President Makes Proposal on Promoting Women's Rights, China Women’s News 28 September 2015 Date of access: 8 October 2015. <http://www.womenofchina.cn/womenofchina/html1/news/china/1509/2480-1.htm>.

<sup>1857</sup> Labor force participation rate, female (% of female population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1858</sup> Labor force participation rate, male (% of male population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

<sup>1859</sup> Profile of France, International Labour Organization (United Nations), 2014. Date of Access: March 14, 2015. [http://www.ilo.org/ilostat/faces/home/statisticaldata/ContryProfileId;jsessionid=JvSsVFmQ3MjMQnQtQj44th7XyLQ7Ztzc2FMsrWZr7r2sMb6QhYzh!-140318373?\\_afLoop=433601028339563&\\_adf.ctrl-state=18ufy5e2vc\\_4#%40%3F\\_afLoop%3D433601028339563%26\\_adf.ctrl-state%3D2we1qf2jl\\_4](http://www.ilo.org/ilostat/faces/home/statisticaldata/ContryProfileId;jsessionid=JvSsVFmQ3MjMQnQtQj44th7XyLQ7Ztzc2FMsrWZr7r2sMb6QhYzh!-140318373?_afLoop=433601028339563&_adf.ctrl-state=18ufy5e2vc_4#%40%3F_afLoop%3D433601028339563%26_adf.ctrl-state%3D2we1qf2jl_4)

<sup>1860</sup> France has legislated equal pay for equal work provisions in 1972, but a substantial wage gap remains in practice, measured to widen as the workforce gets older on average. Further, gender inequality persists in particular industries, with twenty-four major industries in France, including technology, finance, and medicine, boasting a male-dominated workforce. Equal Pay Legislation and the Gender Wage Gap, IZA World of Labour (Birmingham), 2015. Date of Access: March 14, 2015. <http://wol.iza.org/articles/equal-pay-legislation-and-the-gender-wage-gap>

<sup>1861</sup> 8 mars : journée internationale des droits des femmes, Ministère du Travail, de l'Emploi, de la formation professionnelle and du Dialogue social (Paris), March 8, 2015. Date of Access: March 14, 2015.

<sup>1862</sup> 8 mars : journée internationale des droits des femmes, Ministère du Travail, de l'Emploi, de la formation professionnelle and du Dialogue social (Paris), March 8, 2015. Date of Access: March 14, 2015.

<sup>1863</sup> Sexisme dans le monde du travail: combattre le loi de silence, Ministre des Affaires Sociales, de la Sante, et des Droits des Femmes (Paris), March 6, 2015. Date of Access: March 14, 2015. <http://femmes.gouv.fr/sexisme-dans-le-monde-du-travail-combattre-la-loi-du-silence/>

On 8 March 2015, on International Women's Day, the government of France publicized a report highlighting the benefits of a more equal workforce and of more women creating enterprises, including decreases in unemployment and placing a lower strain of social services.<sup>1864</sup> However, it is hard to ascertain if this information was further shared with relevant stakeholders, as no evidence of such a transaction of information is present.

The steps taken to introduce contractual provisions requiring businesses to provide maternity and other provisions to women to prevent career derailment, as well as further mandating an equal salary are a solid enough step forward in the right direction. It is however worth noting that although France has recommended potential initiatives to reduce pay and industry inequality, as well as intangible gender issues such as workplace sexism, there is no evidence present to indicate that any measures have been put in practice.

France has continued its positive trend toward gender equality in later 2015, recently celebrating one year since a law propagating measures for equality described above has come into action.<sup>1865</sup> In this year, France has produced all legal documentation and standards necessary for implementation.

Thus, France is awarded a score of +1.

*Analyst: Daryna Kutsyna*

### **Germany: +1**

Germany has fully complied with its commitment on improving gender equality.

The most recent statistics of the World Bank indicate that the female labour participation rate consists of 54 per cent<sup>1866</sup> and the male labour participation rate is 66 per cent.<sup>1867</sup> The gender labour participation gap is therefore 12 per cent. Furthermore, "almost half of working women were in part-time employment, but only one in nine working men ... [which means that women's] share of work volume remained lower—at around 40 per cent."<sup>1868</sup>

On 30 January 2015, a press release notes that the female participation rate in Germany has increased by 10 per cent over the last decade and a half (while that of men increased by only 1 per cent during the same period).

On 11 December 2014, the German cabinet adopted legislation that introduced a quota that requires all non-executive board positions of domestic companies to be made up of 30 per cent women.<sup>1869</sup>

On 1 May 2015, legislation entered into force that introduced a quota that requires all non-executive board positions in listed and codetermined companies to be made up of 30 per cent women.<sup>1870</sup> For listed or

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<sup>1864</sup> 8 mars : journée internationale des droits des femmes, Ministère du Travail, de l'Emploi, de la formation professionnelle and du Dialogue social (Paris), March 8, 2015. Date of Access: March 14, 2015.

<sup>1865</sup> La loi pour l'égalité réelle entre les femmes et les hommes, Gouvernement de la France (Paris), 9 October 2015. Date of Access: 13 October 2015. <http://www.gouvernement.fr/action/la-loi-pour-l-egalite-reelle-entre-les-femmes-et-les-hommes>

<sup>1866</sup> Labor force participation rate, female (% of female population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1867</sup> Labor force participation rate, male (% of male population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

<sup>1868</sup> Women Catching Up in German Labor Market - Participation Rate Rising Faster Than That of Men, Press Release, Date of Access: 8 March 2015. [http://www.diw.de/en/diw\\_01.c.495875.en/topics\\_news/women\\_catching\\_up\\_in\\_german\\_labor\\_market\\_participation\\_rate\\_rising\\_faster\\_than\\_that\\_of\\_men.html](http://www.diw.de/en/diw_01.c.495875.en/topics_news/women_catching_up_in_german_labor_market_participation_rate_rising_faster_than_that_of_men.html).

<sup>1869</sup> Germany to legislate 30 percent quota for women on company boards, DW News 26 November 2014. Date of Access: 27 February 2015. <http://www.dw.de/germany-to-legislate-30-percent-quota-for-women-on-company-boards/a-18088840>

codetermined companies, the law requires the establishment and disclosure of specific target figures on women representation at the levels of executive and supervisory board, as well as the two management levels immediately below the executive level. Also, the law has strengthened the provisions on public sector women representation, especially in federal government agencies and public enterprises.

Thus, Germany is awarded a score of +1.

## India: 0

India has partially complied with its commitment to reduce the gender gap between men and women in the labour force.

The female labour force participation rate in India as of 2013 is 27%, a decrease from previous years.<sup>1871</sup> The male labour force participation rate is much higher at 80%.<sup>1872</sup> There is gap in labour force participation of 50.1 points.<sup>1873</sup> Furthermore, “female labor force participation has been on a declining trend in India, in contrast to most other regions, particularly since 2004/05.”<sup>1874</sup>

Since 2012, approximately 86% of female employment in India has been informal, where there are no maternity, health or childcare benefits.<sup>1875</sup> Currently, India does have a maternity benefit program in place, which guarantees the “payment of maternity benefit at the rate of the average daily wage for the period of her actual absence.”<sup>1876</sup> However, India does not have any program of shared paternal leave in place, which could help women become more involved in the workforce. In India, there is no leave, paid or unpaid, for fathers at all.<sup>1877</sup>

On 23 February 2015, at the budget session, Indian President Pranab Mukherjee addressed some issues related to female underrepresentation in the labour force. He listed the decline in the child sex ratio as a grave concern, and listed a commitment to improve the police force, and to include female police personnel.<sup>1878</sup> Despite recognising the magnitude of the problems with gender in India no extensive measures were mentioned to ensure better formal labour force participation rates.

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<sup>1870</sup> Law for the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector, The Bundestag, the lower house of Germany’s Parliament, passed the law on March 6, 2015, Date of Access: 6 October 2015. <http://dipbt.bundestag.de/extrakt/ba/WP18/643/64384.html>.

<sup>1871</sup> Labor force participation rate, female, The World Bank Group (Washington). Date of Access: 10 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1872</sup> Labor force participation rate, female, The World Bank Group (Washington). Date of Access: 10 March 2015.

<sup>1873</sup> Achieving stronger growth by promoting a more gender balanced economy, Report prepared for G20 Labour and Employment Ministerial Meeting, OECD, International Labour Office, International Monetary Fund, The World Bank Group 15 August 2014. Date of Access: 03 March 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf>

<sup>1874</sup> “Women Workers in India: Why So Few Among So Many?”, World Bank Group (Washington) March 2015. Date of Access: 23 March 2015. <https://www.imf.org/external/pubs/ft/wp/2015/wp1555.pdf>

<sup>1875</sup> Statistical update on employment in the informal economy, ILO Department of Statistics, (Geneva), July 2012. Date of Access: 10 March 2015. [http://laborsta.ilo.org/applv8/data/INFORMAL\\_ECONOMY/2012-06-Statistical%20update%20-%20v2.pdf](http://laborsta.ilo.org/applv8/data/INFORMAL_ECONOMY/2012-06-Statistical%20update%20-%20v2.pdf)

<sup>1876</sup> Maternity Benefit Act, 1961, Medindia, (Anna Nagar), last updated 10 March 2015. Date of Access: 10 March 2015. [http://www.medindia.net/indian\\_health\\_act/maternity-benefit-rules-1961-right-to-payment-of-maternity-benefits.htm](http://www.medindia.net/indian_health_act/maternity-benefit-rules-1961-right-to-payment-of-maternity-benefits.htm)

<sup>1877</sup> How parental leave rights differ around the world, The Guardian, (London) 29 November 2013. <http://www.theguardian.com/money/shortcuts/2013/nov/29/parental-leave-rights-around-world>

<sup>1878</sup> President of India’s Speech to Parliament in Full, The Wall Street Journal, (New York), 23 February 2015. Date of Access: 10 March 2015.

<http://blogs.wsj.com/indiarealtime/2015/02/23/president-of-indias-speech-to-parliament-in-full/>



On 19 March 2015, it was announced that a total of 24, 037 beneficiaries had been assisted by the Support to Training and Employment Programme for Women in the current year.<sup>1879</sup> This program began in 2013 and provides funding to any sector for the imparting of skills related to employability and entrepreneurship.

On 27 July 2015, the Ministry of Micro, Small & Medium Enterprises announced a scheme to help facilitate employment opportunities for women.<sup>1880</sup> Under this Trade Related Entrepreneurship Assistance and Development scheme, women are provided training, information and counseling activities related to trades, products and services.

During this compliance cycle, India has taken some measures to reduce the gender gap in labour participation between men and women. Thus, India is awarded a score of 0.

*Analyst: Madeline Torrie and Taylor Grott*

### **Indonesia: -1**

Indonesia has failed to comply with its commitment to address women's participation in the workforce and increase female labour force participation rate by 25 per cent.

According to the most recent statistic provided by the World Bank in 2013, the ratio of female to male labour force participation is 60.3 per cent.<sup>1881</sup> With no available data from previous or succeeding years, it is unclear whether Indonesia has narrowed the gender gap.

Despite the creation of a Ministry of Women Empowerment and Child Protection in 2011, Indonesia struggles with bridging the gender gap between men and women employed by industrial and agricultural industries.<sup>1882</sup> A major cause of this is the underrepresentation of women in public positions.<sup>1883</sup> The government of Indonesia has attempted to improve this by introducing a minimum 30 per cent required female representation in political parties of 30 per cent.<sup>1884</sup>

Other barriers that hinder gender equality in Indonesia are gender discriminatory land tenure laws. Rights to land ownership are asymmetrical, and even in regions where practices favour women's property rights, few land titles are issued to women.<sup>1885</sup>

There is no record of Indonesia removing barriers that hinder women's ability to participate in the labour market during this compliance cycle.

Thus, Indonesia is awarded a score of -1.

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<sup>1879</sup> Scheme for Economic Empowerment of Rural Women, Press Information Bureau by the Ministry of Women and Child Development, Government of India, 19 March 2015. Date Accessed: 11 November 2015.

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=117373>

<sup>1880</sup> Women Entrepreneurship Development Programme, Ministry of Micro, Small & Medium Enterprise, Government of India, 27 July 2015. Date of Access: 11 November 2015. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=123782>

<sup>1881</sup> Ratio of female to male labor force participation rate (%) (national estimate), World Bank (Washington) 2015. Date of Access 2 October 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FM.NE.ZS>

<sup>1882</sup> Employment Plan 2014 Indonesia, G20 2014. Date of Access 26 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_indonesia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_indonesia.pdf)

<sup>1883</sup> Employment Plan 2014 Indonesia, G20 2014. Date of Access 26 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_indonesia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_indonesia.pdf)

<sup>1884</sup> Employment Plan 2014 Indonesia, G20 2014. Date of Access 26 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_employment\\_plan\\_indonesia.pdf](https://g20.org/wp-content/uploads/2014/12/g20_employment_plan_indonesia.pdf)

<sup>1885</sup> Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, Raquel Rolnik, United Nations Human Rights Council 26 December 2013. Date of Access 26 February 2015. <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/G13/191/55/PDF/G1319155.pdf?OpenElement>

## Italy: +1

Italy has fully complied with its commitment to reduce the gap in participation rates between men and women in the labour force by 25 per cent by 2025.

According to the most recent statistics provided by the World Bank, the female labour participation in Italy consists of 40 per cent.<sup>1886</sup> The male labour participation rate consists of 71 per cent.<sup>1887</sup> The gender labour gap is therefore 31 per cent.

On 15 December 2014, the Jobs Act was implemented. The act necessitates numerous reforms to social welfare, employment, and policies regarding labour relations. The Job Act introduces reforms such as “a tax credit for working women, even autonomous, who have minor children or disabled dependents and who are below a certain threshold of total individual income.”<sup>1888</sup> Furthermore, tax deductions may be harmonized for a dependent spouse. The Italian government has pledged to expand telework programs, enable workers to utilize transfer days to care for young children, and encourage firms to adopt flexible working hours and productivity bonuses.<sup>1889</sup> Also, women who are victims of gender violence are entitled to three months of leave while receiving 100 per cent of their salary. Victims of gender violence may also have the opportunity to phase back into full-time work with part-time employment.<sup>1890</sup> These are among some of the policy initiatives taken in an effort to make labour force participation more attractive to women.<sup>1891</sup>

On 1 January 2015, a baby bonus policy was implemented. If a mother’s annual income is less than EUR 25,000, she is entitled to EUR 960 per year. If a mother’s annual income is less than EUR 7,000 per year, she is entitled to EUR 1,920 per year. The bonus is applicable to all low-income mothers who give birth or adopt a child between 1 January 2015 and 31 December 2017. The bonus is accessible until the child turns three years old. In addition to introducing the baby bonus, the Italian government also increased the value of babysitting vouchers from EUR 300 to EUR 600 per child.<sup>1892</sup>

On 20 February 2015, reforms to the Consolidated Law on Motherhood and Fatherhood were introduced at the Council of Ministers. Under the legislative decree, the funding for maternity leave will increase by EUR 222 million. With additional funding, the maximum age of the child to qualify for maternal leave increased from eight to 12 years old. Furthermore, the period in which a mother can collect her salary while on maternal leave increased from three to six years. Additionally, maternity leave is no longer quantified by days, but by hours. Maternity leave can now be accessed by self-employed women and women in the agricultural sector. If a woman cannot redeem the aforementioned benefits, her spouse may access her maternity benefits.

On 24 February 2015, the Italian Ministry of Labour and Social Policy expanded incentives for firms to hire unemployed women. If a firm complies, the government will subsidize 50 per cent of the recently hired

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<sup>1886</sup> Labor force participation rate, female (% of female population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1887</sup> Labor force participation rate, male (% of male population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

<sup>1888</sup> The Jobs Act: The Innovations of the Reform of Labour, Fisco e Tasse (Bologna) 20 February 2015. Date of Access: 28 February 2015. <http://www.fiscoetasse.com/approfondimenti/12128-jobs-act-le-novit-della-riforma-del-lavoroo.html>.

<sup>1889</sup> The Jobs Act: The Innovations of the Reform of Labour, Fisco e Tasse (Bologna) 20 February 2015. Date of Access: 28 February 2015. <http://www.fiscoetasse.com/approfondimenti/12128-jobs-act-le-novit-della-riforma-del-lavoroo.html>.

<sup>1890</sup> Maternity Leave and Paternity leave in 2015: What Changes with the Approval of the Jobs Act, Forex (Rome) 23 February 2015. Date of Access: 26 February 2015. <http://www.forexinfo.it/Congedo-di-maternita-2015-e?lang=it>.

<sup>1891</sup> The Jobs Act: The Innovations of the Reform of Labour, Fisco e Tasse (Bologna) 20 February 2015. Date of Access: 28 February 2015. <http://www.fiscoetasse.com/approfondimenti/12128-jobs-act-le-novit-della-riforma-del-lavoroo.html>.

<sup>1892</sup> Bonus Babies 2015, GreenMe (Rome) 19 February 2015. Date of Access: 26 February 2015. <http://www.greenme.it/vivere/speciale-bambini/15752-bonus-bebe-2015-come-richiederlo>.

women's salaries.<sup>1893</sup> This program is especially active in southern Italy and other economically disadvantaged regions where the labour participation rate of women is lower than the Italian average.<sup>1894</sup>

On 17 February 2015, the Italian government announced reforms to its retirement and pension policy. Under the 100 Quota, if one's age plus years of employment totals to 100, one is entitled to retire with a pension. However, women may now retire without penalty if they are 57 years and three months old and have worked for 35 years.<sup>1895</sup>

On 3 June 2015, the Prime Minister of Italy, Matteo Renzi announced that 159,000 jobs for were created since the launch of the Job Act. Additionally, Renzi announced that women's employment increased 1.2 per cent from the previous month. However, ISTAT, Italy's statistical gathering body, argues that it is too early to discern the effectiveness of the Jobs Act.<sup>1896</sup>

On 28 September 2015, the Italian government announced that there would be a vote on 6 October 2015 to extend the "Option Woman" program to 2018. As mentioned above, the Option Woman program makes the workplace more accessible and desirable to women by offering early retirement. Currently, the Ministry of Labour is worried of a continual "staircase" where women must wait longer and longer to retire. If the New Option Woman is passed, women will be able to retire at either 62 or 63 years old, with 35 years of contributions, and reductions of payments will only be 10per cent.<sup>1897, 1898</sup>

Italy has instituted numerous policies under the Job Act to encourage the participation and employment of women.

Thus, Italy is awarded a score of +1.

*Analyst: Sarah Sgambelluri*

## **Japan: +1**

Japan has fully complied with its gender commitment to close the gap in participation rate between men and women and remove barriers hindering female participation in the labour market.

In 28 October 2014, Japan's female labour force participation rate was 64 per cent, compared to a male participation rate of 84 per cent.<sup>1899</sup> The gender labour gap is therefore 20 per cent.

The average estimated annual income for women in Japan is USD 23,949, compared to USD 40,000 for men.<sup>1900</sup> The female-to-male ratio of wages for similar work was 0.60.<sup>1901</sup> Japan's average length of maternity

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<sup>1893</sup> Unemployed, Big Bonus INPS in these Towns in Umbria, *Giornale dell Umbria* (Perugia) 24 February 2015. Date of Access: 28 February 2015. <http://www.giornaledellumbria.it/article/article222392.html>.

<sup>1894</sup> Italy Does Not Think "Pink", Ours is Not a Country for Women, *EU News* (Rome) 11 February 2015. Date of Access: 26 February 2015. <http://www.eunews.it/2015/02/11/litalia-non-pensa-rosa-il-nostro-non-e-un-paese-per-donne/30089>.

<sup>1895</sup> Pensions 2015: New Early Retirement, Renzi, Women, and the 100, *ControCampus* (Salerno) 17 February 2015. Date of Access: 28 February 2015. <http://www.controcampus.it/2015/02/pensioni-2015-novita-pensione-anticipata-renzi-donne-e-quota-100/>.

<sup>1896</sup> ISTAT, employment increased in April: "Merit of the Jobs Act", *Citta* (Rome) 3 June 2015. Date of Access: 9 October 2015. <http://www.today.it/economia/occupazione-dati-jobs-act-aprile-2015.html>.

<sup>1897</sup> Option Woman until 2015 and extending to 2018: Time to Act, *Blasting News* (Rome) 28 September 2015. Date of Access: 9 October 2015. <http://it.blastingnews.com/lavoro/2015/09/opzione-donna-fino-al-2015-e-proroga-al-2018-novita-28-settembre-e-tempo-di-agire-00579611.html>.

<sup>1898</sup> Pensions, the government is preparing a new Option Woman, *Il Fatto Quotidiano* (Rome) 21 September 2015. Date of Access: 10 October 2015. <http://www.ilfattoquotidiano.it/2015/09/21/pensioni-il-governo-prepara-una-nuova-opzione-donna-e-sputa-lopzione-uomo/2056019/>.

<sup>1899</sup> Japan Gender Gap Index 2014, *World Economic Forum* 28 October 2014. Date of Access: 17 February 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=JPN>.

leave is 98 calendar days, with 66 per cent of wages paid in the covered period by the government.<sup>1902</sup> Paternity leave data was not available.

Regarding Japan's lack of childcare, the Abe government has committed itself to creating 20,000 new childcare positions by the end of March 2015.<sup>1903</sup> It has so far added 190,000 nursery schools, towards a goal of 400,000 by 2018.<sup>1904</sup> As of 7 December 2014, childcare benefits were raised to 67 per cent of wages, and deemed applicable to both mothers and fathers.<sup>1905</sup>

Prime Minister Shinzo Abe has also pledged to have women in 30 per cent of leadership roles in all sectors by 2020. Japan has introduced the Nadeshiko Meigara scheme to provide incentives to companies that create welcoming workplaces for women.<sup>1906</sup>

On 13 March 2015, the labour ministry made it illegal to demote, reassign, or otherwise unfavourably treat female employees for a year after their return from childcare leave. Based on a landmark Supreme Court ruling that prohibits demotion due to pregnancy, the Health, Labour and Welfare Ministry distributed new guidelines to labour bureaus nationwide.<sup>1907</sup>

On 10 April 2015, the Ministry of Health, Labour and Welfare considered rewards of up to JPY 600,000 (USD 4,997) for small and medium-sized companies meeting targets for female workplace participation. Targets include the numbers of women in managerial positions and employees taking parental leave, as well as training courses to expand women's employment options.<sup>1908</sup> As of 28 September 2015, however, no companies have applied for the subsidy program.<sup>1909</sup>

On 9-10 April 2015, Japan hosted the Women's International Networking Conference, an internationally recognized learning platform attracting thousands of female leaders worldwide. The conference was aimed at empowering and inspiring women to bring about social change, with an emphasis on greater diversity in the workplace.<sup>1910</sup>

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<sup>1900</sup> Japan Gender Gap Index 2014, World Economic Forum 28 October 2014. Date of Access: 17 February 2015 <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=JPN>.

<sup>1901</sup> Japan Gender Gap Index 2014, World Economic Forum 28 October 2014. Date of Access: 17 February 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=JPN>.

<sup>1902</sup> Japan Gender Gap Index 2014, World Economic Forum 28 October 2014. Date of Access: 17 February 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=JPN>.

<sup>1903</sup> Abe Sells Unfinished Policy Plan as He Rejects Failure, Bloomberg Business 18 November 2014. Date of Access: 18 February 2015. <http://www.bloomberg.com/news/articles/2014-11-18/abe-to-sell-unfinished-plan-as-abenomics-shapers-reject-failure>.

<sup>1904</sup> Abe Pushes 'Womenomics' to Shake Up Japan's Workforce Dynamic, Financial Times 7 December 2014. Date of Access: 18 February 2015. <http://www.ft.com/cms/s/0/4c42de68-6a89-11e4-bfb4-00144feabdc0.html#axzz3S4M0PITj>.

<sup>1905</sup> Abe Pushes 'Womenomics' to Shake Up Japan's Workforce Dynamic, Financial Times 7 December 2014. Date of Access: 18 February 2015. <http://www.ft.com/cms/s/0/4c42de68-6a89-11e4-bfb4-00144feabdc0.html#axzz3S4M0PITj>.

<sup>1906</sup> Abe Pushes 'Womenomics' to Shake Up Japan's Workforce Dynamic, Financial Times 7 December 2014. Date of Access: 18 February 2015. <http://www.ft.com/cms/s/0/4c42de68-6a89-11e4-bfb4-00144feabdc0.html#axzz3S4M0PITj>.

<sup>1907</sup> Ministry to outlaw maternity discrimination, Japan Times 31 March 2015. Date of Access: 8 October 2015. <http://www.japantimes.co.jp/news/2015/03/31/national/ministry-to-outlaw-maternity-discrimination/#.VhITS3pVikp>.

<sup>1908</sup> Subsidies eyed for companies promoting women's employment, Japan Times 10 April 2015. Date of Access: 9 October 2015. <http://www.japantimes.co.jp/news/2015/04/10/national/subsidies-eyed-companies-promoting-womens-employment/#.VhIVJ3pVikr>.

<sup>1909</sup> Zero applicants for Japan plan to promote women to senior posts, Japan Times 28 September 2015. Date of Access: 9 October 2015. <http://www.japantimes.co.jp/news/2015/09/28/national/zero-applicants-for-japan-plan-to-promote-women-to-senior-posts/#.VhITXpVikq>.

<sup>1910</sup> Conference highlights need to empower women, embrace diversity in the workplace, Japan Times 14 April 2015. Date of Access: 10 October 2015. <http://www.japantimes.co.jp/news/2015/04/14/national/conference-highlights-need-empower-women-embrace-diversity-workplace/#.VhITUHpVikp>.

On 26 June 2015, Japan's first guidelines on female empowerment were released, calling for legal revisions preventing companies from mistreating pregnant women or mothers with young children. The guidelines also called for increasing the number of women in science and engineering, rewards for companies adhering to the guidelines, revision to the equal employment opportunity law to guard against maternity harassment, and men to become more active in child-rearing and homemaking.<sup>1911</sup>

On 31 July 2015, the number of working women in Japan reached a record high of 27.72 million full-time and part-time employees—the highest reported figure since 1953. However, the majority of jobs held by women remain part-time, indicating a persistent gender wage gap.<sup>1912</sup>

On 28 August 2015, the Diet passed a bill obliging companies with 301 or more employees as well as central and local governments to set numerical targets for promotion and employment of women, as well as publically disclose the information to create social stigma against non-compliance.<sup>1913</sup>

In September 2015, the Japanese government relaxed immigration policies for foreign workers entering the domestic-work market in Osaka and Kanagawa, in efforts to boost the Japanese female labour force. The new guidelines are aimed at supporting women who wish to work but are unable to do so due to cultural expectations of being a mother or taking care of the elderly.<sup>1914</sup>

Japan has taken strong and sufficient action to address the policy areas of affordable child care, paid sick days and paid maternity leave; amending laws that discriminate against women and taking active steps in ensuring that they are implemented; increasing access to finance and business training to women entrepreneurs; and reducing the informal employment of women as well as underemployment.

Thus, Japan is awarded a score of +1.

*Analyst: Grace Lee*

#### **Korea: +1**

Korea has fully complied with its commitment in reducing the gender gap between men and women in the labour market. Existing initiatives, such as the Task Force for Utilization of Women Resources and Implementation of Gender Equality, have been maintained. The Korean government has explicitly expressed the need to better equip women with families in the workforce.

According to the most recent statistics provided by the World Bank, in Korea the female labour participation is 72%.<sup>1915</sup> The male labour participation is 84%.<sup>1916</sup> There is therefore a gender labour gap of 12%. According to the Gender Gap Index 2014, Korea ranks 117 out of 142 countries.<sup>1917</sup>

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<sup>1911</sup> Government releases first female empowerment guidelines, Japan Times 26 June 2015. Date of Access: 10 October 2015. <http://www.japantimes.co.jp/news/2015/06/26/national/government-releases-first-female-empowerment-guidelines/#.VhlYsXpVikp>.

<sup>1912</sup> Number of Japanese women in work reaches record high, Financial Times 31 July 2015. Date of Access: 10 October 2015. <http://www.ft.com/intl/cms/s/0/564cf97e-374e-11e5-bdbb-35e55cbae175.html>

<sup>1913</sup> Diet passes bill aimed at boosting women in the workplace, Japan Times 29 August 2015. Date of Access: 10 October 2015. <http://www.japantimes.co.jp/news/2015/08/28/national/politics-diplomacy/diet-passes-bill-aimed-boosting-women-workplace/#.VhlXp3pViko>.

<sup>1914</sup> Japan to employ foreign help to boost female workforce, Kyodo News 29 September 2015. Date of Access: 10 October 2015. <http://www.abs-cbnnews.com/global-filipino/world/09/28/15/japan-employ-foreign-help-boost-female-workforce>.

<sup>1915</sup> Labor force participation rate, female (% of female population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1916</sup> Labor force participation rate, male (% of male population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

On 16 December 2014, the 2014 performance briefing session for the Task Force for Utilization of Women Resources and Implementation of Gender Equality was held at the Korea Chamber of Commerce and Industry. The session shared the successes of the task force in enlarging female employment. This included the ongoing creation of gender equality culture since the task force's establishment on 17 June 2014.<sup>1918</sup>

On 13 January 2015, the Minister of Employment and Labour Lee Ki-kweon addressed the tasks to be carried out in the implementation of the Three-Year Plan for Economic Innovation, currently in its second year. At a joint policy briefing under the theme of economic innovation, Minister Lee Ki-kweon reiterated the need to focus on the third task, "expanding the social safety net to help people back to work." Under this third task, the Korean government will develop more standard contract forms for non-standard contract workers. In addition, the government will attempt to restructure the supply market for domestic services. This will improve the employment of domestic workers and create jobs for "middle-aged and older women."<sup>1919</sup>

On 21 January 2015, the Ministry of Gender Equality and Family announced its plans to support of the female labour working force and working parents by introducing six support centres for working parents. In addition, they will provide evening consultation services or outreach consultations for families with working parents.<sup>1920</sup>

On 6 February 2015, Korean President Park presided over a plenary meeting of the Presidential Commission on the Aging Society and Population Policy in Seoul. President Park called for measures that will lower the cost of raising a child. The President also asserted the need to better help women balance home life and work.<sup>1921</sup>

On 23 February 2015, Gender Equality and Family Minister Kim Hee Jung addressed the need to assist young female adults in their late twenties and thirties. She highlighted the need to help women re-enter the workforce following childcare leave. The Korean government has also set targets for the ratio of female managers in state ministries and enterprises. Those results are to be reflected in the organizations' annual evaluations. The government aims to have female managers make up at least 15% of the total in central government and 18.6% in state enterprises by 2017. Minister Kim claims that these targets are realistic.<sup>1922</sup>

The Korean government has taken strong and sufficient enough action in its attempts to achieve the goals set forth in the gender commitment. Thus, Korea is awarded a score of +1.

*Analyst: Allison Ing*

## **Mexico: 0**

Mexico has partially complied with its commitment to address women's participation in the workforce but has not reached the goal to increase women's participation by 2.5%.

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<sup>1917</sup> Economies: Korea Rep., The Global Gender Gap Index 2014, World Economic Forum. Date of Access: 1 March 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=KOR>.

<sup>1918</sup> 2014 Performance Briefing Session of the Task Force for Utilization of Women Resource and Implementation of Gender Equality Presentation of successful practice cases for work-family balance (Seoul) 16 December 2014. Date of Access: 1 March 2015. <http://english.mogef.go.kr/htmleng/webzine/main/sub01.jsp>.

<sup>1919</sup> Ministry of Employment and Labor (MOEL) sets out four rules to create new labor market, Ministry of Employment and Labor (Seoul) 13 January 2015. Date of Access: 1 March 2015. [http://www.moel.go.kr/english/poli/poliNewsnews\\_view.jsp?idx=1094](http://www.moel.go.kr/english/poli/poliNewsnews_view.jsp?idx=1094).

<sup>1920</sup> Gov't to push nationwide innovation, happiness for all, Korea.net, 23 January 2015. Date of Access: 1 March 2015. <http://www.korea.net/NewsFocus/Policies/view?articleId=125086>.

<sup>1921</sup> President Park Announces Plans to Address Population Crisis, The Korea Times (Seoul) 6 February 2015. Date of Access: 1 March 2015. <http://www.koreatimesus.com/president-park-announces-plans-to-address-population-crisis/>.

<sup>1922</sup> South Korea Wants Its Women to Lean In To Workforce After Childbirth, 25 February 2015. Date of Access: 1 March 2015. <http://www.bloomberg.com/news/articles/2015-02-25/challenging-gender-inequality-in-south-korea>.

According to the most recent statistics provided by the World Bank, in Mexico the female labour participation rate consists of 45%.<sup>1923</sup> The male labour participation rate consists of 80%.<sup>1924</sup> The gender labour participation gap is therefore 35%.

Mexico has increased its female labour force participation rate over the last 15 years but continues to face a significant informal labour market.<sup>1925</sup> According to statistics released by the government of Mexico in the fourth quarter of 2014, the current female labour force participation rate is 42.8%. The male labour force participation rate is 78.0%.<sup>1926</sup> The gap between the female and male participation rate indicates that women are not yet equally represented in the workplace.

On 9 December 2014, the Secretariat of Labour and Social Welfare created a new policy to guarantee that all workers receive the bonuses that their position entitles them to. Furthermore, the secretariat stated that maternity leave must be counted as days worked and therefore included in calculations of earned bonuses.<sup>1927</sup> Recently, Mexico has made an effort to increase banks' financial support of women and create policies to guarantee women equal benefits in the workplace.<sup>1928</sup>

On 16 December 2014, the Ministry of Finance and Public Credit announced the objective to improve the diversity of access to credit in the annual financing plan for 2015.<sup>1929</sup> This indicates that women will be more eligible for financial support from Mexican banks.

On 21 January 2015, the Department of Social Development launched a life insurance program to make the life insurance of the head of household equal regardless of gender. This commitment is a part of the Mexican City of Women Campaign.<sup>1930</sup>

Mexico has taken steps towards amending laws that discriminate against women and improving gender equality in the work place, but has not taken sufficient or strong enough concrete policy action to reduce the labour inequality gap between men and women. Thus, Mexico is awarded a score of 0.

*Analyst: Jackie Houston*

## **Russia: +1**

Russia has fully complied with its commitment on gender.

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<sup>1923</sup> Labor force participation rate, female (% of female population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1924</sup> Labor force participation rate, male (% of male population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

<sup>1925</sup> Achieving stronger growth by promoting a more gender-balanced economy, Organization for Economic Development and Cooperation (Melbourne) 10-11 September 2014. Date of Access: 13 February 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf>.

<sup>1926</sup> Labour and Employment, National Institute of Statistics and Geography (Aguascalientes) 12 February 2015. Date of Access: 15 February 2015. <http://www3.inegi.org.mx/sistemas/temas/default.aspx?s=est&c=25433&t=1>.

<sup>1927</sup> STPS implements actions to ensure payment of worker's bonuses, Ministry of Labour (Mexico City) 9 December 2014. Date of Access: 15 February 2015. [http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2014/diciembre/bol\\_340.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/diciembre/bol_340.html).

<sup>1928</sup> STPS implements actions to ensure payment of worker's bonuses, Ministry of Labour (Mexico City) 9 December 2014. Date of Access: 15 February 2015. [http://www.stps.gob.mx/bp/secciones/sala\\_prensa/boletines/2014/diciembre/bol\\_340.html](http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2014/diciembre/bol_340.html).

<sup>1929</sup> Ministry of Finance and Public Credit presents the 2015 annual finance plan, Ministry of Finance and Public Credit (Mexico City) 16 December 2014. Date of Access: 15 February 2015. [http://www.shcp.gob.mx/SALAPRENSA/doc\\_comunicados\\_prensa/2014/diciembre/comunicado\\_110\\_2014.pdf](http://www.shcp.gob.mx/SALAPRENSA/doc_comunicados_prensa/2014/diciembre/comunicado_110_2014.pdf).

<sup>1930</sup> The government of the Republic seeks the welfare and full-development of women, Ministry of Social Development (Tlapa) 21 January 2015. Date of Access: 15 February 2015. [http://www.sedesol.gob.mx/en/SEDESOL/Comunicados/\\_rid/57/2797/el-gobierno-de-la-republica-busca-el-bienestar-y-desarrollo-pleno-de-las-mujeres-rosario-robles](http://www.sedesol.gob.mx/en/SEDESOL/Comunicados/_rid/57/2797/el-gobierno-de-la-republica-busca-el-bienestar-y-desarrollo-pleno-de-las-mujeres-rosario-robles).

Russian Federal State Statistics Service Rosstat has appropriate information on women's participation in the labour force, which is available on its website.<sup>1931,1932</sup> As of August 2015 women constituted 48.6 percent of the Russian active workforce.<sup>1933</sup> Thus, the issue of gender participation gap in Russia is practically nonexistent.

On 11 March 2015, Deputy Minister of Labor and Social Protection of Russia Alexey Vovchenko stated during his presentation to the 59th session of the Commission on the Status of Women that Russia is steadily increasing wages for workers occupied in public medicine, education, and social protection services, which are predominantly women. Thus, from 2012 to 2014 the women's to men's wages ratio increased from 67.9 per cent to 74.2 percent.<sup>1934</sup>

On 26 April 2015, the Government of the Russian Federation reported on the measures aimed at improving the conditions for women with children to engage in workforce. According to the government press-release, in 2014 these measures resulted in increase in the number of employed women between 20 and 49 years old having children by 11.3 percentage points up to 76.6 per cent.<sup>1935</sup>

Russia has appropriate information on women's participation in the labour force and took action to increase women's participation in the workforce. Thus, Russia is awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Saudi Arabia: 0**

Saudi Arabia has partially complied with its commitment to reduce the gap in participation rates between men and women in the labour force by 25 per cent by 2025.

According to the most recent statistics provided by the World Bank, in Saudi Arabia the female labour participation is 20 per cent.<sup>1936</sup> The male labour participation is 78 per cent.<sup>1937</sup> Therefore there is a gender labour gap of 58 per cent.

On 17 November 2014, Saudi Arabia's Ministry of Labour announced new maternity leave regulations. Women who work at least twelve months with the same employer are entitled to ten weeks of paid leave. Women who work for over three years with the same employer are entitled to receive their full salary. However, women who receive a full salary will not receive an annual leave payment.<sup>1938</sup>

On 6 December 2014, the Saudi Ministry of Labour initiated a trial application of telecommuting programs. After the program's completion in January 2015, the Ministry of Labour formally announced a telework

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<sup>1931</sup> Employment and unemployment in March 2015, Rosstat 2015. Access: 15 May 2015.

[http://www.gks.ru/bgd/regl/b15\\_01/IssWWW.exe/Stg/d03/3-2.doc](http://www.gks.ru/bgd/regl/b15_01/IssWWW.exe/Stg/d03/3-2.doc).

<sup>1932</sup> Number of Employed in the Economy by Sex and Occupation in 2013, Rosstat 2015. Access: 15 May 2015.

[http://www.gks.ru/bgd/regl/b14\\_12/IssWWW.exe/stg/d01/06-05.htm](http://www.gks.ru/bgd/regl/b14_12/IssWWW.exe/stg/d01/06-05.htm).

<sup>1933</sup> Employment and unemployment in March 2015, Rosstat 2015. Access: 20 October 2015.

[http://www.gks.ru/bgd/regl/b15\\_01/IssWWW.exe/Stg/d08/3-2.doc](http://www.gks.ru/bgd/regl/b15_01/IssWWW.exe/Stg/d08/3-2.doc).

<sup>1934</sup> Deputy Minister Alexey Vovchenko: in 2014 wages in the public sector for women's to men's wages ratio reached 74.2 per cent, Ministry of Labor and Social Protection of Russia 11 March 2015. Access: 15 May 2015.

<http://www.rosmintrud.ru/social/social/244>.

<sup>1935</sup> On creating conditions for women to engage in workforce while raising children, Russian Government 26 April 2015. Access: 15 May 2015. <http://government.ru/orders/17836/>.

<sup>1936</sup> Labour force participation rate, female (% of female population ages 15+) (modelled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1937</sup> Labour force participation rate, male (% of male population ages 15+) (modelled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

<sup>1938</sup> Saudi Firms Allowed to Dictate Due Date of Employee's Baby, Arabian Business (Riyadh) 17 November 2014. Date of Access: 18 February 2015. <http://www.arabianbusiness.com/saudi-arabia-eyes-more-female-workers-with-breast-feeding-plan-575539.html>.



program.<sup>1939</sup> The program is designed to specifically employ women in remote areas and people with disabilities.<sup>1940</sup>

From 9-11 December 2014, the Saudi Ministry of Labour conducted the Together for Resettlement employment program. The program encouraged 23 companies to generate 1,000 jobs for women, paying salaries between SR 4,500 and SR 12,000.<sup>1941</sup>

On 17 December 2014, the Saudi Ministry of Labour announced that new mothers who work will receive a break to breastfeed for one hour. A woman may take this break once a day for up to two years after the birth of her child. Furthermore, pilot programs for government-funded daycare centres will occur throughout 2015.<sup>1942</sup>

On 2 January 2015, Saudi Arabia's Ministry of Labour announced that the third phase of "Saudization" will be implemented. Saudization is the process in which foreign workers are dismissed from the private sector to prioritize the employment of Saudi Arabian citizens. While the third phase is not necessarily gender-specific, the Ministry of Labour wrote that the stricter requirements will necessitate the employment of 750,000 men and women. The third phase will be implemented on 20 April 2015.<sup>1943</sup>

In 2011, Royal Order No. 121 established the feminization of women's shops to increase job opportunities for women and protect the privacy of female consumers. This was initially implemented in lingerie and cosmetic stores. According to the Ministry of Labour, men and women must be employed in separate departments. If stores do not comply, gradual punitive action will be taken.<sup>1944</sup> By the end of 2015, the ministry will eliminate the employment of men in stores that sell feminine products. Infractions committed by stores will be available on a database and ministry officials will frequently inspect stores.<sup>1945</sup>

On 9 February 2015, the Riyadh Chamber Branch hosted the Conscious Program for Business Women. The program provided training for women on legal issues, entrepreneurship, and commercial contracts.<sup>1946</sup>

On 3 August 2015, the government endorsed the Technical and Vocation Training Corporation. The program announced that 3,000 jobs would be created for Saudi women in jewelry design. However, the jewelry workshops will be moved from the city of Jeddah to rural locations. This program is problematic as women cannot drive themselves to these further locations, nor is there sufficient public transportation.<sup>1947</sup> Institutional problems are also evident in the treatment of female employees. Saleswomen across Saudi Arabia allege that they are being forced to perform tasks outside of their contracts, such as unloading trucks and

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<sup>1939</sup> Work from Home Project to Begin Next Month, Arab News (Jeddah) 6 December 2014. Date of Access: 19 February 2015. <http://www.arabnews.com/saudi-arabia/news/670456>.

<sup>1940</sup> G20 Member Employment Plans 2014: Saudi Arabia, G20 Information Centre (Brisbane) 16 November 2014. Date of Access: 21 February 2015. <http://www.g20.utoronto.ca/summits/2014brisbane.html>.

<sup>1941</sup> Conclusion of Recruitment Campaign Women Riyadh Chamber (0073), Saudi Press Agency (Riyadh) 15 December 2014. Date of Access: 20 February 2015.

<http://www.spa.gov.sa/lsearch.php?s=%D9%86%D8%B3%D8%A7%D8%A1&s2=&pg=4&by1=n&searchbody=0>.

<sup>1942</sup> Saudi Arabia Eyes More Female Workers with Breast-Feeding Plan, Arabian Business (Riyadh) 17 December 2014. Date of Access: 19 February 2015. <http://www.arabianbusiness.com/saudi-arabia-eyes-more-female-workers-with-breast-feeding-plan-575539.html>.

<sup>1943</sup> New Phase of Nitaqat Announced, Arab News (Jeddah) 2 January 2015. Date of Access: 18 February 2015. <http://www.arabnews.com/news/683216>.

<sup>1944</sup> G20 Member Employment Plans 2014: Saudi Arabia, G20 Information Centre (Brisbane) 16 November 2014. Date of Access: 21 February 2015. <http://www.g20.utoronto.ca/summits/2014brisbane.html>.

<sup>1945</sup> Men, Women Found Working Together in Female Shops, Arab News (Jeddah) 19 February 2015. Date of Access: 20 February 2015. <http://www.arabnews.com/saudi-arabia/news/706511>.

<sup>1946</sup> Riyadh Chamber Regulates the "Conscious Program" (0027), Saudi Press Agency (Riyadh) 5 February 2015. Date of Access: 20 February 2015. <http://www.spa.gov.sa/lsearch.php?s=%D9%86%D8%B3%D8%A7%D8%A1&s2=&pg=2&by1=n&searchbody=0>.

<sup>1947</sup> 3,000 jobs eyed for Saudi Women in Jewelry Design, Arab News (Jeddah) 3 August 2015. Date of Access: 9 October 2015. <http://www.arabnews.com/saudi-arabia/news/785756>.

cleaning workplaces. In Saudi Arabia, one can file a formal complaint if one's work environment is not satisfactory. However, this process is not confidential and many women do not report poor working conditions due to fear of losing their jobs. Additionally, Saudi Arabia does not enforce inspection campaigns for workplace standards.<sup>1948</sup>

On 3 September 2015, the Ministry of Labour allocated a package of services to women to ensure development and employment. The Ministry also announced that an electronic service to help women find jobs had been established in all regions of Saudi Arabia.<sup>1949</sup>

On 22 September 2015, the Ministry of Labour announced that 200,000 jobs related to pilgrimage services would be set aside for women in the Haj and Umrah sectors. The government will ensure that all women are aware of these job opportunities, have public transportation, and the jobs will have a starting salary of SR 4,000.<sup>1950</sup>

On 30 September 2015, the Ministry of Labour announced major amendments to the Labour Law, effective October 8. All of the amendments are intended to make the workplace more desirable and accessible by women. Some of the amendments include: workers cannot remain at the workplace for longer than twelve hours, five-day paid leave for marriage, and ensuring that female employees are entitled to maternity leave.<sup>1951</sup>

On 1 October 2015, it was announced by the Ministry of Labour that 40 per cent of lingerie shops have closed down. The lingerie shops are closing down because women are reported frequently absent or quit. Although legislation now mandates that all employees of lingerie shops must be female, owners of shops are not required to create female-friendly environments. Women often leave their jobs at lingerie stores because of a lack of women-only resting areas at malls and lack of women's bathrooms in shopping centres.<sup>1952</sup>

Thus Saudi Arabia is awarded a score of 0.

*Analyst: Sarah Sgambelluri*

### **South Africa: -1**

South Africa has failed to improve the status of gender equality in the labour force in as of 2015.

On 31 January 2015, South Africa adopted UN 2015 recommendations gender equality.<sup>1953</sup> These recommendations include open debates on women's empowerment, including issue areas such as access to credit and markets and land distribution in the post-2015 development agenda. The adoption of these recommendations will attempt to promote women as equal members of the economy.<sup>1954</sup>

Despite these efforts, South Africa is failing to comply with promises made regarding improvements in gender equality. The "New Growth Path," part of the South African G20 Employment Plan 2014, is suppose

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<sup>1948</sup> Saleswomen allege breach of contracts, Saudia Gazette (Madinah) 11 August 2015. Date of Access: 9 October 2015. <http://saudigazette.com.sa/saudi-arabia/saleswomen-allege-breach-of-contracts/>.

<sup>1949</sup> Jobs for women top priority, Arab News (Riyadh) 3 September 2015. Date of Access: 9 October 2015. <http://www.arabnews.com/saudi-arabia/news/800866>.

<sup>1950</sup> 200,000 jobs to be set aside for women in Haj, Umrah Sector, Arab News (Jeddah) 22 September 2015. Date of Access: 9 October 2015. <http://www.arabnews.com/saudi-arabia/news/809946>.

<sup>1951</sup> Saudi women hiring in private sector surges by 76%, Saudi Gazette (Riyadh) 30 September 2015. Date of Access: 10 October 2015. <http://saudigazette.com.sa/saudi-arabia/saudi-women-hiring-in-private-sector-surges-by-76/>.

<sup>1952</sup> Nearly Half of Saudi Arabia's Lingerie Shops Shut after law Allowing Only Women Employees, International Business Times (Riyadh) 1 October 2015. Date of Access: 10 October 2015. <http://www.ibtimes.co.in/nearly-half-saudi-arabias-lingerie-shops-have-shut-after-law-allowing-only-women-employees-648775>.

<sup>1953</sup> 24th AU Summit Adopts Decisions of Post-2015 Negotiations, Gender Equality and Illicit Flows, African Regional Coverage February 2015. Date Accessed: February 25th 2015.

<sup>1954</sup> 24th AU Summit Adopts Decisions of Post-2015 Negotiations, Gender Equality and Illicit Flows, African Regional Coverage February 2015. Date Accessed: February 25th 2015.

to encourage women in the workforce “through lowering the barriers of entry into trade and employment by addressing structural constraints that entrepreneurs and workers face in their daily respective environments.”<sup>1955</sup> However, high HIV/AIDS rates continue to negatively effect women’s participation in the work force, affecting human capital as well as childcare capabilities.<sup>1956</sup>

On the 25th on November 2014, at the 16 Days of Activism conference against violence against women, Chief Moses Mahlangu declared that women must be submissive to their husbands, and called upon Ministers to cut funding from centers for abused women.<sup>1957</sup> These comments, which received standing applause, do not point to a government commitment to encourage the role of women in the work force.

As of July 2015, 43.3 per cent of black African women are employed in low skilled positions, white 28.2 per cent of black African men occupy low-skilled positions.<sup>1958</sup> Female participation rates in the economy have fallen 0.3 per cent since 2014, from 56.8 per cent to 56.5 per cent.<sup>1959</sup> Moreover, women in South Africa face a higher discouragement rate then their male counterparts, at 7.4 per cent of women defined as “discouraged workers” as opposed to 6.7 per cent of men.<sup>1960</sup> This has increased 0.4 per cent since 2014. This demonstrates a failure of South Africa in meeting their G20 goals of increasing female labour participation rates by 2.5 per cent.

Therefore, South Africa has received a score of -1.

### **Turkey: 0**

Turkey has partially complied with its commitment in reducing the gender gap between men and women in the labour market. The Government of Turkey has complied with its existing commitments to institutions exogenous of the state. In addition, it has created new educational initiatives to narrow the gender gap.

According to the most recent statistics provided by the World Bank, in Turkey the female labour participation is 29%.<sup>1961</sup> The male labour participation is 71%.<sup>1962</sup> Therefore there is a gender labour participation gap of 42%.

A recent publication by the Organisation for Economic Co-operation and Development confirmed that in 2012, the female level of informal employment is 32.6%. The gender gap in the incidence of informal unemployment is hence -2.5%.<sup>1963</sup> According to the Gender Gap Index 2014 published by the World Economic Forum, Turkey ranks 125 out of 142 countries.<sup>1964</sup>

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<sup>1955</sup> New Growth Path, South African Government (Republic of South Africa). Date Accessed: February 27th 2015. <http://www.gov.za/about-government/government-programmes/new-growth-path>

<sup>1956</sup> The New Growth Path: Framework, Economic Development Department (Republic of South Africa) 2011. Date Accessed: February 21 2015.

<sup>1957</sup> Op-Ed: 16 days of no violence against women and children - Women’s ministry colludes with patriarchy, Rhodes University, November 11 2014. Date Accessed: February 24 2015.

<sup>1958</sup> Quarterly Labour Survey: Quarter 2, 2015, South Africa Statistics, July 2015. Date Accessed: November 12th 2015.

<sup>1959</sup> Quarterly Labour Survey: Quarter 2, 2015, South Africa Statistics, July 2015. Date Accessed: November 12th 2015

<sup>1960</sup> Quarterly Labour Survey: Quarter 2, 2015, South Africa Statistics, July 2015. Date Accessed: November 12th 2015

<sup>1961</sup> Labor force participation rate, female (% of female population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>1962</sup> Labor force participation rate, male (% of male population ages 15+)(modeled ILO estimate), World Bank (Washington) 2015. Date of Access: 23 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>

<sup>1963</sup> Indicators on male and female labour outcomes, Achieving stronger growth promoting a more gender-balanced economy, OECD, ILO, IMF, World Bank Group (Melbourne) 15 August 2014. Date of Access: 1 March 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf>.

<sup>1964</sup> Economies: Turkey, the Global Gender Gap Index 2014, World Economic Forum. Date of Access: 1 March 2015. <http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=TUR>.

On 24 November 2014, President Recep Tayyip Erdoğan made remarks regarding equality for women at a women's conference in Istanbul. President Erdoğan was reported as saying that in some situations women cannot be treated as equal to men.<sup>1965</sup>

Prime Minister Ahmet Davutoğlu addressed the issue of gender equality in his message for the Turkish G20 Presidency Priorities for 2015. Prime Minister Davutoğlu reiterated Turkey's commitment to strengthening gender equality in employment. This commitment is part of the Turkish presidency's desire for Inclusiveness for Growth.<sup>1966</sup>

On 16 February 2015, Chairperson Nicole Ameline addressed the 60th session of the Committee on the Elimination of Discrimination against Women. Ameline confirmed Turkey's submission of their periodic report since the beginning of the last session held on 11 November 2014.<sup>1967</sup>

On 23 February 2015, the United Nations Joint Programme for Promoting the Human Rights of Women Program held an advisory council meeting. This program began in 2013 and works to develop and implement gender equality at the municipal level in order to advance women's rights. It focuses on three areas: gender-responsive budgeting, the Sabanci Foundation Grant Programme and the Purple Certificate Programme.<sup>1968</sup> Kamal Malhotra, the UN Resident Coordinator (Turkey) and resident representative of the UN Development Programme, reiterated Turkey's agenda to further promote gender equality under the scope of the UN Joint Programme.

Furthermore, on 6 February 2015, Turkey aligned itself with an European Union statement made at the United Nations Commission for Social Development. The statement delivered by Inese Freimane-Deksne, Deputy Permanent Representative, Mission of the Republic of Latvia, reiterated the EU and its members' determination to cooperate towards the advancement of social development and the empowerment of all people. Moreover, the statement addressed the EU's collective intolerance for discrimination. This includes the denial of universal human rights and basic economic opportunities based on gender discrimination.<sup>1969</sup>

Turkey aims to adhere to their promotion of gender equality in the labour force through means of accessible programs. However, Turkey has not demonstrated taking any concrete action at the policy level to strengthen gender equality in the labour market.

Thus, Turkey is awarded a score of 0.

*Analyst: Allison Ing*

### **United Kingdom: +1**

The United Kingdom has complied with its commitment at the Brisbane Summit with regards to reducing the gap in participation rates between men and women by 25 per cent by 2025.

The UK ranks relatively high compared to other developed G20 countries in female labour force participation. The most recent ranking by the World Bank estimates that the female participation rate is 56

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<sup>1965</sup> Turkey's president Erdogan: Women are not equal to men, BBC News, 24 November 2014. Date of Access: 1 March 2015. <http://www.bbc.com/news/world-europe-30183711>.

<sup>1966</sup> Message from the Prime Minister Republic of Turkey, Turkish G20 Presidency Priorities for 2015. G20, 1 December 2014. Date of Access: 1 March 2015. <https://g20.org/wp-content/uploads/2014/12/2015-TURKEY-G-20-PRESIDENCY-FINAL.pdf>.

<sup>1967</sup> Statement by Ms. Nicole Ameline, Chairperson at the 60<sup>th</sup> session of the Committee on the Elimination of Discrimination against Women, OHCHR (Geneva) 16 February 2015. Date of Access: 1 March 2015. [http://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/1\\_Global/INT\\_CEDAW\\_OCR\\_60\\_23172\\_E.pdf](http://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/1_Global/INT_CEDAW_OCR_60_23172_E.pdf).

<sup>1968</sup> Activities on women's human rights implemented within the UN Joint Programme assessed, UNDP, 1 March 2015. Date of Access: 1 March 2015. <http://www.tr.undp.org/content/turkey/en/home/presscenter/news-from-new-horizons/2015/03/activities-on-womens-human-rights-implemented-within-the-un-join.html>.

<sup>1969</sup> EU Statement – United Nations Commission for Social Development: Social Groups, EU Delegation to the UN (New York) 6 February 2015. Date of Access: 1 March 2015. [http://eu-un.europa.eu/articles/en/article\\_16053\\_en.htm](http://eu-un.europa.eu/articles/en/article_16053_en.htm).

per cent<sup>1970</sup> while the male participation rate is 69 per cent.<sup>1971</sup> Therefore, the gender labour gap is 13 per cent. The Organisation for Economic Co-operation and Development (OECD) estimates that the wage gap between men and women is 12.3 per cent.<sup>1972</sup>

On 24 February 2015, the House of Lords Select Committee on Affordable Childcare published an announcement stating an increase of investment on early education and childcare by GBP 1.2 billion annually, increasing the amount from GBP 5.2 billion to GBP 6.4 billion spent annually. It also announced the implementation of a tax-free childcare scheme. The intention of these measures to balance the responsibility of child care is to enable parents to work.<sup>1973</sup> This is to address the concerns that the national average for child care has risen 5per cent in the past year.<sup>1974</sup>

In March 2015, an OECD survey demonstrated that “the UK has made progress in equalizing earnings between men and women and getting more women into the workplace, ... [and] the difference in pay has diminished from 26 per cent in 2000 to 18 per cent in 2012 in the UK — slightly worse than the OECD average differential of 16 per cent.”<sup>1975</sup> In the UK, men still have consistently higher employment rates than women above the age of 22, and tend to work in the professional occupations associated with higher levels of pay than women.<sup>1976</sup>

On 14 July 2015 the Prime Minister David Cameron vowed to end the country’s gender pay gap in a generation. The United Kingdom will require firms with over 250 employees to publish the average pay of their male and female employees in an effort to pressure companies to pay women more.<sup>1977</sup>

Thus, the United Kingdom is awarded a score of +1.

*Analyst: Madeline Torrie and Taylor Grott*

## **United States: +1**

The United States has complied with its commitment from the Brisbane Summit to establish concrete policies and amend to reduce the gender gap by 25 per cent by 2025. Issues that stand out in the United States are the lack of paid maternity leave and affordable child care, although the White House has made some efforts to improve the situation.

According to the most recent statistics provided by the World Bank, in the United States the female participation rate in the labour force is 56 per cent.<sup>1978</sup> The male participation rate is 69 per cent.<sup>1979</sup> The

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<sup>1970</sup> Labor force participation rate, female, The World Bank Group (Washington). Date of Access: 03 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>.

<sup>1971</sup> Labor force participation rate, male, The World Bank Group (Washington). Date of Access: 03 March 2015. <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>.

<sup>1972</sup> Achieving stronger growth by promoting a more gender balanced economy, Report prepared for G20 Labour and Employment Ministerial Meeting, OECD, International Labour Office, International Monetary Fund, The World Bank Group 15 August 2014. Date of Access: 03 March 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf>.

<sup>1973</sup> Affordable Childcare, House of Lords Select Committee on Affordable Childcare, (London) 24 February 2015. Date of Access: 03 March 2015. <http://www.parliament.uk/business/committees/committees-a-z/lords-select/affordable-childcare/news/affordable-childcare-report/>.

<sup>1974</sup> Labour to double paid paternity leave to four weeks, BBC News, (London) 9 February 2015. Date of Access: 03 March 2015. <http://www.bbc.com/news/uk-politics-31253409>.

<sup>1975</sup> UK urged to close gender pay gap and improve participation rates, The Guardian (London) March 2015. Date of Access: 9 March 2015. <http://www.theguardian.com/world/2014/mar/02/women-employment-equality-pay-oecd-survey>.

<sup>1976</sup> Full report : Women in the labour market, Office for National Statistics, (London), 25 September 2013. Date of Access: 03 March 2015. [http://www.ons.gov.uk/ons/dcp171776\\_328352.pdf](http://www.ons.gov.uk/ons/dcp171776_328352.pdf).

<sup>1977</sup> David Cameron sets out plans to tackle gender pay gap, BBC News (London) 14 July 2015. Date of Access: 23 October 2015. <http://www.bbc.com/news/uk-politics-33515629>

gender gap is thus 13 per cent.<sup>1980</sup> The gap is prevalent in other areas: out of 131 countries, the United States places 50 in terms of the ability for women to rise to positions of leadership.<sup>1981</sup> In addition, the gender gap is greater for women of different races in the United States. While white women earn as of 2013, 78 per cent of white men's earnings, hispanic women earn only 54 per cent of white men's earnings.<sup>1982</sup>

On 20 January 2015, in the State of the Union address, President Barack Obama referred specifically to the role of affordable child care in improving the workplace participation of women. He reframed childcare from being perceived as a "women's issue" to being a national economic priority.<sup>1983</sup>

On 2 February 2015, the national budget was released for the 2016 fiscal year. It recommends expanding accesses to quality, affordable health care, childcare tax credits of up to USD 3,000, and supporting universal preschool with USD 750 million for preschool development grants. In addition, the budget proposes a "second earner" tax credits of USD 500 to benefit 24 million dual earner couples, as well as encourages states to develop paid family leave programs.<sup>1984</sup> The budget also provides resources to strengthen pay discrimination resources and support the equal opportunity commission.<sup>1985</sup>

In March 2015 the Obama Administration launched Let Girls Learn, an initiative that brings together the Department of State, U.S. Agency for International Development and a variety of other departments to "address the range of challenges preventing adolescent girls from enrolling, completing, and succeeding in school" globally.<sup>1986</sup>

In August 2015 Netflix and Microsoft, following a number of other businesses (Nestle, Vodafone, Johnson & Johnson, Goldman Sachs and Blackstone), announced substantial increases to parental leave.<sup>1987</sup> During the same period, the U.S. Navy also announced increases to parental leave benefits.

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<sup>1978</sup> Labor force participation rate, female, The World Bank Group (Washington). Date of Access: 03 March 2015.

<http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>.

<sup>1979</sup> Labor force participation rate, male, The World Bank Group (Washington). Date of Access: 03 March 2015.

<http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>.

<sup>1980</sup> Achieving stronger growth by promoting a more gender balanced economy, Report prepared for G20 Labour and Employment Ministerial Meeting, OECD, International Labour Office, International Monetary Fund, The World Bank Group, 15 August 2014. Date of Access: 03 March 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/ILO-IMF-OECD-WBG-Achieving-stronger-growth-by-promoting-a-more-gender-balanced-economy-G20.pdf>.

<sup>1981</sup> The Global Gender Gap Report 2014, The World Economic Forum, (Geneva), 27 October 2014. Date of Access: 04 March 2015. [http://www3.weforum.org/docs/GGGR14/GGGR\\_CompleteReport\\_2014.pdf](http://www3.weforum.org/docs/GGGR14/GGGR_CompleteReport_2014.pdf).

<sup>1982</sup> By the Numbers: A Look at the Gender Pay Gap, AAUW, (Washington), September 2014. Date of Access: 04 March 2015. <http://www.aauw.org/2014/09/18/gender-pay-gap/>.

<sup>1983</sup> Address by President Barak Obama in State of the Union Address, Office of the Press Secretary (Washington) 20 January 2015. Date of Access: 04 March 2015. <http://www.whitehouse.gov/the-press-office/2015/01/20/remarks-president-state-union-address-january-20-2015>

<sup>1984</sup> Middle Class Economics: The President's Fiscal Year 2016 Budget, Office of Management and Budget, (Washington) 02 February 2015. Date of Access: 04 March 2015. <http://www.whitehouse.gov/blog/2015/02/02/fact-sheet-middle-class-economics-president-s-fiscal-year-2016-budget>.

<sup>1985</sup> United States Report on the Implementation of the Beijing Declaration and Platform for Action in the context of the Twentieth Anniversary of the Fourth World Conference on Women and the Adoption of the Beijing Declaration and Platform for Action 2015, UN Women, (New York) 05 November 2014. Date of Access: 04 March 2015. [http://www.unwomen.org/~media/headquarters/attachments/sections/csw/59/national\\_reviews/usa\\_review\\_beijing20.pdf](http://www.unwomen.org/~media/headquarters/attachments/sections/csw/59/national_reviews/usa_review_beijing20.pdf).

<sup>1986</sup> Fact Sheet: Promoting gender equality and women's empowerment, The White House, Office of the Press Secretary 27 September 2015. Date of Access: 23 October 2015. <https://www.whitehouse.gov/the-press-office/2015/09/27/fact-sheet-promoting-gender-equality-and-womens-empowerment>

<sup>1987</sup> Another sign that momentum is building on paid parental leave in the U.S., Huffington Post 1 August 2015: Date of Access: 23 October 2015. [http://www.huffingtonpost.com/entry/adobe-parental-leave\\_55c8b482e4b0f73b20b9e36e](http://www.huffingtonpost.com/entry/adobe-parental-leave_55c8b482e4b0f73b20b9e36e)

On 15 September 2015 Senators Brian Schatz and Barbara Mikulski introduced the Federal Employees Paid Parental Leave Act.<sup>1988</sup> If passed it would offer 6 weeks of paid leave to federal employees experiencing birth, adoption or foster placement of a child.

Thus, the United States is awarded a score of +1.

*Analyst: Madeline Torrie and Taylor Grott*

### **European Union: Not applicable**

The European Union does not possess the authority to comply with its commitment to reduce the gender gap between men and women in the labour market.

Although the EU can donate funds and encourage member governments and organizations to increase female participation in the labour market, it cannot implement direct legislation or policy. Ultimately, such authority rests with the individual member governments. Therefore, such limitations hinder the EU's ability to achieve strong and sufficient action to increase female participation.

Thus, the European Union is exempt from complying with this commitment.

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<sup>1988</sup> New bill would give feds paid parental leave, Federal Times 15 September 2015. Date of Access: 23 October 2015.  
<http://www.federaltimes.com/story/government/management/compensation/2015/09/15/new-bill-gives-feds-paid-parental-leave/72325490/>

### 13. Financial Regulation

2014-60: [We commit to improve the transparency of the] of beneficial ownership by implementing the G20 High-Level Principles on Beneficial Ownership Transparency.

*G20 Brisbane Summit Leaders' Communiqué*

#### Assessment

Country	No Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil		0	
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom			+1
United States		0	
European Union			+1
Average		+0.70	

#### Background

The G20 has considered the transparency of beneficial ownership of legal persons and arrangements as a high priority starting from the St Petersburg summit, as preventing the misuse of these entities for illicit purposes such as corruption, tax evasion and money laundering supports the core G20 objective of increasing growth through private sector investment.

In the G20 St Petersburg Declaration G20 leaders encouraged “all countries to tackle the risks raised by the opacity of legal persons and legal arrangements.”<sup>1989</sup> They also called on finance ministers to update them by the 2014 G20 summit “on the steps taken to meet FATF standards regarding the beneficial ownership of companies and other legal arrangements such as trusts by G20 countries leading by example.”<sup>1990</sup>

At their meeting in Sydney in February 2014, G20 finance ministers and central Bank governors asked the Anti-Corruption Working Group (ACWG) for an update by their April meeting on concrete actions that the G20 can take to lead by example in meeting the FATF beneficial ownership standards.<sup>1991</sup>

<sup>1989</sup> The G20 St. Petersburg Summit Leaders' Declaration, G20 Information Centre (Toronto) 6 September 2013. Access: 19 January 2015. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

<sup>1990</sup> The G20 St. Petersburg Summit Leaders' Declaration, G20 Information Centre (Toronto) 6 September 2013. Access: 19 January 2015. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

<sup>1991</sup> G20 Finance Ministers and Central Bank Governors Communiqué, G20 Information Centre (Toronto) 23 February 2014. Access: 19 January 2015. <http://www.g20.utoronto.ca/2014/2014-0223-finance.html>.



At the meeting in Sydney the G20 ACWG agreed that G20 countries will lead by example by developing G20 High-Level Principles on Beneficial Ownership Transparency that will set out concrete measures they will take to prevent the misuse and ensure transparency of legal persons and legal arrangements.<sup>1992</sup>

### **Commitment Features**

The commitment requires G20 members to improve the transparency of legal persons and arrangements in line with the G20 High-Level Principles on Beneficial Ownership Transparency.

The following set of Principles, building on existing international standards, and allowing “sufficient flexibility” for G20 members’ “different constitutional and legal frameworks,” were adopted at the Brisbane summit:

1. Countries should have a definition of ‘beneficial owner’ that captures the natural person(s) who ultimately owns or controls the legal person or legal arrangement.
2. Countries should assess the existing and emerging risks associated with different types of legal persons and arrangements, which should be addressed from a domestic and international perspective.
  - a. Appropriate information on the results of the risk assessments should be shared with competent authorities, financial institutions and designated non-financial businesses and professions (DNFBPs<sup>1993</sup>) and, as appropriate, other jurisdictions.
  - b. Effective and proportionate measures should be taken to mitigate the risks identified.
  - c. Countries should identify high-risk sectors, and enhanced due diligence could be appropriately considered for such sectors.
3. Countries should ensure that legal persons maintain beneficial ownership information onshore and that information is adequate, accurate, and current.
4. Countries should ensure that competent authorities (including law enforcement and prosecutorial authorities, supervisory authorities, tax authorities and financial intelligence units) have timely access to adequate, accurate and current information regarding the beneficial ownership of legal persons. Countries could implement this, for example, through central registries of beneficial ownership of legal persons or other appropriate mechanisms.
5. Countries should ensure that trustees of express trusts maintain adequate, accurate and current beneficial ownership information, including information of settlors, the protector (if any) trustees and beneficiaries. These measures should also apply to other legal arrangements with a structure or function similar to express trusts.
6. Countries should ensure that competent authorities (including law enforcement and prosecutorial authorities, supervisory authorities, tax authorities and financial intelligence units) have timely access to adequate, accurate and current information regarding the beneficial ownership of legal arrangements.
7. Countries should require financial institutions and DNFBPs, including trust and company service providers, to identify and take reasonable measures, including taking into account country risks, to verify the beneficial ownership of their customers.
  - a. Countries should consider facilitating access to beneficial ownership information by financial institutions and DNFBPs.
  - b. Countries should ensure effective supervision of these obligations, including the establishment and enforcement of effective, proportionate and dissuasive sanctions for non-compliance.
8. Countries should ensure that their national authorities cooperate effectively domestically and internationally. Countries should also ensure that their competent authorities participate in information exchange on beneficial ownership with international counterparts in a timely and effective manner.
9. Countries should support G20 efforts to combat tax evasion by ensuring that beneficial ownership information is accessible to their tax authorities and can be exchanged with relevant international counterparts in a timely and effective manner.

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<sup>1992</sup> G20 High-Level Principles on Beneficial Ownership Transparency, G20 Information Centre (Toronto) 16 November 2014.

Access: 19 January 2015. [http://www.g20.utoronto.ca/2014/g20\\_high-level\\_principles\\_beneficial\\_ownership\\_transparency.pdf](http://www.g20.utoronto.ca/2014/g20_high-level_principles_beneficial_ownership_transparency.pdf).

<sup>1993</sup> As identified by the Financial Action Task-force

10. Countries should address the misuse of legal persons and legal arrangements which may obstruct transparency, including:
- a. prohibiting the ongoing use of bearer shares and the creation of new bearer shares, or taking other effective measures to ensure that bearer shares and bearer share warrants are not misused; and
  - b. taking effective measures to ensure that legal persons which allow nominee shareholders or nominee directors are not misused.<sup>1994</sup>

G20 members also agreed that, as a next step, they would take concrete action and share in writing measures to be taken to implement these principles and improve the effectiveness of their legal, regulatory and institutional frameworks with respect to beneficial ownership transparency.<sup>1995</sup>

Overall, the principles provide for actions across two dimensions. First, G20 members should change their domestic legal, regulatory and institutional frameworks to address the issue of beneficial ownership (Principles 1, 3-7, 10). Second, they should ensure effective cross-country cooperation, including information exchange on beneficial ownership with international counterparts (Principle 9). Some of the Principles refer to both areas (Principles 2, 8).

Thus, to achieve full compliance the G20 member must take actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving their domestic legal, regulatory and institutional frameworks and strengthening international cooperation with respect to beneficial ownership transparency.

**Scoring Guidelines**

-1	Member does not take any actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency.
0	Member takes actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks, OR strengthening international cooperation.
+1	Member takes actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, AND strengthening international cooperation.

**Argentina: +1**

Argentina has fully complied with the commitment on beneficial ownership transparency.

Argentina has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

The current civil law of Argentina already has a definition of ‘beneficial owner’ and regulates relations of ownership in this sphere.<sup>1996</sup>

The Financial Information Union (FIU, an autonomous body within the Ministry of Justice and Human Rights of Argentina) takes action to mitigate risks associated with different types of legal persons and arrangements. For example, on 15 February 2015, the FIU fined several members of the board of directors of Bainter S.a. De Ahorro Para Fines Determinados — for not being registered as the beneficial owners.<sup>1997</sup>

<sup>1994</sup> G20 High-Level Principles on Beneficial Ownership Transparency, G20 Information Centre (Toronto) 16 November 2014. Access: 19 January 2015. [http://www.g20.utoronto.ca/2014/g20\\_high-level\\_principles\\_beneficial\\_ownership\\_transparency.pdf](http://www.g20.utoronto.ca/2014/g20_high-level_principles_beneficial_ownership_transparency.pdf).

<sup>1995</sup> G20 High-Level Principles on Beneficial Ownership Transparency, G20 Information Centre (Toronto) 16 November 2014. Access: 19 January 2015. [http://www.g20.utoronto.ca/2014/g20\\_high-level\\_principles\\_beneficial\\_ownership\\_transparency.pdf](http://www.g20.utoronto.ca/2014/g20_high-level_principles_beneficial_ownership_transparency.pdf).

<sup>1996</sup> Código Civil de la Nación, Centro de Documentación e Información del Ministerio de Economía y Finanzas Públicas. Access: 7 April 2015. <http://www.infoleg.gov.ar/infolegInternet/anexos/105000-109999/109481/texact.htm>.

<sup>1997</sup> La UIF Multó a una Sociedad de Ahorro por no Estar Registrada, Unidad de Información Financiera del Ministerio de Justicia y Derechos Humanos. Access: 7 April 2015. <http://www.uif.gov.ar/uif/index.php/en/noticias/671-la-uif-multo-a-una-sociedad-de-ahorro-por-no-estar-registrada>.

On 1 January 2016, the new Civil and Commercial Code of the Nation is going to come into force after passing by The House of Representatives. The regulation of beneficial ownership will become deeper and more universal in the new version of the document in comparison with the previous Code.<sup>1998</sup>

Argentina has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 10 and 11 June 2015, Argentina's Central Bank hosted a two-day event involving the government and civil society concerning the establishment of registries of beneficial ownership. Several international organizations also participated in the event, including Latinadd (Red Latinoamericana Sobre Deuda, Desarrollo y Derechos) and Tax Justice Network (TJN). The participants agreed that much more cooperation and exchange of information is needed among national authorities. TJN announced it would assist the Argentinean government in this process.<sup>1999</sup>

Argentina has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it is awarded a score of +1.

*Analyst: Anton Markov*

### **Australia: +1**

Australia has fully complied with the commitment on beneficial ownership transparency.

The definition of “beneficial owner” is contained in the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Rules Instrument 2007, last amended on 23 January 2015. This document requires reporting entities to have an AML/CTF programs with appropriate mechanisms of collection and verification of beneficial ownership information and risk-assessment mechanisms.<sup>2000</sup>

On 20 November 2014, Australian Transaction Reports and Analysis Centre (AUSTRAC) cancelled the registration of AVSForex Pty Ltd, a Melbourne based remitter company, following the conviction of its sole director for money laundering and allegations of the involvement of “serious and organized crime.” AUSTRAC worked collaboratively with the Australian Federal Police (AFP), ACC (Australian Crime Commission) Eligo National Taskforce, and Indian Enforcement Directorate to curb illegal activities by international syndicate.<sup>2001</sup>

During the compliance period Australia has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving their domestic legal, regulatory and institutional frameworks as well as strengthening international cooperation with respect to beneficial ownership transparency. Thus, it has been awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Brazil: 0**

Brazil has partially complied with the commitment on beneficial ownership transparency.

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<sup>1998</sup> Código Civil y Comercial de la Nación, Sistema Argentino de Información Jurídica del Ministerio de Justicia y Derechos Humanos. Access: 7 April 2015. [http://www.infojus.gov.ar/docs-f/codigo/Codigo\\_Civil\\_y\\_Comercial\\_de\\_la\\_Nacion.pdf](http://www.infojus.gov.ar/docs-f/codigo/Codigo_Civil_y_Comercial_de_la_Nacion.pdf).

<sup>1999</sup> Agreement in Buenos Aires on need for public registries of beneficial ownership, Tax Justice Network. 18 June 2015. Access: 11 October 2015. <http://www.taxjustice.net/2015/06/18/agreement-in-buenos-aires-on-need-for-public-registries-of-beneficial-ownership/>

<sup>2000</sup> Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1), Australian Government ComLaw 23 January 2015. Access 14 May 2015. <http://www.comlaw.gov.au/Details/F2015C00096>.

<sup>2001</sup> Further action to dismantle international money laundering syndicate, Australian Transaction Reports and Analysis Centre 20 November 2014. Access: 14 May 2015. <http://www.austrac.gov.au/media/media-releases/further-action-dismantle-international-money-laundering-syndicate>.

Brazil has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

Brazilian legislation defines the notion of the beneficial owner and companies have to disclose information about their owners or principal shareholders.<sup>2002</sup>

During the compliance period Brazil has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving their domestic legal, regulatory and institutional frameworks. However, no facts related to strengthening international cooperation with respect to beneficial ownership transparency have been registered.

Thus, Brazil is awarded a score of 0.

*Analyst: Andrey Shelepov*

### **Canada: +1**

Canada has fully complied with the commitment on beneficial ownership transparency.

Canada has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 22 December 2014, the Guidance on enhanced financial accounts information reporting was issued. The guidance is intended to provide clarity to help financial institutions and their advisors understand and comply with their due diligence and reporting obligations.<sup>2003</sup>

Canada has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 25 January 2015, the Convention between the government of the United Kingdom of Great Britain and Northern Ireland and the government of Canada for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains was amended. The convention provides for information exchange in the area of beneficial ownership<sup>2004</sup>

During the compliance period Canada has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **China: +1**

China has fully complied with the commitment on beneficial ownership transparency.

China has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

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<sup>2002</sup> DOCUMENTO ORIENTATIVO PARA PREENCHIMENTO DO QUESTIONÁRIO, the Office of the Comptroller General. Access 21 October 2015. <http://www.cgu.gov.br/assuntos/etica-e-integridade/setor-privado/empresa-pro-etica/arquivos/documentos-e-manuais/documento-orientado-para-preenchimento-do-questionario-empresa-pro-etica>.

<sup>2003</sup> Guidance on enhanced financial accounts information reporting, Canada Revenue Agency 22 December 2014. Access Date: 10 May 2015. <http://www.cra-arc.gc.ca/tx/nrsdnts/nhncdrprtng/gdnc-eng.pdf>.

<sup>2004</sup> [TS No.6/2015] UK/Canada: Protocol Amending the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at London on 8 September 1978, as Amended, UK Government 27 January 2015. Access Date: 10 May 2015. <https://www.gov.uk/government/publications/ts-no62015-ukcanada-protocol-amending-the-convention-for-the-avoidance-of-double-taxation-and-the-prevention-of-fiscal-evasion-with-respect-to-t>.

On 1 December 2014, Chinese taxation authorities pledged to expand supervision of multinational companies to crack down on tax avoidance. Zhang Zhiyong, deputy director of the State Administration of Taxation, said that China would comprehensively monitor the profit levels of foreign companies, because some companies may erode a country's tax base by using a number of schemes to shift profits across borders, taking advantage of tax rates that are lower than in the country where they earn the profits. China will coordinate it with other countries. Zhang also said that China will actively engage in global cooperation to fight illicit activities and tax avoidance schemes.<sup>2005</sup>

China has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 26 March 2015, at the invitation of President Xi Jinping of the People's Republic of China, President Joko Widodo of the Republic of Indonesia made a state visit to China and attended the Boao Forum for Asia Annual Conference. During the visit the two sides agreed to actively realize taxation cooperation, fight international tax evasion and help developing countries and low-income countries to build up capabilities in terms of taxation and related administration, to create favourable taxation environment for investment, economic cooperation and trade between China and Indonesia. The two sides signed the Protocol and Memorandum of Understanding on the Agreement between the Government of the People's Republic of China and the Government of the Republic of Indonesia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, providing for, inter alia, cooperation in the area of beneficial ownership information exchange.<sup>2006</sup>

On 8 May 2015, China and Russia signed in Moscow the Protocol for the treaty on avoiding double taxation of income tax and preventing tax evasion. According to the Protocol, preventing tax evasion will be ensured through different measures, including the exchange of information on beneficial ownership.<sup>2007</sup>

On 25 May 2015, China and Chile signed the treaty on avoiding double taxation of income tax and preventing tax evasion. This tax treaty will help reduce tax burdens for cross-border investors of both countries, avoid double taxation, provide certainty of taxation, and protect the tax-related rights and interests of cross-border investors. The treaty provides, inter alia, for the exchange of beneficial ownership information.<sup>2008</sup>

During the compliance period China has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

*Analyst: Svetlana Nikitina*

#### **France: +1**

France has fully complied with the commitment on beneficial ownership transparency.

France has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

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<sup>2005</sup> China to prevent foreign companies from avoiding tax, the State Council of the People's Republic of China 1 December 2014. Access: 21 April 2015. [http://english.gov.cn/state\\_council/ministries/2014/12/02/content\\_281475018241423.htm](http://english.gov.cn/state_council/ministries/2014/12/02/content_281475018241423.htm)

<sup>2006</sup> Joint Statement on Strengthening Comprehensive Strategic Partnership between the People's Republic of China and the Republic of Indonesia, the Embassy of the People's Republic of China in the Kingdom of Norway 26 March 2015. Access: 21 April 2015. [http://wza.fmprc.gov.cn/yxsm/index.php?m=proxy&a=show&q\\_url=http%3A%2F%2Fno.china-embassy.org%2Feng%2F.%2Fzyxw%2Ft1249201.htm](http://wza.fmprc.gov.cn/yxsm/index.php?m=proxy&a=show&q_url=http%3A%2F%2Fno.china-embassy.org%2Feng%2F.%2Fzyxw%2Ft1249201.htm)

<sup>2007</sup> China and Russia Signed Tax Treaty Protocol, State Administration of Taxation of China 3 July 2015. Access: 21 October 2015. <http://www.chinatax.gov.cn/2013/n2925/n2957/c1716200/content.html>

<sup>2008</sup> China and Chile Signed Tax Treaty, State Administration of Taxation of China 3 July 2015. Access: 21 October 2015. <http://www.chinatax.gov.cn/2013/n2925/n2957/c1716375/content.html>

Beneficial Ownership Transparency stems from the Order 2009-104 of 30 January 2009, codified in articles L. 612-14 and followed by the Monetary and Financial Code of France.<sup>2009</sup>

On 10 April 2013, French President Francois Hollande declared that “French banks will have to publish annually a list of all their subsidiaries around the world, country by country ... this obligation to also be applied at the level of the European Union and, tomorrow, extended to large companies.”<sup>2010</sup>

France has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 27 January 2015, the money laundering directive launched on 5 February 2013 was passed by the European Parliament committees. It includes several innovations, for example the requirement to create national beneficial ownership databases.<sup>2011</sup> In the same period the ministers of finance of France, Germany and Italy issued a letter on greater harmonization and strategy in curbing tax evasion and avoidance.<sup>2012</sup> In the course of fighting against tax evasion the ministers addressed the creation of EU-wide beneficial ownership registers which would collect information on who is actually behind a company or other legal entity.<sup>2013</sup> Also at the instigation of France and the G20, the Global Forum on Transparency and Exchange of Information for Tax Purposes has become the main body responsible for designing international norms and standards in the fight against tax havens, especially developing new requirements concerning the beneficial owner identification.<sup>2014</sup>

During the compliance period France has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

## **Germany: +1**

Germany has fully complied with the commitment on beneficial ownership transparency.

Germany has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 16 December 2014, the final negotiations between members of the European Parliament and the European member states were held in Strasbourg, France. Under the draft compromise agreement, all European Union countries were required “to obtain and hold adequate, accurate and current information on their beneficial ownership” which must be held “in a central register.” The Parliament had already voted to

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<sup>2009</sup> Lignes directrices conjointes de l’Autorité de contrôle prudentiel et de Tracfin sur la déclaration de soupçon  
<http://www.economie.gouv.fr/files/201007-lignes-directrices-conjointes-Acp-tracfin.pdf>

<sup>2010</sup> Comment Hollande veut “éradiquer” les paradis fiscaux et l’évasion fiscale. L’EXPRESS.fr, 10/04/2013 Access: 22 April 2015..  
[http://lexpansion.lexpress.fr/actualite-economique/comment-hollande-veut-eradiquer-les-paradis-fiscaux-et-l-evasion-fiscale\\_1422585.html](http://lexpansion.lexpress.fr/actualite-economique/comment-hollande-veut-eradiquer-les-paradis-fiscaux-et-l-evasion-fiscale_1422585.html)

<sup>2011</sup> Money laundering: company owner lists to fight tax crime and terrorist financing Access: 22 April 2014.  
<http://www.europarl.europa.eu/news/en/news-room/content/20150126IPR14918/html/Money-laundering-company-owner-lists-to-fight-tax-crime-and-terrorist-financing>

<sup>2012</sup> Germany, France And Italy Urge EU To Write Common Corporate Tax Laws, EurActiv 2 December 2014. Date of Access: 22 April 2015. <http://www.euractiv.com/sections/euro-finance/germany-france-and-italy-urge-eu-write-common-corporate-tax-laws-310489>

<sup>2013</sup> Germany, Italy & France Call for Strengthened Fight on Tax Avoidance, Registers of Beneficial Ownership. December 3rd, 2014. Access: 22 April 2015.. <http://financialtransparency.org/news/germany-italy-france-call-for-strengthened-fight-on-tax-avoidance-registers-of-beneficial-ownership/>

<sup>2014</sup> Lutte contre les paradis fiscaux : l’impulsion de la France (12 février 2015) Access: 22 April 2015..  
<http://www.diplomatie.gouv.fr/fr/politique-etrangere-de-la-france/diplomatie-economique-et-commerce/actualites-liees-a-la-diplomatie-23093/2015/article/lutte-contre-les-paradis-fiscaux-l>

make publicly accessible the real owners of companies and trusts in March 2014.<sup>2015</sup> Nevertheless, the member states led by Germany were attempting to restrict the information collected to just the name and date of birth of beneficial owners.<sup>2016</sup> Finally, the agreement was reached.<sup>2017</sup> A directive according to which the ultimate owners of companies would have to be listed in central registers in EU countries was adopted. Instead of opening the data to general public, the access to it was provided only to people with a “legitimate interest.” The directive was implemented into Germany’s law through the adoption of a special bill on 15 July 2015 which places on the Federal Central Tax Office (Bundeszentralamt für Steuern) the responsibility for collecting relevant data from German financial institutions.<sup>2018</sup>

On 15 July 2015, the federal cabinet adopted two draft bills on the exchange of financial account information which lay down the details for information exchange within Germany and with other EU Member States. Under the new legal framework financial institutions are obliged to transmit the relevant data to the Federal Central Tax Office in advance, using an officially prescribed data set. Moreover, the highest data protection standards are secured.<sup>2019</sup>

German authorities use a definition of the “beneficial owner” contained in Money Laundering Act which entered into force on 21 August 2008. This Act also requires all obliged entities to have appropriate mechanisms in place to carefully assess the individual risk of the customer relationship and to conduct (based on this assessment) the customer due diligence which includes the identification and verification of the beneficial owner.<sup>2020</sup>

Besides, the Banking Act of 1998 amended on 15 July 2014 established a banking account data retrieval system, allowing access by competent authorities through an interface located within the German Financial Market Supervisory Authority (BaFin) to the beneficial owner information.<sup>2021</sup>

Germany has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 2 December 2014, the Minister of Finance of Germany Wolfgang Schäuble together with his French and Italian colleagues sent a letter to economics and tax commissioner Pierre Moscovici calling on greater harmonization and strategy in curbing tax evasion and avoidance.<sup>2022</sup> The three ministers appreciated the OECD and G20 countries anti-BEPS initiative. Therefore, they declared that the EU should also adopt a comprehensive anti-BEPS directive for member states by the end of 2015. In the course of fighting against tax evasion the ministers of the Eurozone’s three biggest economies also addressed the creation of EU-wide beneficial ownership registers which would collect information on who is actually behind a company or other

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<sup>2015</sup> Parliament Toughens Up Anti-Money Laundering Rules, European Parliament 11 March 2014. Access: 22 April 2015. <http://www.europarl.europa.eu/news/en/news-room/content/20140307IPR38110/>

<sup>2016</sup> Finance: Out Of Control? Beneficial Ownership Registers In EU States Won’t Be Made Completely Public, The Bureau Of Investigative Journalism 16 December 2014. Access: 22 April 2015. <http://www.thebureauinvestigates.com/2014/12/16/eu-set-to-fall-short-of-introducing-public-registers-of-beneficial-ownership/>

<sup>2017</sup> Money Laundering: Parliament And Council Negotiators Agree On Central Registers, European Parliament 17 December 2014. Access: 22 April 2015. <http://www.europarl.europa.eu/news/en/news-room/content/20141216IPR02043/>

<sup>2018</sup> German Government Presses Forward With Fight Against Tax Evasion, German Federal Ministry of Finance 15 July 2015. Access: 22 October 2015. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2015/2015-07-15-fight-against-tax-evasion.html>

<sup>2019</sup> German Government Presses Forward With Fight Against Tax Evasion, German Federal Ministry of Finance 15 July 2015. Access: 22 October 2015. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2015/2015-07-15-fight-against-tax-evasion.html>

<sup>2020</sup> Money Laundering Act, BaFin. Access: 7 August 2015.

[https://www.bafin.de/SharedDocs/Aufsichtsrecht/EN/Gesetz/gwg\\_en.html?nn=2821360#doc4528410bodyText2](https://www.bafin.de/SharedDocs/Aufsichtsrecht/EN/Gesetz/gwg_en.html?nn=2821360#doc4528410bodyText2)

<sup>2021</sup> Banking Act, Bafin 15 July 2014. Access: 7 August 2015.

[https://www.bafin.de/SharedDocs/Downloads/EN/Aufsichtsrecht/dl\\_kwg\\_en.pdf?\\_\\_blob=publicationFile](https://www.bafin.de/SharedDocs/Downloads/EN/Aufsichtsrecht/dl_kwg_en.pdf?__blob=publicationFile)

<sup>2022</sup> Germany, France And Italy Urge EU To Write Common Corporate Tax Laws, EurActiv 2 December 2014. Access: 22 April 2015. <http://www.euractiv.com/sections/euro-finance/germany-france-and-italy-urge-eu-write-common-corporate-tax-laws-310489>

legal entity. Making these registers public would drastically limit the ability for anonymous companies to be used in money laundering, tax evasion, and corruption.<sup>2023</sup> This system will likely be created along with the framework of the Common Consolidated Corporate Tax Base (CCCTB, a single set of rules that companies operating within the EU could use to calculate their taxable profits).

On 8 June 2015, the G7 Summit under the German Presidency was held in Schloss Elmau. Heads of State and Government of G7 countries adopted a Summit Declaration reaffirming their commitment to finalize concrete and feasible recommendations for the G20/OECD Base Erosion and Profit Shifting (BEPS) Action Plan by the end of 2015. They also recognized the importance of beneficial ownership transparency for combating tax evasion and corruption and committed to provide updates on the implementation of their national action plans.<sup>2024</sup>

Germany has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related both to strengthening international cooperation, and improving its domestic legal, regulatory and institutional frameworks. Thus, it is awarded a score of +1.

*Analyst: Sergei Titov*

### **India: +1**

India has fully complied with the commitment on beneficial ownership transparency.

India has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

Prevention of Money-laundering Rules, which entered into force in 2005, particularly Rule 9, include the definition of a beneficial owner, detailed for different types of clients.<sup>2025</sup>

On 15 December 2014, the Reserve Bank of India published Anti-Money Laundering guidelines for urban co-operative banks, which inform financial institutions about a possible penalty in case of violating the law. Through these guidelines the Reserve Bank of India tries to ensure that legal persons are provided with adequate beneficial ownership information.<sup>2026</sup>

On 10 February 2015, the Forward Market Commission issued the Master Circular on Prevention of Money Laundering and Combating Financing of Terrorism. The document addresses money laundering and financing of terrorism in the commodity derivatives markets and, inter alia, establishes the requirements concerning the identification of beneficial owners.<sup>2027</sup>

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<sup>2023</sup> Germany, Italy & France Call For Strengthened Fight On Tax Avoidance, Registers Of Beneficial Ownership, Financial Transparency Coalition 3 December 2014. Access: 22 April 2014. <http://www.financialtransparency.org/2014/12/03/germany-italy-france-call-for-strengthened-fight-on-tax-avoidance-registers-of-beneficial-ownership/>

<sup>2024</sup> Leaders' Declaration G7 Summit, German Federal Government. Access: 22 October 2014. [http://www.bundesregierung.de/Content/EN/\\_Anlagen/G7/2015-06-08-g7-abschluss-eng\\_en.pdf?\\_\\_blob=publicationFile&v=3](http://www.bundesregierung.de/Content/EN/_Anlagen/G7/2015-06-08-g7-abschluss-eng_en.pdf?__blob=publicationFile&v=3).

<sup>2025</sup> Verification of the records of the identity of clients, Ministry of Finance, Government of India. Access: 7 April 2015. <http://fiuindia.gov.in/notifications-rule9verification.htm>.

<sup>2026</sup> Anti-Money Laundering (AML) and Know Your Customer (KYC) Guidelines for Urban Co-operative Banks & Reserve Bank's expectation from Auditors, Ahmedabad Branch of Western India Regional Council of the Institute of Chartered Accounts of India 15 December 2014. Access: 7 April 2015. <http://icaiahmedabad.com/KYC-AML-15-12-2014-SHRI-P-K-PRADHAN.pdf>.

<sup>2027</sup> Prevention of Money Laundering (Amendment) Act, 2012 (PMLA) – Master Circular, National Commodity & Derivatives Exchange 10 February 2015. Access: 7 April 2015. [http://www.ncdex.com/Downloads/Circulars/PDF/Prevention\\_Money\\_Laundering\\_Amendment\\_Act\\_2012\\_Master\\_Circular\\_10022015.pdf](http://www.ncdex.com/Downloads/Circulars/PDF/Prevention_Money_Laundering_Amendment_Act_2012_Master_Circular_10022015.pdf).



On 28 February 2015, Finance Minister Arun Jaitley stated that income concealment offence and tax evasion in relation to a foreign asset would become a criminal offence.<sup>2028</sup>

India has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 3 June 2015, India joined the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information. The agreement provides for the exchange of financial information between national authorities after collecting the same from financial institutions, including information about the ultimate controlling persons and beneficial owners of entities. India will implement the new standard starting from 2017.

India has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it is awarded a score of +1.

*Analyst: Anastasiia Matiukhina*

### **Indonesia: +1**

Indonesia has fully complied with the commitment on beneficial ownership transparency.

Indonesia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

The term 'beneficial owner' is incorporated in Indonesian legislation. In particular, Indonesian central bank implements the anti-money laundering program providing for the identification of beneficial owners.<sup>2029</sup> Non-bank money changers are also obliged to meet the standards of identifying beneficial owners.<sup>2030</sup>

Indonesia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 26 March 2015, at the invitation of Chinese President Xi Jinping, Indonesian President Joko Widodo visited China and attended the Boao Forum for Asia Annual Conference. During the visit the two sides agreed to actively realize taxation cooperation, fight international tax evasion and help developing countries and low-income countries to build up capabilities in terms of taxation and related administration, to create favourable taxation environment for investment, economic cooperation and trade between China and Indonesia. The two sides signed the Protocol and Memorandum of Understanding on the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, providing for, inter alia, cooperation in the area of beneficial ownership information exchange.<sup>2031</sup>

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<sup>2028</sup> Union Budget 2015: Full text of finance minister's speech, Livemint 28 February 2015. Access: 7 April 2015.

<http://www.livemint.com/Politics/GIkYvubNVzBM2lsrW5pKjM/Union-Budget-2015-Full-text-of-finance-minister-Arun-Jaitle.html>.

<sup>2029</sup> Bank Indonesia Regulation Number: 14/27/PBI/2012, Indonesia Financial Services Authority 28 December 2012. Access date: 17 April 2015. [www.ojk.go.id/dl.php?i=2199](http://www.ojk.go.id/dl.php?i=2199).

<sup>2030</sup> Circular Letter No.12/10/DPM concerning the Standard Guidelines on the Implementation of Anti-Money Laundering and Counter-Terrorism Financing Terrorism Program for Non-Bank Money Changer, Central Bank of Indonesia 30 March 2010. Access date: 17 April 2015. [http://www.bi.go.id/en/peraturan/moneter/Pages/se\\_121010.aspx](http://www.bi.go.id/en/peraturan/moneter/Pages/se_121010.aspx).

<sup>2031</sup> Joint Statement on Strengthening Comprehensive Strategic Partnership between the People's Republic of China and the Republic of Indonesia, the Embassy of the People's Republic of China in the Kingdom of Norway 26 March 2015. Access: 21 April 2015. [http://wza.fmprc.gov.cn/yxsm/index.php?m=proxy&a=show&q\\_url=http%3A%2F%2Fno.china-embassy.org%2Feng%2F.%2Fzyxw%2Ft1249201.htm](http://wza.fmprc.gov.cn/yxsm/index.php?m=proxy&a=show&q_url=http%3A%2F%2Fno.china-embassy.org%2Feng%2F.%2Fzyxw%2Ft1249201.htm)

On 25 June 2015, Indonesia and Bahamas signed the agreement on the exchange of information relating to tax matters, including data on beneficial ownership.<sup>2032</sup>

Indonesia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **Italy: +1**

Italy has fully complied with the commitment on the beneficial ownership transparency.

The definition of “beneficial owner” used in Italy is contained within the EU Council Directive 2003/48/EC of 3 June 2003. According to the Article 2 of the directive “‘beneficial owner’ means any individual who receives an interest payment or any individual for whom an interest payment is secured, unless he provides evidence that it was not received or secured for his own benefit...”<sup>2033</sup>

Italy participates in the EU activities on financial security matters, and is subjected to the EU regulations in that sphere.

On 20 April 2015, the European Council adopted its position at first reading on new rules aimed at preventing money laundering and terrorist financing. The new directive and regulation, legally binding for all the EU member states, are to strengthen the EU rules against money laundering and ensure consistency with the international approach, implementing the recommendations by the Financial Action Task Force (FATF). The regulation contains, inter alia, requirements that beneficial owners are listed in central registers in EU countries, which are to be made accessible to the interested stakeholders.<sup>2034</sup>

During the compliance period Italy has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving their domestic legal, regulatory and institutional frameworks as well as strengthening international cooperation with respect to beneficial ownership transparency. Thus, it has been awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Japan: +1**

Japan has fully complied with the commitment on beneficial ownership transparency.

Japan recognizes the importance of implementing measures in accordance with standards set by the Financial Action Task Force. On 30 March 2015, the Japan Financial Intelligence Centre published a report for 2014. One of its objectives is to elaborate methods and recommendations to prevent money laundering and establish companies’ transparency.<sup>2035</sup>

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<sup>2032</sup> Agreement between the Government of the Republic of Indonesia and the Government of the Commonwealth of the Bahamas for the Exchange of Information relating to Tax Matters, Ministry of Foreign Affairs of Indonesia 25 June 2015. Access date: 13 October 2015. <http://treaty.kemlu.go.id/index.php/treaty/download/5728>

<sup>2033</sup> Council Directive 2003/48/EC, EUR -Lex.europa 3 June 2003. Access: 18 May 2015. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:157:0038:0048:en:PDF>.

<sup>2034</sup> Money laundering: Council approves strengthened rules, European Council 20 April 2015. Access: 19 May 2015. <http://www.consilium.europa.eu/en/press/press-releases/2015/04/20-money-laundering-strengthened-rules/>.

<sup>2035</sup> JAFIC Annual Report 2014, Japan National Police Agency. Access: 22 April 2015. [www.npa.go.jp/sosikihanzai/jafic/en/nenzihokoku\\_e/data/jafic\\_2014e.pdf](http://www.npa.go.jp/sosikihanzai/jafic/en/nenzihokoku_e/data/jafic_2014e.pdf)

According to the Transparency International Japan's report the country has demonstrated significant progress toward transparent beneficial ownership.<sup>2036</sup> The actions include measures at national and international levels, including the following:

Japan ensures effective national system. The Act on the Prevention of Transfer of Criminal Proceeds defines beneficial ownership and different procedures related to its identification.<sup>2037</sup> Annually, Japan Financial Intelligence Center (JAFIC) conducts risk assessment of the money laundering related to legal persons and arrangements. Moreover, the National Police Agency conducted detailed risk analysis with the Ministry of Finance.<sup>2038</sup>

Japan ensures effective international cooperation. The country has concluded a number of Memorandums of understanding with foreign authorities to share beneficial ownership information. JAFIC provides ownership information to foreign judicial and law enforcement authorities.<sup>2039</sup>

During the compliance period Japan has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks, and strengthened international cooperation. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

#### **Korea: 0**

Korea has partially complied with the commitment on beneficial ownership transparency.

Korea has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

In Korea, legislation aimed at beneficial ownership identification and transparency is in force.<sup>2040</sup> However, no new actions taken by Korea to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving either domestic frameworks, or international cooperation have been registered during the compliance period.

Thus, Korea is awarded a score of 0.

*Analyst: Andrey Shelepov*

#### **Mexico: +1**

Mexico has fully complied with the commitment on the beneficial ownership transparency.

Mexico has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

Mexico 2014 tax reform changed "liability for criminal offenses not only being that of the legal representative of the entity, but also of the sole administrator, chairman of the board of directors, general directors or

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<sup>2036</sup> Assessing the implementation of the G20 High Level Beneficial Ownership Transparency Principles across G20 members, Transparency International Japan. Access: 20 October 2015. [www.ti-j.org/QuestionnaireBOresearchJapan\\_2015.pdf](http://www.ti-j.org/QuestionnaireBOresearchJapan_2015.pdf)

<sup>2037</sup> The Act on the Prevention of Transfer of Criminal Proceeds, Japan National Police Agency. Access: 20 October 2015. <https://www.npa.go.jp/syokanhourei/hansyuu.pdf>

<sup>2038</sup> Risk Assessment Report 2014, Japan National Police Agency. Access: 20 October 2015. <https://www.npa.go.jp/sosikihanzai/jafic/nenzihokoku/risk/risk261218.pdf>

<sup>2039</sup> JAFIC official website. Access: 20 October 2015. <https://www.npa.go.jp/sosikihanzai/jafic/nenzihokoku/nenzihokoku.htm>

<sup>2040</sup> Asia Tax Bulletin, Mayer Brown January 2015. Access date: 1 June 2015.

<http://www.mayerbrown.com/files/Publication/c14edcb5-ccae-4063-8fd8-968bb5ca191c/Presentation/PublicationAttachment/28783118-b012-4088-aa48-9afc71cfd88f/150210-ASI-TaxBulletin.pdf>.

managers or the person or persons who have powers of administration or ownership, as these persons have the power to prevent tax offenses from being committed.”<sup>2041</sup>

In 2014 the Tax on Cash Deposits Law (Ley del Impuesto sobre Depósitos en Efectivo) was repealed. According to the Income Tax Law “the institutions that are part of the financial system must submit an annual report to the Tax Administration Service of all cumulative monthly deposits in excess of approximately USD 1000 made to the accounts of individual taxpayers and legal entities.”<sup>2042</sup>

On 4 May 2015, Mexican president Enrique Peña Nieto enacted the Federal Law of Transparency and Access to Public Information which regulates the national transparency system, access to information and protection of personal data. The Federal Law is aimed at facilitating access to the information on all private entities that receive public funding, including trade unions and political parties, to improve accountability and combat corruption. According to this Federal Law, the entities should provide up-to-date information in different areas, including beneficial ownership.<sup>2043</sup>

Mexico has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 4 March 2015, on the occasion of Mexican President Enrique Peña Nieto’s visit to the United Kingdom, Joint Mexico-UK Declaration was signed<sup>2044</sup> which affirms both countries’ commitment to cooperate closely in the G20, the OECD, and the WTO for promoting an open and transparent global economy, including implementation the FATF standards, in particular on beneficial ownership.

During the compliance period Mexico has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving their domestic legal, regulatory and institutional frameworks as well as strengthening international cooperation with respect to beneficial ownership transparency. Thus, it has been awarded a score of +1.

*Analyst: Elizaveta Safonkina*

## **Russia: +1**

Russia has fully complied with the commitment on beneficial ownership transparency.

Russia has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 24 November 2014, Russian President signed Federal Law On Amendments to Parts 1 and 2 of the Russian Federation Tax Code (Concerning Taxation of Profits of Controlled Foreign Companies and Income of Foreign Organisations). The law introduces the terms of beneficial ownership and controlled foreign companies, which are entities controlled by Russian tax residents.<sup>2045</sup>

On 22 April 2015, Russian Federal Financial Monitoring Service adopted an instruction defining the procedure of providing information on beneficial owners involved in transactions subject to mandatory

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<sup>2041</sup> Tax Reform 2014. Date of access: 5 April 2015.

<https://www.kpmg.com/MX/es/IssuesAndInsights/ArticlesPublications/Documents/Estudios/2013/Tax-Reform-2014.pdf>.

<sup>2042</sup> Tax Reform 2014, KPMG. Access: 5 April 2015.

<https://www.kpmg.com/MX/es/IssuesAndInsights/ArticlesPublications/Documents/Estudios/2013/Tax-Reform-2014.pdf>.

<sup>2043</sup> LEY GENERAL DE TRANSPARENCIA Y ACCESO A LA INFORMACIÓN PÚBLICA. 4 May 2015. Date of assess: 5 October 2015 <http://www.diputados.gob.mx/LeyesBiblio/pdf/LGTAIP.pdf>.

<sup>2044</sup> Joint Mexico-United Kingdom Declaration. Date of assess: 5 April 2015. <http://en.presidencia.gob.mx/joint-mexico-united-kingdom-declaration/>.

<sup>2045</sup> Amendments to Tax Code introducing mechanism for taxation of controlled foreign companies’ profits, President of Russia 25 November 2014. Access Date: 15 June 2015. <http://en.kremlin.ru/acts/news/47069>.

control or allegedly related to money laundering and financing of terrorism.<sup>2046</sup> The adoption of the instruction was in line with the National action plan to address tax evasion and identifying beneficial owners of companies adopted by First Deputy Prime Minister Igor Shuvalov on 30 April 2014.<sup>2047</sup>

Russia has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 17 April 2015, Russian Federal Financial Monitoring Service signed a cross-service agreement with the Financial Monitoring Service under the Central Bank of Azerbaijan. The agreement provides for cooperation and exchange of information related to money laundering and financing of terrorism, including information on beneficial ownership.<sup>2048</sup>

During the compliance period Russia has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

*Analysts: Andrey Shelepov and Mark Rakhmangulov*

### **Saudi Arabia: 0**

Saudi Arabia has partially complied with the commitment on beneficial ownership transparency.

Saudi Arabia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 8 April 2015, Saudi Arabian parliament (Majlis Al-Shura) approved a draft agreement between the Government of the Kingdom and the Government of the Kyrgyz Republic on avoidance of double taxation and prevention of tax evasion with respect to taxes on income. The agreement provides for exchange of information between relevant authorities concerning beneficial ownership.<sup>2049</sup>

Saudi Arabia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation, but failed to improve its domestic legal, regulatory and institutional frameworks. Thus, it is awarded a score of 0.

*Analyst: Andrey Shelepov*

### **South Africa: 0**

South Africa has partially complied with the commitment on beneficial ownership transparency.

On 15 April 2015, the government of South Africa approved the draft Financial Intelligence Centre Amendment Bill. According to the National Treasury Africa the bill is aimed at enhancing the country's "ability to combat financial crimes by proposing measures to address threats to the stability of South Africa's financial system posed by money laundering and terrorism financing" and addressing regulatory gaps identified in the 2009 Mutual Evaluation of the Financial Action Task Force and the International Monetary Fund's 2014 South Africa Financial Sector Assessment Programme Technical Note on anti-money laundering

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<sup>2046</sup> Russian Federal Financial Monitoring Service Order No. 110 of 22 April 2015, Russian Federal Financial Monitoring Service June 2015. Access Date: 15 June 2015. <http://www.fedsfm.ru/documents/rfm/1633>.

<sup>2047</sup> National action plan to address tax evasion and identifying beneficial owners of companies, Federal Financial Monitoring Service 30 April 2014. Access Date: 15 June 2015. <http://www.fedsfm.ru/documents/rfm/1087>.

<sup>2048</sup> Cross-service agreements, Federal Financial Monitoring Service 2015. Access Date: 15 June 2015. <http://www.fedsfm.ru/activity/bilateral-interagency-agreements>.

<sup>2049</sup> Majlis Al-Shura Holds its 28th Ordinary session, Ministry of Foreign Affairs of Saudi Arabia 8 April 2015. Access date: 18 May 2015. <http://www.mofa.gov.sa/sites/mofaen/ServicesAndInformation/news/GovernmentNews/Pages/ArticleID201548103521298.aspx>

and countering terrorist finance. The bill introduces “the concepts of beneficial ownership, ongoing due diligence, and foreign and domestic prominent influential persons.”<sup>2050</sup>

On 21 April 2015, the South African National Treasury published the draft bill and requested public comments to be sent by 31 May 2015. It was anticipated that the bill would be submitted to the government by June 2015.<sup>2051</sup>

On 22 July 2015, the South African National Treasury published the 2015 Draft Taxation Laws Amendment Bill and the Draft Tax Administration Laws Amendment Bill and requested public comments to be sent by 24 August 2015. The bills provide for closing a loophole to ensure consistent tax treatment on all retirement funds; closing a loophole to avoid estate duty through excessive contributions to retirement funds; Measures to counter tax free corporate-migrations and other reforms aimed at implementation of the international tax standards, such as the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters, “which encompasses the Common Reporting Standard endorsed by the G20 Finance Ministers.”<sup>2052</sup>

South Africa has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency to improve its domestic legal, regulatory and institutional frameworks, but no efforts to strengthen international cooperation in this field has been registered. Thus, it has been awarded a score of 0.

*Analyst: Lyudmila Tarasenko*

### **Turkey: 0**

Turkey has partially complied with the commitment on beneficial ownership transparency.

Turkey has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks. However, the actions had been taken before the start of the compliance period.

The definition of the “beneficial owner” is contained in the Regulation on measures regarding prevention of laundering proceeds of crime and financing of terrorism adopted in 2008.<sup>2053</sup>

According to the Financial Action Task Force, Turkey has recently improved its legal frameworks concerning beneficial ownership. In particular, it has strengthened the requirements preventing criminals and their associates from being beneficial owners or hold controlling interest in financial institutions. However, some deficiencies concerning the identification of beneficial owners still remain and no concrete measures have been taken to address them during the compliance period.<sup>2054</sup>

Turkey has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

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<sup>2050</sup> MEDIA STATEMENT REQUEST FOR PUBLIC COMMENTS ON THE DRAFT FINANCIAL INTELLIGENCE CENTRE AMENDMENT BILL, 2015, National Treasury of South Africa 21 April 2015. Access: 27 April 2015. [http://www.treasury.gov.za/comm\\_media/press/2015/2015042101%20-%20FIC%20Bill%202015%20%20Press%20Statement.pdf](http://www.treasury.gov.za/comm_media/press/2015/2015042101%20-%20FIC%20Bill%202015%20%20Press%20Statement.pdf).

<sup>2051</sup> MEDIA STATEMENT REQUEST FOR PUBLIC COMMENTS ON THE DRAFT FINANCIAL INTELLIGENCE CENTRE AMENDMENT BILL, 2015, National Treasury of South Africa 21 April 2015. Access: 27 April 2015. [http://www.treasury.gov.za/comm\\_media/press/2015/2015042101%20-%20FIC%20Bill%202015%20%20Press%20Statement.pdf](http://www.treasury.gov.za/comm_media/press/2015/2015042101%20-%20FIC%20Bill%202015%20%20Press%20Statement.pdf).

<sup>2052</sup> Publication of the 2015 Draft Taxation Laws Amendment Bill and the Draft Tax Administration Laws Amendment Bill, National Treasury of South Africa 22 July 2015. Access: 1 October 2015. [http://www.treasury.gov.za/comm\\_media/press/2015/2015072201%20-%20Media%20statement%20TLAB%20&TALAB.pdf](http://www.treasury.gov.za/comm_media/press/2015/2015072201%20-%20Media%20statement%20TLAB%20&TALAB.pdf).

<sup>2053</sup> Regulation on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism, United Nations Office on Drugs and Crime. Access: 18 October 2015. [https://www.unodc.org/tldb/pdf/Turkey/TUR\\_AML\\_Reg\\_26751.pdf](https://www.unodc.org/tldb/pdf/Turkey/TUR_AML_Reg_26751.pdf).

<sup>2054</sup> 15<sup>th</sup> Follow-Up Report. Mutual Evaluation of Turkey, Financial Action Task Force October 2014. Access: 18 October 2015. <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/Turkey-FUR-2014.pdf>.

On 4 March 2015, Deputy Undersecretary of the Ministry of Justice Selahaddin Menteş addressed the first G20 Anti-Corruption Working Group (ACWG) meeting during the Turkish G20 presidency. He mentioned that as a co-chair of the ACWG Turkey will concentrate on achieving progress in the joint G20 anti-corruption action, including in the area of beneficial ownership.<sup>2055</sup>

Turkey has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation, but failed to take concrete steps to improve its domestic legal, regulatory and institutional frameworks during the compliance period. Thus, it is awarded a score of 0.

*Analyst: Nadezhda Sporysheva*

### **United Kingdom: +1**

The United Kingdom has fully complied with the commitment on beneficial ownership transparency.

The UK has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 26 March 2015, the UK Parliament passed into law the Small Business, Enterprise and Employment Act 2015. The act provided for the establishment of a central public register of those individuals who hold significant control of UK companies. Companies will be required to maintain their own registries from April 2016 and provide this information to Companies House for inclusion on the public register from June 2016.<sup>2056</sup>

On 19 June 2015, the UK Government launched public consultations aimed at finalising the draft regulations needed to set up the detailed aspects of maintaining beneficial ownership registries.<sup>2057</sup>

The UK has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 28 January 2015, the UK and Singapore held the inaugural Financial Dialogue. The participants identified areas of joint interest and made a commitment for further collaboration across a number of issues, in particular sharing experiences related to the “implementation of the Financial Action Task Force (FATF) Standards set out in the G20 High Level Principles on transparency of beneficial ownership.”<sup>2058</sup>

In March 2015, representatives of the UK Treasury and the Foreign and Commonwealth Office wrote to the Premiers of the British Virgin Islands and Cayman Islands asking them to set out plans and a timetable for the implementation of central registers of company beneficial ownership, or similarly effective systems, by November.<sup>2059</sup>

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<sup>2055</sup> First G20 Anti-Corruption Working Group Meeting held in Istanbul, G20 Turkey 2015 5 March 2015. Access: 27 April 2015. <https://g20.org/first-g20-anti-corruption-working-group-meeting-held-in-istanbul/>.

<sup>2056</sup> Boost for firms as Small Business Act becomes law, UK Government 26 March 2015. Access date: 17 April 2015. <https://www.gov.uk/government/news/boost-for-firms-as-small-business-act-becomes-law>.

<sup>2057</sup> The Register of People with Significant Control, UK Government 19 June 2015. Access date: 21 October 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/437974/bis-15-315-register-of-people-with-significant-control-consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437974/bis-15-315-register-of-people-with-significant-control-consultation.pdf).

<sup>2058</sup> UK and Singapore hold inaugural financial dialogue, UK Government 28 January 2015. Access date: 17 April 2015. <https://www.gov.uk/government/news/uk-and-singapore-hold-inaugural-financial-dialogue>.

<sup>2059</sup> Companies: Ownership:Written question - 10437, UK Parliament 16 October 2015. Access date: 11 November 2015. <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-09-16/10437/>.

The UK has implemented the G20 High-Level Principles on Beneficial Ownership Transparency both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **United States: 0**

The United States has partially complied with the commitment on beneficial ownership transparency.

The U.S. has a definition of beneficial owner.<sup>2060</sup> The U.S. has backed international initiatives aimed at combating anonymous firms. In recent years the U.S. made several proposals on beneficial ownership transparency. On 1 August 2013, the Incorporation Transparency and Law Enforcement Act was introduced to the Congress, which could ensure disclosure of the beneficial owners of U.S. corporations<sup>2061</sup>. However this law has not been enacted, the U.S. still has a reputation of one of the biggest centres where a company can keep its ownership anonymous<sup>2062</sup>, and during the period under review no facts of efforts taken by the U.S. to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks were registered.

The United States has taken steps aimed at strengthening international cooperation in the sphere of beneficial ownership transparency. The US has continued to push forward its Foreign Account Tax Compliance Act (FATCA) project. Enacted by Congress in 2010, FATCA requires U.S. citizens to report their financial accounts held abroad and all foreign financial organizations to report assets of such persons to the US Treasury. FATCA-related information is shared between the U.S. and other countries under bilateral deals called intergovernmental agreements.

During the compliance period the U.S. has signed 27 FATCA intergovernmental agreements with Barbados, Moldova, Cyprus, Bulgaria, Curacao, Qatar, Kosovo, Belarus, Croatia, Uzbekistan Kuwait, Cambodia, Colombia, Georgia, Holy See, Iceland, India, Montserrat, Philippines, Portugal, Romania, St. Kitts and Nevis, St. Vincent and the Grenadines, Slovak Republic, Korea, Turkey, United Arab Emirates.<sup>2063</sup>

During the period under review the United States has taken steps aimed at strengthening international cooperation in the sphere of beneficial ownership transparency but has failed to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks. Thus, it has been awarded a score of 0.

*Analyst: Tatiana Lanshina*

### **European Union: +1**

The European Union has partially complied with the commitment on beneficial ownership transparency.

The European Union has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 18 March 2015, the European Commission presented a Tax Transparency Package to provide greater openness of Member States' corporate tax regimes, make companies more accountable for their tax practices

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<sup>2060</sup> Regulation 13D-G, Title 17, Chapter II, Part 240, Electronic Code of Federal Regulations. Access: 5 May 2015.

[http://www.ecfr.gov/cgi-bin/text-idx?SID=8e0ed509ccc65e983f9eca72ceb26753&node=17:4.0.1.1.1&rgn=div5#se17.4.240\\_113d\\_63](http://www.ecfr.gov/cgi-bin/text-idx?SID=8e0ed509ccc65e983f9eca72ceb26753&node=17:4.0.1.1.1&rgn=div5#se17.4.240_113d_63).

<sup>2061</sup> S. 1465 (113th): Incorporation Transparency and Law Enforcement Assistance Act, Govtrack. Access: 11 October 2015.

<https://www.govtrack.us/congress/bills/113/s1465>.

<sup>2062</sup> Financial Secrecy Index, USA, 7 November 2013. Access: 12 April 2015. <http://www.financialsecrecyindex.com/PDF/USA.pdf>.

<sup>2063</sup> FATCA - Archive, The U.S. Department of the Treasury. Access: 4 October 2015. <http://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx>.



and tackle corporate tax avoidance effectively. In order to achieve these goals the Member States will be obliged to exchange information on their tax rulings. This package will also help the tax authorities to gather adequate, accurate and current information regarding the beneficial ownership of legal persons.<sup>2064</sup>

On 20 April 2015, the European Council adopted its position at first reading on new rules aimed at preventing money laundering and terrorist financing. The new directive and regulation, legally binding for all the EU member states, are to strengthen the EU rules against money laundering and ensure consistency with the international approach, implementing the recommendations by the Financial Action Task Force (FATF). The regulation contains, inter alia, requirements that beneficial owners are listed in central registers in EU countries, which are to be made accessible to the interested stakeholders.<sup>2065</sup>

The EU has taken actions to enforce cross-country cooperation, including information exchange on beneficial ownership with international counterparts.

On 8 July 2015, the European Parliament voted a non-binding resolution stating that the EU and its member states should make multinationals report their financial performance, tax details, assets and employee numbers country by country, so as to help fight tax evasion and illicit money flows in developing countries. In the resolution it is also stated that information on beneficial ownership of companies should be made publicly available in open-data formats to prevent anonymous shell companies and comparable legal entities being used to launder money, finance illegal activities or terrorist activities. The European Parliament also called on the European Commission to put forward an action plan to support developing countries in fighting tax evasion and tax avoidance.<sup>2066</sup>

European Union has acted to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

*Analyst: Andrey Shelepov*

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<sup>2064</sup> Combatting corporate tax avoidance: Commission presents Tax Transparency, European Commission 18 March 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-4609\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-4609_en.htm)

<sup>2065</sup> Money laundering: Council approves strengthened rules, European Council 20 April 2015. Access: 19 May 2015. <http://www.consilium.europa.eu/en/press/press-releases/2015/04/20-money-laundering-strengthened-rules/>.

<sup>2066</sup> Tax: MEPs advocate country-by-country reporting to help developing countries, the European Parliament 8 July 2015. Access: 10 October 2015. <http://www.europarl.europa.eu/news/en/news-room/content/20150703IPR73914/html/Tax-MEPs-advocate-country-by-country-reporting-to-help-developing-countries>

## 14. Development: Remittances

“We commit to take strong practical measures to reduce the global average cost of transferring remittances to five per cent and to enhance financial inclusion as a priority.”

*G20 Brisbane Leaders’ Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia		0	
Brazil		0	
Canada			+1
China			+1
France		0	
Germany		0	
India			+1
Indonesia		0	
Italy		0	
Japan		0	
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia	-1		
South Africa			+1
Turkey	-1		
United Kingdom		0	
United States			+1
European Union		0	
Average		+0.20	

### Background

Remittance payments are defined as transfers of money from migrant workers to individuals back in his or her home country. Remittance payments count as one of the largest forms of financial flows to developing countries, estimated to be at a sum of USD 454 billion in 2015.<sup>2067</sup> In previous years global remittance payments have significantly exceeded global payments in official development assistance (ODA), such as in 2013 when remittance payments were three times larger than the annual ODA.<sup>2068</sup> Notably, remittances to and from G20 countries account for nearly 80% of world’s total remittance flows.<sup>2069</sup>

However, there are quite significant transaction costs on remittance payments. The global average cost is calculated as the average total cost for sending USD 200.<sup>2070</sup> At the end of 2014, the World Bank estimated

<sup>2067</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

<sup>2068</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

<sup>2069</sup> G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015. <http://www.international.gc.ca/g20/assets/pdfs/G20-PlanToFacilitateRemittanceFlows.pdf>

<sup>2070</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access Date: 12 February 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf)

the global average cost of sending remittance transfers to equal approximately 7.9% of the aggregate value sent.<sup>2071</sup> As of Q4 2014, the average remittance costs of sending to the G20 countries have converged to become exactly equal to the global average cost of 7.9%.<sup>2072</sup> However, the average remittance costs of sending from the G20 countries are 8.06%.<sup>2073</sup>

The main factors driving remittance costs include migration costs, passport costs, exchange rates and the fees associated with sending remittance.<sup>2074</sup> However, with the increase in electronic and mobile remittance systems, transaction costs continue to fall.<sup>2075</sup> Though, these services are greatly limited in many regions of the world and furthermore come with a number of reliability and institutional problems.

Since the 2004 G8 Sea Island Summit, which created the Global Remittances Initiative in partnership with the World Bank, countries have begun taking measures to reduce these high average costs.<sup>2076</sup>

The G20 has made several commitments throughout the years to reduce the global average costs of remittance payments. Beginning in 2010 at the Seoul Summit, G20 members agreed, through the Seoul Development Consensus for Shared Growth, to lower the average costs of remittance payments.<sup>2077</sup> At the Cannes Summit in 2011, the G20 members committed to “work to reduce the average cost of transferring remittances from 10 to 5 per cent by 2014, contributing to release an additional USD 15 billion per year for recipient families.”<sup>2078</sup> In 2012 at the Los Cabos Summit, these sentiments were reiterated alongside a request to the World Bank to report every six months on remittance cost progress.<sup>2079</sup>

Most recently in 2013 at the St. Petersburg Summit, the G20 members pledged to “consider in 2014 innovative results-based mechanisms to further reduce the cost of transferring remittances to developing countries.”<sup>2080</sup>

Notably, global average costs have recently dropped a full 1% from 8.9% to 7.9% since 2013.<sup>2081</sup>

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<sup>2071</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

<sup>2072</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access Date: 12 February 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf)

<sup>2073</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access Date: 12 February 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf)

<sup>2074</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

<sup>2075</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

<sup>2076</sup> Fact Sheet: Applying the Power of Entrepreneurship to the Eradication of Poverty, G8 Information Centre (Toronto) 9 June 2004. Access Date: 6 February 2015. [http://www.g8.utoronto.ca/summit/2004seaisland/fact\\_poverty.html](http://www.g8.utoronto.ca/summit/2004seaisland/fact_poverty.html)

<sup>2077</sup> Seoul Development Consensus for Shared Growth, 27 June 2010. Access Date: 6 February 2015. [www.g20.utoronto.ca/2010/g20seoul-consensus.pdf](http://www.g20.utoronto.ca/2010/g20seoul-consensus.pdf)

<sup>2078</sup> Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, 4 November 2011. Access Date: 6 February 2015. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>

<sup>2079</sup> 2012 Progress Report of the Development Working Group, 19 June 2012. Access Date: 6 February 2015. <http://www.g20.utoronto.ca/2012/2012-0619-dwg.html>

<sup>2080</sup> G20 Research Group: Final 2013 St. Petersburg G20 Final Compliance Report, 15 November 2014. Access Date: 6 February 2014. <http://www.g20.utoronto.ca/compliance/2013stpetersburg-final/index.html>

<sup>2081</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

## Commitment Features

G20 members have made significant progress in reducing remittance costs and are recommitting to a 5% reduction target. Members realize that remittance payments play an integral role in long-term social and economic development and financial inclusion. Accordingly, they have committed to, both domestically and internationally, take strong practical measures to meet their targets.

Both the G20 Development Working Group and the G20 Global Partnership for Financial Inclusion vis-à-vis the Financial Inclusion Action Plan have proposed a number of recommendations to the G20 Plan to Facilitate Remittance Flows on how to take strong practical measures. Collectively, these groups seek innovative methods and networks to improve their current policies.

Accordingly, the G20 Plan to Facilitate Remittance Flows outlines, in their Country Plans for Reducing Remittance Transfer Costs, a number of methods in which countries can take to meet their reduction target. It proposes four “strong practical measures” for reducing remittance costs and increasing access to affordable remittances.

- 10.1. “increase remittance market competitiveness” by means of facilitating the entrance of more retail payment systems (RPSs) and improving the supervision of RPSs in order to undermine anti-competitive practices.<sup>2082</sup>
- 10.2. “improve financial system infrastructure and technology” by supporting the innovation and widespread usage of these new RSP technology.<sup>2083</sup>
- 10.3. “improve transparency and consumer protection of remittance transfers.” This can be done by boosting transparency of RSPs, bulwarking consumer legal protection, and increasing RSP regulation.”<sup>2084</sup>
- 10.4. “improving financial inclusion and development impact of remittances.” This can be done by enhancing the financial literacy of consumers, offering remittance price databases for customers to compare costs, and discouraging taxes on migrant remittance transfers.<sup>2085</sup>

These four methods proposed in the Country Plans for Reducing Remittance Transfer Costs outline the various methods of compliance for G20 members to take.

As remittances to and from G20 countries account for nearly 80% of world’s total remittance flows,<sup>2086</sup> this report will also highlight the current costs of remittance in each G20 country. Consequently, this will have a substantial impact on the global average cost of transferring remittances. Thus, full compliance will awarded to members that take action on all four measures outlined above to enhance access to affordable remittances, and is able to meet the target of 5%.<sup>2087</sup>

## Scoring Guidelines

-1	Member does not take any measures to enhance access to more affordable remittances.
0	Member takes some measures to enhance access to more affordable remittances.
+1	Member takes all measures to enhance access to more affordable remittances.

<sup>2082</sup> G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.  
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

<sup>2083</sup> G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.  
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

<sup>2084</sup> G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.  
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

<sup>2085</sup> G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.  
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

<sup>2086</sup> G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.  
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

<sup>2087</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access Date: 12 February 2015.  
[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf)

## Argentina: -1

Argentina has not complied with its commitment to help reduce the average cost of remittances and increase access to affordable remittances.

The government of Argentina has not released any information about the current costs of remittances. According to World Bank estimates, the average cost for Latin American countries was 6.03 per cent in the last quarter of 2014.<sup>2088</sup> This is an increase from 6.02 per cent in the third quarter of 2014 and 5.57 per cent in the second quarter of 2014.

In the last quarter of 2014, strict foreign exchange controls in Argentina increased the cost of sending remittances to Bolivia, Colombia, Paraguay and Peru.<sup>2089</sup> Capital controls also dampened the volume of outward remittances from Argentina. For example, remittance flows from Argentina to Peru decreased by 6 per cent in 2014.<sup>2090</sup> The World Bank notes that remittance growth was “sluggish” in Argentina in 2014.<sup>2091</sup>

In February 2015, the government of Argentina stated that it would begin to lift foreign exchange controls before the end of the year.<sup>2092</sup> As of September 2015, the government has not taken any steps towards easing restrictions.<sup>2093</sup> Argentina will hold a general election on 25 October 2015. Each of the three main presidential candidates has pledged to loosen capital controls.<sup>2094</sup>

Argentina has not taken action to enhance access to affordable remittances or decrease the average cost of remittances in this cycle. Thus, it has been awarded a score of -1.

*Analyst: Meghan King*

## Australia: 0

Australia has partially complied with its commitment to reduce the average cost of transferring remittances to 5 per cent and to enhance access to affordable remittances.

In Q2 2015, the average cost of sending remittances in Australia was 9.22 per cent, up from 8.97 per cent in Q1 of 2015 and 8.92 per cent in Q4 of 2014. This marks four consecutive quarters of increases in average sending costs.<sup>2095</sup>

Table 7 outlines the average cost of sending remittances in Australia:<sup>2096</sup>

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<sup>2088</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 12 February 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf).

<sup>2089</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>.

<sup>2090</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 13 April 2015. Access: 9 October 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief24.pdf>.

<sup>2091</sup> Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 13 April 2015. Access: 9 October 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief24.pdf>.

<sup>2092</sup> Argentina to Ease Currency Controls For Importers – Central Bank, Reuters (Buenos Aires) 9 February 2015. Access: 28 February 2015. <http://www.reuters.com/article/2015/02/09/argentina-imports-idUSL5N0VJ4I520150209>.

<sup>2093</sup> Argentina Country Commercial Guide, Export.gov, 14 September 2015. Access: 9 October 2015. <http://www.export.gov/argentina/doingbusinessinargentina/argentinacountrycommercialguide/index.asp>.

<sup>2094</sup> Despite Elections, Argentina’s Economic Trajectory is Set, Stratfor Global Intelligence, 3 September 2015. Access: 9 October 2015. <http://emergingequity.org/2015/09/03/despite-elections-argentinas-economic-trajectory-is-set/>.

<sup>2095</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 3 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

**Table 7: Remittance Costs in Australia**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
8.92 per cent	8.97 per cent	9.22 per cent	9.24 per cent

In December 2014, Westpac Banking Corporation — the last remaining large Australian bank offering overseas remittances — announced that it would exit the remittance business. Australia’s banks have cited rising compliance costs and a fear of breaching strict terrorism financing and anti-money laundering laws as their reasons for closure.<sup>2097</sup> With these closures, money transfers to some countries, such as Somalia, will no longer be possible using conventional banking services.<sup>2098</sup>

The Australian government formed a working group on remittance account closures in December 2014, following Westpac’s decision. The group, which aims to build confidence between Somali remitters and the banking sector, includes Somali remitters and industry representatives.<sup>2099</sup>

On 2 February 2015, the Australian Transaction Reports and Analysis Centre released the Post Implementation Review (PIR) of anti-money laundering/countering terrorist finance rules in chapters 58 and 59 relating to the cancellation and suspension of remitter registrations. The PIR seeks stakeholder views on the operation of the rules and their impact.<sup>2100</sup> These policies will allow for more effective regulation over remittance service providers.

On 26 June 2015, the Australian Remittance and Currency Providers Association reported that they had not made progress in discussions with the Australian Bankers’ Association on the possibility of re-establishing ties between banks.<sup>2101</sup>

On 21 July 2015, the Australian Transaction Reports and Analysis Centre released drafts to the anti-money laundering and counter-terrorism finance rules that would enable authorized deposit-taking institutions to offer their customers remittance transfer services through the Western Union platform, ultimately making remittance payments easier.<sup>2102</sup>

On 7 September 2015, an Australian parliamentary committee released a report criticizing the big banks for cutting off services to money remitters. The report also said that a solution was needed that supported robust anti-money laundering and counter-terrorism finance rules and allowed legitimate remitters to operate.<sup>2103</sup>

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<sup>2096</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2097</sup> Banks closure of remittances may pose a ‘security risk,’ Send Money Pacific (Australia) 18 November 2014. Access: 4 April 2015. <http://www.sendmoneypacific.org/news/fiji/article/613/banks-closure-of-remittances-may-pose-a-security-risk.html>.

<sup>2098</sup> UPDATE 1-Australia’s Westpac to Quit Remittance Business by March 31, Reuters (New York) 22 December 2014. Access: 27 February 2015. <http://www.reuters.com/article/2014/12/22/australia-remittances-westpac-idUSL3N0U61NF201412223>

<sup>2099</sup> Cutting Remittance Lifeline Will Deepen Somali Crisis, Oxfam Australia (Melbourne) 19 February 2015. Access: 27 February 2015. <https://www.oxfam.org.au/media/2015/02/cutting-remittance-lifeline-will-deepen-somali-crisis-oxfam/>.

<sup>2100</sup> Post Implementation Review of AML/CTF Rules in Chapters 58 and 59 relating to the cancellation and suspension of remitter registrations, Australian Transaction Reports and Analysis Centre (Melbourne) 2 February 2015. Access: 5 April 2015. <http://www.austrac.gov.au/news/post-implementation-review-amlctf-rules-chapters-58-and-59-relating-cancellation-and-suspension>.

<sup>2101</sup> Australian remittance firms group says re-opening bank ties unlikely, Reuters (New York) 26 June 2015. Access: 23 October 2015. <http://www.reuters.com/article/2015/06/26/australia-banks-remittance-idUSL3N0ZB2P520150626>.

<sup>2102</sup> Draft Rules Account Based Money Transfer Systems, Australian Transaction Reports and Analysis Centre (Melbourne) 21 July 2015. Access: 3 October 2015. <http://www.austrac.gov.au/sites/default/files/draft-rules-account-based-money-transfer-systems.pdf>.

<sup>2103</sup> Banks criticized for shutting out money remitters, The Australian (New South Wales)

Australia has taken some measures to enhance access to more affordable remittances and reduce the average cost of remittances. Therefore, Australia receives a score of 0.

*Analyst: George Mason*

**Brazil: -1**

Brazil has not complied with its commitment to help reduce the average cost of remittances and increase access to affordable remittances.

In Q3 of 2015, the average cost of sending remittances from Brazil was 7.40 per cent<sup>2104</sup> This rate has increased from the last quarter of 2014, in which Brazil experienced a decline in its sending remittance rate, below the target of 5 per cent.<sup>2105</sup>

In Q2 of 2015, Brazil had one of the least expensive sending remittance rates at 5.72 per cent.<sup>2106</sup> This rate has increased from the last quarter of 2014, in which Brazil experienced a decline in its sending remittance rate, below the target of 5 per cent.<sup>2107</sup>

Brazil’s receiving remittance rate was one of the highest among G20 countries at 9.38 per cent in Q2, increasing from its receiving rates in 2014.<sup>2108</sup>

Table 8 outlines the average cost of sending remittances in Brazil:<sup>2109</sup>

**Table 8: Remittance Costs in Brazil**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
4.74 per cent	5.02 per cent	5.72 per cent	7.40 per cent

Brazil has not taken any actions to reduce the average cost of remittances or increase access to affordable remittances. Thus, Brazil is awarded a score of -1.

*Analyst: Busbra Ebadi*

**Canada: 0**

Canada has partially complied with the commitment on remittances.

In the last quarter of 2014, the average cost of sending remittances from Canada increased from 9.31 per cent to 9.52 per cent.<sup>2110</sup> Canada dropped to 9.34 per cent in the first quarter of 2015 and back down again to 9.31

<sup>2104</sup> Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2105</sup> Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf)

<sup>2106</sup> Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2107</sup> Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf)

<sup>2108</sup> Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2109</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2110</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 28 February 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf).

per cent in the second quarter of 2015.<sup>2111</sup> The average cost of sending money from Canada remains above both the G8 and global averages.<sup>2112</sup>

Table 9 outlines the average cost of sending remittances in Canada:<sup>2113</sup>

**Table 9: Remittance Costs in Canada**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
9.52 per cent	9.34 per cent	9.31 per cent	9.08 per cent

On 21 April 2015, Finance Minister Joe Oliver presented Canada’s 2015 Federal Budget. As part of the Economic Action Plan 2015, the Canadian government will provide six million dollars over a period of five years to “introduce measures that will help ensure Canadians have access to safe, reliable and lower-cost remittance services.”<sup>2114</sup> The plan further aims enhance access to safe and reliable remittance services for those sending money abroad, particularly to developing countries.<sup>2115</sup>

To meet its commitment on remittances, Canada will establish a price-comparison website that will increase transparency by synthesizing the fees different service providers charge.<sup>2116</sup> This will enable users to make better informed decisions and improve the development impact of remittances. The government of Canada, in cooperation with Statistics Canada and the Department of Foreign Affairs, Trade and Development (DFATD), will gather data on remittance flows from Canada in order to “understand the needs of Canadian remitters.”<sup>2117</sup> The government has further pledged to engage with financial institutions and “evaluate possible collaboration opportunities to expand access to lower-cost remittance services.”<sup>2118</sup>

Canada has made progress towards meeting its commitment on remittances. Thus, it has been awarded a score of 0.

*Analyst: Meghan King*

## **China: +1**

China has fully complied with its commitment to enhance access to more affordable remittances and decrease the average cost of remittances.

<sup>2111</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 8 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2112</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 8 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2113</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2114</sup> Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa) 21 April 2015. Access: 8 October 2015. <http://www.budget.gc.ca/2015/docs/plan/budget2015-eng.pdf>.

<sup>2115</sup> Access to Safe, Reliable, and Lower-Cost Remittance Services. Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa). Access: 8 October 2015. <http://actionplan.gc.ca/en/initiative/access-safe-reliable-and-lower-cost-remittance-services#sthash.01e40r0a.dpuf>.

<sup>2116</sup> Access to Safe, Reliable, and Lower-Cost Remittance Services. Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa). Access: 8 October 2015. <http://actionplan.gc.ca/en/initiative/access-safe-reliable-and-lower-cost-remittance-services#sthash.01e40r0a.dpuf>.

<sup>2117</sup> Access to Safe, Reliable, and Lower-Cost Remittance Services. Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa). Access: 8 October 2015. <http://actionplan.gc.ca/en/initiative/access-safe-reliable-and-lower-cost-remittance-services#sthash.01e40r0a.dpuf>.

<sup>2118</sup> Access to Safe, Reliable, and Lower-Cost Remittance Services. Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa). Access: 8 October 2015. <http://actionplan.gc.ca/en/initiative/access-safe-reliable-and-lower-cost-remittance-services#sthash.01e40r0a.dpuf>.



In Q3 and Q4 2014, the cost of receiving remittances remained at 10.49 per cent.<sup>2119</sup> In Q1 2015, the cost of receiving remittances increased to 10.54 per cent.<sup>2120</sup> The cost of receiving remittance has decreased slightly to 10.38 per cent in the second quarter of 2015.<sup>2121</sup>

Table 10 outlines the average cost of receiving remittances in China:<sup>2122</sup>

**Table 10: Remittance Costs in China**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
10.49 per cent	10.54 per cent	10.38 per cent	10.18 per cent

On 14 July 2014, China’s banks halted an experimental yuan remittance program sanctioned by the central bank. The program helped citizens transfer large sums overseas in spite of government capital controls. The program was suspended following allegations that the Bank of China had used it to help clients launder money.<sup>2123</sup>

On 9 December 2014, the Bank of China announced that it, in partnership with Western Union, will begin providing money transfer services at its branches in mainland China. Beginning in January, “the services are expected to allow consumers to receive international remittances at over 10, 000 Bank of China locations.”<sup>2124</sup>

On 4 February 2015, the Bank of China announced that it, in partnership with Western Union, will expand banking options to include a greater variety of services aimed at increasing convenience.<sup>2125</sup> These services will include “direct Western Union Money Transfers into bank accounts via online banking” as well as the alternative of “receiving money at select self-service kiosks.”<sup>2126</sup> Western Union also projects an increase in service locations in China from 10,000 locations to 30,000 locations nationwide.<sup>2127</sup>

In August 2015, MoneyGram International announced an agreement with the Postal Savings Bank of China to expand its money transferring services in that country. According to the agreement, Moneygram will provide transfer services in over 3,700 locations.<sup>2128</sup>

On 26 June 2015, the China Banking Regulatory Commission announced that it would allow the establishment of more private banks in an attempt to shore up the state-dominated financial sector.<sup>2129</sup> In

<sup>2119</sup> Remittance Prices Around the World, The World Bank (Washington) 12 January 2015. Access: 2 March 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf).

<sup>2120</sup> Remittance Prices Around the World, The World Bank (Washington) 12 January 2015. Access: 2 March 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf).

<sup>2121</sup> Remittance Prices Around the World, The World Bank (Washington) 2015. : 9 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2122</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2123</sup> Chinese Banks Halt Experimental Yuan-Remittance Program, Wall Street Journal (New York) 14 July 2014. Access: 23 October 2015. <http://www.wsj.com/articles/chinese-banks-halt-experimental-yuan-remittance-program-1405345453>.

<sup>2124</sup> Bank of China to Offer Western Union Money Transfer Service, Western Union, 9 December 2014. Access: 6 April 2015. <http://ir.westernunion.com/News/Press-Releases/Press-Release-Details/2014/Bank-of-China-to-Offer-Western-Union-Money-Transfer-Service/default.aspx>.

<sup>2125</sup> Western-Union-Money-Transfer-Service/default.aspx. 5 Western Union® Live at Bank of China, Western Union 4 February 2015. Access: 9 October 2015. <http://ir.westernunion.com/default.aspx?SectionId=5cc5ecae-6c48-4521-a1ad-480e593e4835&Languageld=1&PressReleaseld=313483d8-0c8c-437f-9fe3-4c9c04a3c577>.

<sup>2126</sup> Western Union® Live at Bank of China, Western Union, 4 February 2015. Access: 9 October 2015. <http://ir.westernunion.com/default.aspx?SectionId=5cc5ecae-6c48-4521-a1ad-480e593e4835&Languageld=1&PressReleaseld=313483d8-0c8c-437f-9fe3-4c9c04a3c577>.

<sup>2127</sup> Western Union® Live at Bank of China, Western Union, 4 February 2015. Access: 9 October 2015. <http://ir.westernunion.com/default.aspx?SectionId=5cc5ecae-6c48-4521-a1ad-480e593e4835&Languageld=1&PressReleaseld=313483d8-0c8c-437f-9fe3-4c9c04a3c577>.

<sup>2128</sup> Moneygram in Partnership with Agricultural Bank of China, Send Money Asia. 20 August 2015. Access: 23 October 2015. <http://www.sendmoneyasia.org/news/china/article/737/moneygram-in-partnership-with-agricultural-bank-of-china.html>.

2015, the China Banking Regulatory Commission (CBRC) granted licenses to two internet banks: WeBank and Mybank.<sup>2130</sup> WeBank launched on 18 January 2015<sup>2131</sup> and Mybank launched on 25 June 2015.<sup>2132</sup> These additions both offer remittance services and have the potential to accelerate the provision of financial services.<sup>2133</sup>

On 11 September 2015, China, as a member of the Asia-Pacific Economic Cooperation, participated in the signing of the Cebu Action Plan (CAP). In this agreement, APEC members committed to, among other goals, sharing financial inclusion and literacy strategies and reducing the cost of remittances.<sup>2134</sup> As a member of APEC, China committed to developing and sharing its own plan to help reduce the average transaction costs of remittances to 5 per cent.<sup>2135</sup>

China has taken concrete policy action to help increase access to remittances and reduce the average cost of remittances. Thus, China has been awarded a score of +1.

*Analyst: Pin Hui Chen*

### France: 0

France has partially complied with its commitment to help reduce the average cost of remittances and enhance access to affordable remittances.

In Q3 2015, the average cost of sending remittances from France was 7.56 per cent, an increase from 7.22 per cent in Q2 and a substantial decrease from 10.70 per cent in Q4 2014.

Table 11 outlines the average cost of sending remittances from France:<sup>2136</sup>

**Table 11: Remittance Costs in France**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
10.70 per cent	7.45 per cent	7.22 per cent	7.56 per cent

On 5–6 December 2014, the Foundation for International Development Assistance (FIDA) held a workshop in Paris on remittance and money transfer mechanisms for investment in rural Senegal. The workshop included representatives from FIDA, the government of France and the government of Senegal. Stéphane Gallet of the Ministry of Foreign Affairs and International Development, alongside Florence Armitano-Grivel of the Agence française du développement (AFD), presented the government’s intervention strategy for 10 priority sectors. Pape Birama Thiam, representing the Programme d’Appui aux Initiatives de Solidarité pour le Développement (PAISD), presented opportunities to formalize partnerships and continue investments for

<sup>2129</sup> Update 1-China eyes more private banks, allow more foreign participation, CNBC (New York) 26 June 2015. Access: 18 October 2015. <http://www.cnbc.com/2015/06/26/reuters-america-update-1-china-eyes-more-private-banks-allow-more-foreign-participation.html>.

<sup>2130</sup> Alibaba steps up China online finance network push with new index, bank, Reuters (Beijing) 9 April 2015. Access: 18 October 2015. <http://www.reuters.com/article/2015/04/09/us-china-alibaba-mybank-idUSKBN0N005N20150409>.

<sup>2131</sup> Tencent-backed WeBank begins trial operation, Wall Street Journal (New York) 19 January 2015. Access: 23 October 2015. <http://blogs.wsj.com/digits/2015/01/19/tencent-backed-webank-begins-trial-operation/>.

<sup>2132</sup> Alibaba launches online bank, Financial Times (London) 25 June 2015. Access: 23 October 2015.

<sup>2133</sup> New Accounts in China Drive Financial Inclusion Figures, Consultative Group to Assist the Poor (Washington) 22 May 2015. Access: 18 October 2015. <http://www.cgap.org/blog/new-accounts-china-drive-global-financial-inclusion-figures>.

<sup>2134</sup> APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC 11 (Mactan) September 2015. Access: 9 October 2015. [https://www.mof.go.jp/english/international\\_policy/convention/apec/20150911\\_1.pdf](https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf).

<sup>2135</sup> APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC 11 (Mactan) September 2015. Access: 9 October 2015. [https://www.mof.go.jp/english/international\\_policy/convention/apec/20150911\\_1.pdf](https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf).

<sup>2136</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

social and structural program financed by immigrants based in France. The workshop identified strategies moving forward, including complementary studies, reporting and restorative workshops.<sup>2137</sup>

On 20 January 2015, AFD, with the support of PAISD, organized a local workshop on migration and development in Dakar. In 2014, AFD requested Grdr, in partnership with l'Institut fondamental d'Afrique noire (Ifan) to conduct a study in the Senegal River Basin, Paris, and in France. The study asked how to integrate the factor of mobility in local development strategies and how to optimise the role of migrants in governance and economic development in their country of origin.<sup>2138</sup>

France has taken some actions to help reduce the cost of remittances and increase access to affordable remittances. Thus, France has been awarded a score of 0.

*Analyst: Ariel Sim*

### **Germany: 0**

Germany has partially complied with the commitment to reduce the average cost of remittances and enhance access to affordable remittances.

In the first quarter of 2015, the average cost of sending remittances decreased by 1 per cent to 7.43 per cent; in Q2 of 2015, the average cost increased to 7.48%.<sup>2139</sup> The cost of sending remittances was 7.32 per cent in Q3 of 2015.

Table 12 outlines the average cost of sending remittances from Germany:<sup>2140</sup>

**Table 12: Remittance Costs in Germany**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
8.43 per cent	7.43 per cent	7.48 per cent	7.32 per cent

On 6 December 2014, professionals from the nursing and tourism sector of Georgia were selected to participate in the pilot circular migration scheme, carried out by the Centre for International Migration and Development (GIM) (a joint operation of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the German Federal Employment Agency). The scheme includes a training program to train migrants in financial literacy and remittances services.<sup>2141</sup>

As of 20 September 2015, there is no publicly available information demonstrating that Germany has taken any action on implementing new policies to enhance access to more affordable remittances during the compliance cycle.

Although Germany has previously implemented some policies to enhance access to more affordable remittances, it has not taken any new actions during the compliance period. Thus, Germany has been awarded a score of 0.

*Analyst: Natalia Valencia*

<sup>2137</sup> Compte-Rendu Executif: Atelier Sur L'Investissement des Migrants en Millieur Rural au Sénégal, FIDA (Paris) January 2015. Access: 20 March 2015. [http://www.ifad.org/events/remittances/2014/atelier/atelier\\_report.pdf](http://www.ifad.org/events/remittances/2014/atelier/atelier_report.pdf).

<sup>2138</sup> France-Sénégal: Étude sur la dimension locale de la dialectique Migration et Développement, AFD (Paris) 20 January 2015. Access: 3 April 2015. <http://www.envoirdargent.fr/content/france-s%C3%A9n%C3%A9gal-etude-sur-la-dimension-locale-de-la-dialectique-migration-et-d%C3%A9veloppement>.

<sup>2139</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 6 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2140</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2141</sup> Trainings and information events for participants of circular migration project, State Commission on Migration Issues (Georgia) December 2014. Access: 17 October 2015. [http://migration.commission.ge/index.php?article\\_id=114&clang=1](http://migration.commission.ge/index.php?article_id=114&clang=1).

## India: +1

India has fully complied with its commitment to reduce the average cost of remittances and enhance access to more affordable remittances.

In Q2 2015 the receiving rate of remittances was 6.88 percent, a decrease from 6.78 percent in Q1 2015.<sup>2142</sup> In Q3 of 2015 the average receiving cost was 6.50 per cent.

Table 13 outlines the average receiving cost of remittances in India:<sup>2143</sup>

**Table 13: Remittance Costs in India**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
6.88 per cent	6.78 per cent	6.88 per cent	6.50 per cent

On 5 February 2015, the Reserve Bank of India increased its foreign exchange remittance limit to USD 250,000 under its liberalized remittance scheme.<sup>2144</sup> The foreign exchange remittance limit was previously raised to USD 125,000 in June 2014.<sup>2145</sup>

On 16 September 2015, the Reserve Bank of India (RBI) gave in-principle approval to ten entities to set up small finance banks. Eight of the ten entities are micro-finance organizations, which will help expand access to financial services in rural and semi-urban areas. One of the entities, Ujjivan, has already indicated that it plans to offer remittance transfer services.<sup>2146</sup>

According to a statement released by the Ministry of Finance on 31 July 2015, the Reserve Bank of India has reconstituted the Financial Inclusion Advisory Committee to monitor financial inclusion plans and progress. The organization's new mandate includes: monitoring financial inclusion and plans submitted by banks and evaluating their impact; monitoring financial literacy progress reports submitted by banks and evaluating their impact; and preparing a national strategy for financial inclusion.<sup>2147</sup>

On 3 March 2014, the Reserve Bank of India announced plans to allow foreign inward remittances sent through money transfer service schemes to be deposited directly into the bank account of the beneficiary.<sup>2148</sup>

On 26 January 2015, India worked with the United States Agency for International Development, the Calvert Foundation, and numerous financial institutions to create the Indian Diaspora Investment Initiative. This initiative will allow American-Indians and financial institutions to provide critical financing for Indian

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<sup>2142</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 23 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2143</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2144</sup> Reserve Bank of India Doubles Forex Remittance Limit Up to \$250000, India Today (Noida) 5 February 2015. Access: 17 April 2015. [http://indiatoday.intoday.in/education/story/reserve-bank-of-india-doubles-forex-remittance-limit-upto-\\$250000/1/417124.html](http://indiatoday.intoday.in/education/story/reserve-bank-of-india-doubles-forex-remittance-limit-upto-$250000/1/417124.html).

<sup>2145</sup> Reserve Bank of India Doubles Forex Remittance Limit Up to \$250000, India Today (Noida) 5 February 2015. Access: 17 April 2015. [http://indiatoday.intoday.in/education/story/reserve-bank-of-india-doubles-forex-remittance-limit-upto-\\$250000/1/417124.html](http://indiatoday.intoday.in/education/story/reserve-bank-of-india-doubles-forex-remittance-limit-upto-$250000/1/417124.html).

<sup>2146</sup> What to expect from small finance banks, SendMoneyAsia. 22 September 2015. Access: 23 October 2015.

<http://www.sendmoneyasia.org/news/india/article/743/what-to-expect-from-small-finance-banks.html>.

<sup>2147</sup> Financial Inclusion Advisory Committee, Press Information Bureau (New Delhi) 31 July 2015. Access: 23 October 2015.

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=124045>.

<sup>2148</sup> RBI allows money transfer directly into beneficiaries' bank accounts, The Hindu (Chennai) 4 March 2014. Access: 23 October 2015. <http://www.thehindu.com/business/Industry/rbi-allows-money-transfer-directly-into-beneficiaries-bank-accounts/article5750697.ece>.

businesses and Indian infrastructure projects. This initiative will work to facilitate greater remittance flows to India from the United States.<sup>2149</sup>

India has taken concrete policy actions to increase the availability of affordable remittances. Thus, India is awarded a score of +1.

*Analyst: Jasjit Goraya*

### **Indonesia: 0**

Indonesia has partially complied with its commitment on remittances.

According to the World Bank, between Q4 2014 to Q2 2015, the average domestic cost of receiving remittances in Indonesia shifted downwards from 7.34 per cent to 6.69 per cent.<sup>2150</sup>

Table 14 outlines the average receiving cost of remittances in Indonesia:<sup>2151</sup>

**Table 14: Remittance Costs in Indonesia**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
7.34 per cent	6.74 per cent	6.69 per cent	6.90 per cent

On 1 July 2015, the Agency for the Placement and Protection of Indonesian Migrant Workers launched a plan that would encourage migrant workers to send remittances home.<sup>2152</sup> The plan — which requires migrant workers to open local bank accounts for themselves and their families before departing — is a part of a larger effort to double the amount of remittances the country receives each year.<sup>2153</sup>

In March 2015, Bank Mandiri announced a collaboration with the state pawnshop operator, Pegadaian, to increase access to remittance services. The partnership will increase expand the reach of money transfer operators and allow migrant workers to send money to their families throughout the country.<sup>2154</sup>

Indonesia has taken some access to increase access to affordable remittances. Thus, it has been awarded a score of 0.

*Analyst: Heather Gale*

### **Italy: 0**

Italy has partially complied with its commitment to reduce the average cost of transferring remittances to 5 per cent and enhance access to affordable remittances.

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<sup>2149</sup> New Initiative Accounted to Enable Diaspora Investment in India's Development, USAID Press Office (Washington) 26 January 2015. Access: 6 April 2015. <http://www.usaid.gov/news-information/press-releases/jan-26-2015-new-initiative-announced-enable-diaspora-investment-indias>.

<sup>2150</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 1 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2151</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2152</sup> Govt aims to double remittance, The Jakarta Post (Jakarta) 16 April 2015. Access: 23 October 2015. <http://www.thejakartapost.com/news/2015/04/16/govt-aims-double-remittance.html>.

<sup>2153</sup> Govt aims to double remittance, The Jakarta Post (Jakarta) 16 April 2015. Access: 23 October 2015. <http://www.thejakartapost.com/news/2015/04/16/govt-aims-double-remittance.html>.

<sup>2154</sup> Transaction value amounts to USD 38.937m: Bank Mandiri determined to facilitate Indonesian expats, Customs Today (Jakarta) 18 March 2015. Access: 23 October 2015. <http://www.customstoday.com.pk/transaction-value-amounts-to-USD-38-937m-bank-mandiri-determined-to-facilitate-indonesian-expats/>.

The cost of sending remittances from Italy was 6.73 per cent in the fourth quarter of 2014, down from 6.83 per cent in the third quarter of 2014. In Q1 and Q2 2015, the average cost of sending remittances decreased to 6.49 per cent.<sup>2155</sup>

Table 15 outlines the average cost of sending remittances from Italy:<sup>2156</sup>

**Table 15: Remittance Costs in Italy**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
6.73 per cent	6.49 per cent	6.49 per cent	6.05 per cent

On 30 November 2014, a report by the Centre for International Policy Studies indicated that there is a downward trend in the cost of sending remittances from Italy, as a result of a plurality of operators committed to achieving the 5% target.<sup>2157</sup> These improvements are also a result of measures such as the: introduction of innovative tools, the use of rechargeable cards, and the introduction of new online remittance services such as World Remit, Xendpay and TransferWise.<sup>2158</sup>

Italy has taken measures to enhance access to more affordable remittances. However, it has failed to take all required measures. Therefore, Italy receives a score of 0.

*Analysts: Leslie Woods and Tea Cimini*

## Japan: 0

Japan has partially complied with its commitments to provide more affordable remittances.

Between Q3 and Q4 2014, the cost of sending remittances in Japan decreased from 13.74 per cent to 13.28 per cent.<sup>2159</sup> The cost of remittances then increased to 13.43 per cent in Q1 2015 and 13.55 per cent in Q2 2015.<sup>2160</sup>

Table 16 outlines the average cost of sending remittances from Japan:<sup>2161</sup>

**Table 16: Remittance Costs in Japan**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
13.28 per cent	13.43 per cent	13.55 per cent	12.97 per cent

In 2015, the Japan International Cooperative Agency helped organize the APEC Forum on Financial Inclusion. The conference took place from 3-4 March 2015 and included speakers from the Japanese government and Japan's development agency.<sup>2162</sup>

<sup>2155</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 6 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2156</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2157</sup> The Database of the Italian Remittance Costs, Centre for International Policy Studies, 30 November 2014. Access: 27 February 2015. [http://www.mandasoldiacasa.it/sites/default/files/Analisi%20dati\\_nov\\_14\\_ITA\\_def.pdf](http://www.mandasoldiacasa.it/sites/default/files/Analisi%20dati_nov_14_ITA_def.pdf).

<sup>2158</sup> The Database of the Italian Remittance Costs, Centre for International Policy Studies, 30 November 2014. Access: 27 February 2015. [http://www.mandasoldiacasa.it/sites/default/files/Analisi%20dati\\_nov\\_14\\_ITA\\_def.pdf](http://www.mandasoldiacasa.it/sites/default/files/Analisi%20dati_nov_14_ITA_def.pdf).

<sup>2159</sup> Remittance Prices Around the World, The World Bank (Washington) March 2015. Access: 6 April 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_march\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_march_2015.pdf).

<sup>2160</sup> Remittance Prices Around the World, The World Bank (Washington) June 2015. Access: 9 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2161</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

On 11 September 2015, Japan, as a member of the Asia-Pacific Economic Cooperation, launched the Cebu Action Plan (CAP), which aims to further develop a financially integrated, transparent community among APEC member states.<sup>2163</sup> Reducing remittance costs was one of the areas which the CAP aimed to promote. As a short term goal to be completed in one year, Japan agreed to consult the G20 Plan to Facilitate Remittance Flows in order to encourage remittance flows and to decrease costs for remittance transactions.<sup>2164</sup> Furthermore, Japan agreed to use the “G20 Plan to Facilitate Remittance Flows” as a guideline for developing a plan to decrease the average transaction cost of remittances to 5 per cent in 2-10 years.<sup>2165</sup>

Japan has engaged actions towards enhancing access to affordable remittances, but has not taken concrete policy action. Thus, Japan has been awarded a score of 0.

*Analyst: Pin Hui Chen*

### **Korea: 0**

Korea has partially complied with its commitment to reduce the average cost of remittances and increase access to affordable remittances.

From Q3 to Q4 2014, the domestic cost of sending remittances in Korea increased from 6.0 per cent to 6.2 per cent.<sup>2166</sup> However, in the eastern and central region of the world, where Korea is located, the average remittance costs have gone down 7.67 per cent to per cent 7.54 from Q3 to Q4 of 2014.<sup>2167</sup> Through Q1 and Q2 2015, the cost of sending remittances in Korea decreased slightly to 6.09 per cent.<sup>2168</sup>

Table 17 outlines the average cost of sending remittances from Korea:<sup>2169</sup>

**Table 17: Remittance Costs in Korea**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
6.20 per cent	6.19 per cent	6.09 per cent	5.43 per cent

On 15 December 2014, the Bank of Korea and Financial Services Commission announced a new policy that will allow for real-time remittances and lower transfer fees between Korea and Vietnam<sup>2170</sup> This new service takes the place of SWIFT, an international system which takes a couple of days to process remittances.<sup>2171</sup>

<sup>2162</sup> “Developing the Lending Infrastructure for Financial Inclusion,” Asia Pacific Forum on Financial Inclusion (Tagaytay City) 4 March 2015. Access: 17 October 2015. <http://fdc.org.au/wp-content/uploads/2015/06/2015-Asia-Pacific-Forum-on-Financial-Inclusion.pdf>.

<sup>2163</sup> APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC (Mactan) 11 September 2015. Access: 9 October 2015. [https://www.mof.go.jp/english/international\\_policy/convention/apec/20150911\\_1.pdf](https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf).

<sup>2164</sup> APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC (Mactan) 11 September 2015. Access: 9 October 2015. [https://www.mof.go.jp/english/international\\_policy/convention/apec/20150911\\_1.pdf](https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf)

<sup>2165</sup> APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC 11 (Mactan) September 2015. Access: 9 October 2015. [https://www.mof.go.jp/english/international\\_policy/convention/apec/20150911\\_1.pdf](https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf).

<sup>2166</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 3 March 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf).

<sup>2167</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 3 March 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf)

<sup>2168</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 4 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2169</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2170</sup> Real Time Remittances to Vietnam Now Available, Business Korea (Seoul) 15 December 2015. Access: 17 April 2015. <http://www.businesskorea.co.kr/article/7867/korea-vietnam-remittance-real-time-remittances-vietnam-now-available>.

<sup>2171</sup> Real Time Remittances to Vietnam Now Available, Business Korea (Seoul) 15 December 2015. Access: 17 April 2015. <http://www.businesskorea.co.kr/article/7867/korea-vietnam-remittance-real-time-remittances-vietnam-now-available>.

On 20 May 2015, the Korean Financial Services Commission stated that it would allow overseas foreign exchange remittances through social network services in the near future.<sup>2172</sup> In the same statement, the Financial Services Commission said the Ministry of Strategy and Finance was already working on the details of a scheme that would allow non-bank players to offer remittance services based on SNS platforms.<sup>2173</sup>

On 20 May 2015, the Korean Financial Services Commission also announced plans to allow brokerages and insurance firms to offer remittance transfer services for students living overseas and foreign residents in Korea.<sup>2174</sup> Prior to this announcement, only Korean banks offered overseas remittance transfers.<sup>2175</sup>

Korea has adopted some policy measures to help increase access to affordable remittances. Thus, Korea has been awarded a score of 0.

*Analysts: Ben Fickling and Jini Wang*

### **Mexico: +1**

Mexico has fully complied with its commitment to reduce the average cost of remittances and enhance access to affordable remittances.

In Q3 2015, the average cost of receiving remittances in Mexico was 5.59 per cent, an increase from 5.30 per cent in Q2.

Table 18 outlines the average receiving cost of remittances in Mexico:<sup>2176</sup>

**Table 18: Remittance Costs in Mexico**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
4.37 per cent	4.62 per cent	5.30 per cent	5.59 per cent

On 3 February 2015, Directo a México updated its online tools for transferring money. With these transfers — which are sent from the United States to Mexico — the recipient receives the funds at no cost. The introduction of this tool could decrease costs for a large number of recipients. In December 2014, Directo a México processed 37,498 transfers amounting to USD 22,401,852; in January 2015, Directo a México processed 37,011 transfers amounting to USD 21,577,919.<sup>2177</sup>

On 25 February 2015, the Bank of Mexico published an updated 2014 Annual Balance of Payments report that cited a surplus of 23.877 million in the transfer account from remittances from family members abroad, an increase of 7.8 per cent from the previous year, and an average value of USD 294.<sup>2178</sup>

<sup>2172</sup> S. Korea to allow overseas FX remittance via SNS, Global Post (Boston) 19 May 2015, Access: 4 October 2015.

<http://www.globalpost.com/article/6554553/2015/05/20/s-korea-allow-overseas-fx-remittance-sns>.

<sup>2173</sup> S. Korea to allow overseas FX remittance via SNS, Global Post (Boston) 19 May 2015, Access: 4 October 2015.

<http://www.globalpost.com/article/6554553/2015/05/20/s-korea-allow-overseas-fx-remittance-sns>.

<sup>2174</sup> Brokerages, Insurance Firms to Offer Remittance Services, The Korea Times (Seoul) 25 May 2015. Access: 4 October 2015.

<http://www.pressreader.com/korea-republic-of/the-korea-times/20150525/281496454876584/TextView>.

<sup>2175</sup> Brokerages, Insurance Firms to Offer Remittance Services, The Korea Times (Seoul) 25 May 2015. Access: 4 October 2015.

<http://www.pressreader.com/korea-republic-of/the-korea-times/20150525/281496454876584/TextView>.

<sup>2176</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2177</sup> Sistemas de Pago de Bajo Valor, Banco de Mexico (Mexico City). Access: 20 March 2015.

<http://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=CF311&sector=21&locale=es>.

<sup>2178</sup> La Balanza de Pagos en 2014, Banco de Mexico (Mexico City) 25 February 2015. Access Date: 20 March 2015.

<http://www.banxico.org.mx/informacion-para-la-prensa/comunicados/sector-externo/balanza-de-pagos/%7BAEE2CBD4-2C71-DA27-336B-8F558037ED1E%7D.pdf>.



On 2 April 2015, the new Rules of Operation for SEDESOL's 3x1 Program for Fiscal Year 2015 came into force. With the 3x1 Program, the federal government encourages migrants living abroad to send money to Mexico by contributing three dollars for every one dollar invested from abroad. The new rules of operation promote accessibility to vulnerable populations, the marginalized and those living in poverty.<sup>2179</sup>

In August 2015, Banxico reported a monthly import of USD 22,369,961 in remittances, an overall increase from those received in November 2014, when imports totalled USD 20,696,450. The monthly total of imported dollars steadily increased over the compliance period, although it did experience some fluctuations.<sup>2180</sup>

The total average cost of sending remittances from the United States to Mexico in Q2 2015 was 5.30 per cent, an increase from 4.43 per cent in Q1 2015, 4.40 per cent in Q4 2014 and 4.48 per cent in Q3 2014.<sup>2181</sup>

Mexico has implemented policies that reduce transfer costs and improve access to affordable remittances. Thus, it has been awarded a score of +1.

*Analyst: Ariel Sim*

### **Russia: +1**

Russia has fully complied with the commitment on remittances.

On 10 February 2015, Russian ministry of finance announced its plans to start working on the National financial literacy strategy in 2015 in partnership with relevant governmental bodies and private sector. The strategy will define the objectives of the government in the area of increasing financial literacy for the mid-term perspective.<sup>2182</sup>

On 13 February 2015, the Bank of Russia Expert Board on Financial Literacy in the Activities of Non-Bank Financial Institutions (NFI) held its first meeting. The participants discussed measures aimed at strengthening financial literacy regarding NFI instruments and services.<sup>2183</sup>

On 3 March 2015, Bank of Russia revealed its draft Program on improving financial literacy. The program provides for the creation of a specialized web site, launching relevant TV programs and developing a financial literacy study course for schools.<sup>2184</sup>

According to the G20 plan to facilitate remittance flows, Russian National financial literacy strategy and Program on improving financial literacy will "help lower the cost of transferring remittances by harmonising regulation, increasing the efficiency of payment systems infrastructure, and fostering innovative low-cost products such as digital and mobile payments."<sup>2185</sup>

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<sup>2179</sup> 3x1 para Migrantes, Secretaría de Desarrollo Social (Sedesol). Access: 10 October 2015.

[http://www.sedesol.gob.mx/en/SEDESOL/Programa\\_3x1\\_para\\_Migrantes](http://www.sedesol.gob.mx/en/SEDESOL/Programa_3x1_para_Migrantes).

<sup>2180</sup> Sistemas de Pago de Bajo Valor, Banco de Mexico (Mexico City). Access: 9 October 2015.

<http://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=CF311&sector=21&locale=es>.

<sup>2181</sup> Remittance Prices Worldwide: Making Markets More Transparent, World Bank. Access: 9 October 2015.

<https://remittanceprices.worldbank.org/en>.

<sup>2182</sup> International conference on financial literacy and access to finance, Russian Ministry of Finance 10 February 2015. Access date: 14 May 2015. [http://minfin.ru/ru/press-center/?id\\_4=33087](http://minfin.ru/ru/press-center/?id_4=33087).

<sup>2183</sup> On meeting of Bank of Russia Expert Board on Financial Literacy in NFI activities, Bank of Russia 13 February 2015. Access date: 14 May 2015. [http://www.cbr.ru/eng/press/PR.aspx?file=13022015\\_164508eng\\_sbrfr2015-02-13T16\\_40\\_43.htm](http://www.cbr.ru/eng/press/PR.aspx?file=13022015_164508eng_sbrfr2015-02-13T16_40_43.htm).

<sup>2184</sup> Central Bank has prepared a program of increasing financial literacy of the Russians, Interfax 3 March 2015. Access date: 14 May 2015. <http://www.interfax.ru/business/427633>.

<sup>2185</sup> G20 plan to facilitate remittance flows, G20 Australia November 2014. Access date: 14 May 2015.

[http://g20australia.org/sites/default/files/g20\\_resources/library/g20\\_plan\\_facilitate\\_remittance\\_flows.pdf](http://g20australia.org/sites/default/files/g20_resources/library/g20_plan_facilitate_remittance_flows.pdf).

The average cost of sending remittances from Russia decreased from 2.44% in Q4 2014 to 1.92% in Q3 2015. Thus, it remains well below the G20 5% target and is considerably lower than both the G20 and G8 averages.<sup>2186</sup>

During the compliance period Russia has discussed measures aimed at reducing remittance transfer costs. Moreover, its sending cost has decreased and stands well below the G20 target of 5% at 1.92%. Thus, Russia is awarded a score of +1.

*Analyst: Andrey Shelepon*

### **Saudi Arabia: -1**

Saudi Arabia has failed to comply with the commitment to help reduce the average cost of remittances.

According to the World Bank, Saudi Arabia's average outgoing transfer cost in Q4 2014 was below the 5 per cent target, at 4.41 per cent,<sup>2187</sup> a 0.56 per cent increase from Q3 2014.<sup>2188</sup> Saudi Arabia's average cost of sending remittances in the second quarter of 2015 fell by 0.62 per cent from the first quarter to 4.06 per cent.<sup>2189</sup>

Table 19 outlines the average cost of sending remittances from Saudi Arabia:<sup>2190</sup>

**Table 19: Remittance Costs in Saudi Arabia**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
4.41 per cent	4.68 per cent	4.06 per cent	4.13 per cent

Despite being below the 5 per cent target, the Saudi Arabian Monetary Agency is “continually reviewing and monitoring prices of remittances and relevant exchange fees” to ensure that transfer fees are fairly divided between consumers and banks.”<sup>2191</sup>

As of 20 September 2015, there is no publicly available information demonstrating that Saudi Arabia has taken action on implementing new policies to enhance access to more affordable remittances during the compliance cycle.

Although its average remittance transaction cost is below the global target of five per cent, it has not taken further policies to reduce costs and improve access to affordable remittances during the compliance period. Thus, Saudi Arabia has been awarded a score of -1.

*Analyst: Natalia Valencia*

### **South Africa: +1**

South Africa has fully complied with its commitment on remittances.

<sup>2186</sup> Remittance Prices Worldwide, Issue n. 153, World Bank October 2015. Access date: 21 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2187</sup> Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 23 February 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_january\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf).

<sup>2188</sup> Report on the Remittance Agenda of the G20, The World Bank (Washington) 2014. Access: 7 April 2015.

[http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/282884-1400093105293/GPFI\\_Remittances\\_Report\\_Final072014.pdf](http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/282884-1400093105293/GPFI_Remittances_Report_Final072014.pdf).

<sup>2189</sup> Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 6 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2190</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

[https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2191</sup> G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access: 4 April 2015.

<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>.

In Q3 2015, the average cost of sending remittances from South Africa was 15.19 per cent a decrease from 16.79 percent in Q2 2015.<sup>2192</sup>

Table 20 outlines the average cost of sending remittances from South Africa:<sup>2193</sup>

**Table 20: Remittance Costs in South Africa**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
19.76 per cent	18.00 per cent	16.79 per cent	15.19 per cent

On 28 January 2015, “the South African Reserve Bank (SARB) introduced a new type of license specifically for money transfer operators (MTOs), known as “category three” licenses, which will allow them operate independently of banks.” It is projected that this will contribute to a rise in competition, which would result in lower costs. “Mama Money, a new startup in Cape Town, was the first money transfer company in South Africa to receive a category three operating license last month.”<sup>2194</sup> “Operators such as Mama Money allow Zimbabweans living in South Africa to send money home through their cellphones at a rate of just under 5% of the total cost of the transaction.”<sup>2195</sup>

On 4-5 March 2015, South Africa, in tandem with the International Fund for Agricultural Development, hosted the first African Conference on Remittances and Postal Networks.

This conference focused on “finding ways to leverage this powerful financial and development force by making remittance services more affordable and accessible to rural people [in Africa].”<sup>2196</sup>

On June 5th 2015, Finance Minister Nhlanhla Nene approved a long-awaited exemption from legislation for cross-border remittances. According to FinMark Trust, it is expected that the exemption will reduce the cost of remittances with neighbouring countries and encourage remitters to use formal networks. The exemption will permit agencies to obtain proof of residence or a South African tax number for cross-border transactions, provided the amount is less than R3 000 a day or R10 000 in a calendar month.<sup>2197</sup>

Zimbabwean operator Econet — a mobile vending service used by more than 60,000 informal sector small business shop owners throughout South Africa — received approval for launching Ecocash remittance service with South African company Flash Mobile Vending.<sup>2198</sup>

On July 23rd 2015, Finance Minister Nhlanhla Nene addressed the first SADC financial inclusion Indaba in Johannesburg regarding regional economic development. At that time, he stated that “there is a need for a more graduated policy approach — that balances regulation and the risk of exclusion” in order to bring down the cost of remittances. Nene mentioned limited infrastructure as a “barrier in extending access” to

<sup>2192</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2193</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2194</sup> South African Reserve Bank Grants New License For Money Transfer Operators, Fxcompared.com, 18 February 2015. Access: October 10 2015. <https://www.fxcompared.com/blog/south-african-reserve-bank-grants-new-license-for-money-transfer-operators/>.

<sup>2195</sup> Sending money out of SA set to become easier and cheaper, Mail & Guardian (Johannesburg) 09 June 2015. Access: 9 October 2015. <http://mg.co.za/article/2015-06-09-sending-money-out-of-sa-set-to-become-easier-and-cheaper>.

<sup>2196</sup> First African Conference on Remittances and Postal Networks Addresses Cost of Sending Money, International Fund for Agricultural Development (Paris) 2 March 2015. Access: 9 April 2015. <http://www.ifad.org/media/press/2015/16.htm>.

<sup>2197</sup> Sending money out of SA set to become easier and cheaper, Mail & Guardian (Johannesburg) 09 June 2015. Access: 9 October 2015. <http://mg.co.za/article/2015-06-09-sending-money-out-of-sa-set-to-become-easier-and-cheaper>.

<sup>2198</sup> Zim’s Econet secures SARB nod for cash remittances, eNCA (Johannesburg) 12 June 2015. Access: 9 October 2015. <https://www.enca.com/money/zim’s-econet-secures-sarb-nod-cash-remittances>.

technology and financial services. He also asked for further development in these areas and hoped that the Indaba would make them one step closer.<sup>2199</sup>

South Africa has taken concrete action to enhance access to affordable remittance during this compliance period. Thus, it has been awarded a score of +1.

*Analyst: Yalda Mehren*

### **Turkey: -1**

Turkey has not complied with its commitment to reduce remittance costs to a 5 per cent reduction target.

While Turkey has not succeeded in reducing its remittance costs to 5 per cent, it has achieved a reduction in the cost of receiving remittances in 2015. In Q2 2015, Turkey's receiving remittance rate was 6.79 per cent.<sup>2200</sup> Turkey's receiving remittance rate has declined from previous years.

Table 21 outlines the average cost of receiving remittances in Turkey:<sup>2201</sup>

**Table 21: Remittance Costs in Turkey**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
6.42 per cent	6.72 per cent	6.79 per cent	6.95 per cent

Turkey has not taken any actions to reduce the average cost of remittances or increase access to remittance providers during the compliance cycle. Thus, Turkey is awarded a score of -1.

*Analyst: Bushra Ebadi*

### **United Kingdom: 0**

The United Kingdom has partially complied with its commitment to take practical measures to enhance access to more affordable remittances.

As of Q2 2015, the average cost of sending remittances from the United Kingdom was 7.2 per cent, down from 7.49 per cent in Q1 2015 and 7.55 per cent in Q4 2014.<sup>2202</sup>

Table 22 outlines the average cost of sending remittances from the United Kingdom:<sup>2203</sup>

**Table 22: Remittance Costs in the United Kingdom**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
7.55 per cent	7.49 per cent	7.20 per cent	7.41 per cent

In December 2014, the United Kingdom's "Action Group on Cross Border Remittances" reached a consensus to extend its mandate for another year. The action group is made up of government, industry and

<sup>2199</sup> Speech by Minister of Finance Mr. Nhlanhla Nene, Ministry of Finance: Republic of South Africa (Johannesburg) 23 July 2015. Access: 16 October 2015. [http://www.treasury.gov.za/comm\\_media/speeches/2015/2015072301%20-%20Financial%20Inclusion%20Speech.pdf](http://www.treasury.gov.za/comm_media/speeches/2015/2015072301%20-%20Financial%20Inclusion%20Speech.pdf).

<sup>2200</sup> Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2201</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2202</sup> Remittance Prices Worldwide: Issue n. 14, June 2015, World Bank Group (Washington) June 2015. Access: 15 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2203</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

international partners responsible for monitoring changes in the flow of remittances from the UK to Somalia, and identifying and addressing deficiencies in the UK-Somalia remittance corridor.<sup>2204</sup>

In December 2014, the action group also decided to redefine its actions to include the following: 1) monitoring developments in the UK remittances market; 2) monitoring remittances flows and decisions by the formal banking institutions of the nation; 3) integrating law enforcement into any financial plans so that there is a general understanding of the legal stipulations concerning remittances; 4) advising on any relevant technical issues which have an impact on remittances; and 5) ensuring close monitoring and the development of a safer corridor initiative for UK-Somalia exchanges.<sup>2205</sup>

In Q2 2015, the first transactions in the Action Group on Cross Border Remittances' "Safer Corridor Pilot" began. The "Safer Corridor Pilot" — a project funded by the UK government and implemented by the World Bank — aims to create a safe avenue for remittance flows from the UK to Somalia.<sup>2206</sup> The project was launched to "explore options to provide an interim mechanism to sustain the flow of remittances from the UK to Somalia by managing the risk of abuse for illicit purposes ... and to build the confidence of commercial banks to engage with the market and support transactions."<sup>2207</sup>

The Action Group on Cross Border Remittances last met on 25 June 2015 to evaluate perceived money laundering and risks to terrorism financing. UK banks have become increasingly reluctant to take on and manage the risks posed by money remittances, especially where cash transfers are concerned.<sup>2208</sup> The UK government has been working with the National Crime Agency to mitigate these risks. One example of this was a series of closed workshops with the UK Money Transmitters Association and Somali Money Services Association, which worked on developing mechanisms to enhance regulatory transparency. The UK Money Remitters Association is also looking into developing further best practice standards.<sup>2209</sup>

The UK has partially complied with its commitment to take practical measures to improve access to more affordable remittances. Thus, UK is awarded a score of 0.

*Analyst: Jasjit Goraya*

### **United States: +1**

The United States has fully complied with its commitment to reduce the average cost of remittances and enhance access to more affordable remittances.

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<sup>2204</sup> Revised Terms of Reference for the Action Group on Cross Border Remittances, The UK Government (London) January 2015. Access: 10 March 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418688/15-03-20\\_SCP\\_Stakeholder\\_Engagement\\_Summary.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418688/15-03-20_SCP_Stakeholder_Engagement_Summary.pdf).

<sup>2205</sup> Revised Terms of Reference for the Action Group on Cross Border Remittances, The UK Government (London) January 2015. Access: 10 March 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418688/15-03-20\\_SCP\\_Stakeholder\\_Engagement\\_Summary.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418688/15-03-20_SCP_Stakeholder_Engagement_Summary.pdf).

<sup>2206</sup> Revised Terms of Reference for the Action Group on Cross Border Remittances, The UK Government (London) January 2015. Access: 10 March 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418688/15-03-20\\_SCP\\_Stakeholder\\_Engagement\\_Summary.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418688/15-03-20_SCP_Stakeholder_Engagement_Summary.pdf).

<sup>2207</sup> Revised Terms of Reference for the Action Group on Cross Border Remittances, The UK Government (London) January 2015. Access: 10 March 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418688/15-03-20\\_SCP\\_Stakeholder\\_Engagement\\_Summary.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418688/15-03-20_SCP_Stakeholder_Engagement_Summary.pdf).

<sup>2208</sup> Progress Update, Action Group on Cross Border Remittances, January 2015. Access: 29 September 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/348649/Action\\_Group\\_on\\_Cross\\_Border\\_Remittances\\_-\\_6\\_month\\_update.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/348649/Action_Group_on_Cross_Border_Remittances_-_6_month_update.pdf).

<sup>2209</sup> Progress Update, Action Group on Cross Border Remittances, January 2015. Access: 29 September 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/348649/Action\\_Group\\_on\\_Cross\\_Border\\_Remittances\\_-\\_6\\_month\\_update.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/348649/Action_Group_on_Cross_Border_Remittances_-_6_month_update.pdf).

In Q2 2015, the cost of sending remittances from the US increased to 6.3 per cent from 5.92 per cent in Q1 2015 and 5.97 per cent in Q4 2014.<sup>2210</sup>

Table 23 outlines the average cost of receiving remittances in the United States:<sup>2211</sup>

**Table 23: Remittance Costs in the United States**

Q4 2014	Q1 2015	Q2 2015	Q3 2015
5.97 per cent	5.92 per cent	6.30 per cent	6.04 per cent

On 15 January 2015, the US Department of the Treasury and the US Department of Commerce announced the forthcoming publication of the revised Cuban Assets Control Regulations and Export Administration Regulations.<sup>2212</sup> These regulations include four changes to the United States' policies on sending remittances to Cuba. First, limits on remittances to Cuban nationals will be increased from \$500 to \$2,000 per quarter; second, remittances to Cuban nationals for humanitarian projects, support for the Cuban people, or development of private businesses will be generally authorized without limitation; third, authorized travellers will be allowed to carry with them to Cuba \$10,000 in total family remittances, periodic remittances, remittances to religious organizations in Cuba, and remittances to students in Cuba pursuant to an educational license; finally, banking institutions, including US-registered money transmitters, will be permitted to process authorized remittances to Cuba without having to apply for a specific license.

On 21 September 2015, the Department of the Treasury and the Department of Commerce amended these regulations to increase the flow of resources and information to Cuba. Among other things, these changes include a removal of the cap on donative remittances to Cuban nationals other than prohibited Cuban Government or Cuban Communist party officials.<sup>2213</sup>

On 26 January 2015, President Obama announced the formation of the Indian Diaspora Investment Initiative. The initiative — a partnership between the US Agency for International Development, the Calvert Foundation and numerous private financial institutions within India — encourages Indian Americans to invest in non-traditional markets in India. The initiative will assist businesses and organizations in India that have the potential to reduce poverty through a variety of means, such as increasing financial inclusion.<sup>2214</sup>

On 6 February 2015, the Merchants Bank of California, the principle US bank facilitating remittances to Somalia, closed all of its money-transfer operations to Somalia.<sup>2215</sup> This closure was prompted by concerns that Somalia was a particularly risky destination for money transfers because of its weak financial regulation and the presence of groups listed as terrorists.<sup>2216</sup> According to Keith Ellison, a congressman and

<sup>2210</sup> Remittance Prices Worldwide: Issue n. 14, June 2015, World Bank Group (Washington) June 2015. Access: 15 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_june\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf).

<sup>2211</sup> Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_report\\_october\\_2015.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf).

<sup>2212</sup> FACT SHEET: Treasury and Commerce Announce Regulatory Amendments to the Cuba Sanctions, US Department of the Treasury (Washington) 15 January 2015. Access: 23 October 2015. <http://www.treasury.gov/press-center/press-releases/Pages/jl9740.aspx>.

<sup>2213</sup> Cuba Sanctions, US Department of State (Washington) 21 September 2015. Access: 23 October 2015. <http://www.state.gov/e/eb/tfs/spi/cuba/>.

<sup>2214</sup> New Initiative Accounted to Enable Diaspora Investment in India's Development, USAID Press Office (Washington) 26 January 2015. Access: 6 April 2015. <http://www.usaid.gov/news-information/press-releases/jan-26-2015-new-initiative-announced-enable-diaspora-investment-indias>.

<sup>2215</sup> Hanging By A Thread, Joint Agency Briefing Note. 19 February 2015. Access: 17 April 2015. <http://adesoafrika.org/wp-content/uploads/2015/02/bn-hanging-by-thread-somalia-remittances-190215-embargo-en.pdf>.

<sup>2216</sup> Hanging By A Thread, Joint Agency Briefing Note. 19 February 2015. Access: 17 April 2015. <http://adesoafrika.org/wp-content/uploads/2015/02/bn-hanging-by-thread-somalia-remittances-190215-embargo-en.pdf>.

representative for Minneapolis, the decision to close these accounts will have a “devastating [effect] of closing the last safe and legal pipeline to provide humanitarian remittances to Somalia.”<sup>2217</sup>

The United States adopted policies that will increase access to affordable remittances. Thus, the US is awarded a score of +1.

*Analysts: Jasjit Goraya and Mariel Seymour*

### **European Union: 0**

The European Union has partially complied with its commitment to take practical measures to enhance access to more affordable remittances.

Notably, the average remittance cost percentage could not be calculated because average remittance costs vary across EU members.

On 5 December 2014, “[European Union] member-states reached an agreement on the proposal for a revised Payment Services Directive (PSD) to a new Payment Services Directive (PSD2).”<sup>2218</sup> PSD2 has an increased focus on consumer protection, enhanced security, competition, and innovation. PSD2 also aims to improve the cost-transparency of remittances.<sup>2219</sup> Higher transparency on the market could lead to cheaper remittances abroad.<sup>2220</sup>

The European Parliament and the Council of the EU came to an agreement on a final version of the PSD2 on 5 May 2015.<sup>2221</sup> During a plenary session on 6 October 2015, the European Parliament will vote on plans for a revised PSD2 before the directive is voted upon for implementation.<sup>2222</sup>

On 4-5 March 2015, the EU co-financed the first African Conference on Remittances and Postal Networks on “finding ways to leverage this powerful financial and development force by making remittance services more affordable and accessible to rural people [in Africa].”<sup>2223</sup>

The EU has demonstrated some action on reducing remittance costs and enhancing financial inclusion. Thus, it was awarded a score of 0.

*Analyst: Ahysa Horvat*

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<sup>2217</sup> Ending Somali-US money transfers will be devastating, Merchants Bank warned, The Guardian (London) 6 February 2015. Access: 23 October 2015.

<sup>2218</sup> Payment Service Directive: Towards More Clarity?, European Banking Federation (Brussels) 19 December 2014. Access: 17 April 2015. <http://enews.ebf-fbe.eu/2014/12/payment-service-directive-towards-more-clarity/>.

<sup>2219</sup> Key Features of PSD2 and What They Mean for the Payments Industry, Out-law.com (London) 26 January 2015. Access: 27 February 2015. <http://www.out-law.com/en/articles/2015/january/key-features-of-psd2-and-what-they-mean-for-the-payments-industry/>.

<sup>2220</sup> Payment Services Directive and Interchange fees Regulation, EU Business (Chesham) 24 July 2013. Access: 5 April 2015. <http://www.eubusiness.com/topics/finance/payment-services-2/>.

<sup>2221</sup> PSD2: Almost final – a state of play, European Payments Council 6 June 2015. Access: 3 October 2015. <http://www.europeanpaymentscouncil.eu/index.cfm/blog/psd2-almost-final-a-state-of-play/>.

<sup>2222</sup> Procedure file 2013/0264(COD), European Union Legislative Observatory. Access: 3 October 2015. [http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2013/0264\(COD\)&l=en](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2013/0264(COD)&l=en).

<sup>2223</sup> First African Conference on Remittances and Postal Networks Addresses Cost of Sending Money, International Fund for Agricultural Development (Rome) 2 March 2015. Access: 9 April 2015. <http://www.ifad.org/media/press/2015/16.htm>.

## 15. Development: Tax Administration

2014-55: We will work with them [developing countries] to build their tax administration capacity.

*G20 Brisbane Summit Leader's Communiqué*

### Assessment

Country	No Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia		0	
Brazil			+1
Canada			+1
China		0	
France		0	
Germany			+1
India			+1
Indonesia			+1
Italy	-1		
Japan		0	
Korea			+1
Mexico			+1
Russia		0	
Saudi Arabia	-1		
South Africa	-1		
Turkey			+1
United Kingdom			+1
United States		0	
European Union			+1
Average		+0.40	

### Background

The G20 launched its development agenda during 2010 Seoul summit with the adoption of the Multi-Year Action Plan on Development (MYAP). The MYAP established nine pillars where G20 action was identified as necessary to resolve the most significant challenges facing developing countries with respect to inclusive, sustainable and resilient growth. The eighth pillar, domestic resources mobilization, stressed the importance of strengthening “tax regimes and fiscal policies in developing countries to provide a sustainable revenue base for inclusive growth and social equity, as well as to enhance the transparency and accountability of public finances.”<sup>2224</sup> The Action Plan also calls for international organizations such as the Organisation for Economic Co-operation and Development (OECD), United Nations, International Monetary Fund (IMF) and World Bank to support the development of more effective tax systems in developing countries.<sup>2225</sup>

According to a report published by the OECD, IMF, UN and World Bank for the G20 Development Working Group (DWG), taxation provides governments with the necessary funds needed to invest in development, relieve poverty, and deliver public services.<sup>2226</sup> It also allows developing countries to reduce their dependency on foreign aid. Moreover, according to the report, tax system design is closely linked to

<sup>2224</sup> Annex II: Multi-Year Action Plan on Development, The Seoul Summit Document (Seoul) 12 November 2010. Access: 19 February 2014. <http://www.g20dwg.org/documents/pdf/view/323/>.

<sup>2225</sup> Annex II: Multi-Year Action Plan on Development, The Seoul Summit Document (Seoul) 12 November 2010. Access: 19 February 2014. <http://www.g20dwg.org/documents/pdf/view/323/>.

<sup>2226</sup> Supporting the Development of More Effective Tax System, A Report to the G20 Development Working Group by the IMF, OECD, UN, and World Bank 2011. Access: 19 February 2014. <http://www.imf.org/external/np/g20/pdf/110311.pdf>.



domestic and international investment decisions, including in terms of transparency and fairness. Thus, a strong tax administration is essential to strengthening domestic resource mobilization. Despite this, half of the sub-Saharan African countries still mobilize less than 17% of their GDP in tax revenues, which is well below the 20% minimum level considered by the UN as necessary to achieve the Millennium Development Goals (MDGs). Therefore, the G20 needs to take greater action in assisting developing countries in building capacity with respect to their tax administrations.

### **Commitment Features**

The commitment requires G20 members to assist developing countries in building capacity in the area of tax administration. The report to the G20 DWG focused on supporting the development of more effective tax systems identified two main ways in which G20 countries can better assist developing countries to strengthen their tax systems and support their revenue mobilization efforts: leading by example in addressing common issues and furthering common interests, and acting as shareholders or members of the international organizations most closely concerned with taxation and development.<sup>2227</sup>

In order to fulfill these two mandates the report developed several recommendations for G20 Leaders on capacity building.<sup>2228</sup>

#### *Common issues, common interests — leading by example and developing partnerships*

1. Estimate and publish tax expenditures, and the cost of special provisions, in regular tax expenditure and budgets. G20 countries could lead and encourage a more rigorous assessment of the costs and benefits of such provisions.
2. Develop analytical frameworks, suitable to the varying needs and circumstances of different countries, to assess the costs and benefits of preferential tax treatments, including in particular tax incentives aimed at FDI, and provide guidelines for countries which use such incentives.
3. Disclose and consider reducing the scope of tax exemptions required by G20 countries from country recipients of aid-funded projects.
4. Undertake “spillover” analyses of proposed changes to tax law in G20 countries, for example in trade and international taxation — which could have effects on the fiscal circumstances of developing countries.

#### *Acting as shareholders or members in international organizations*

1. Encourage international organizations to more thoroughly assess and act upon linkages of tax and expenditure policies in their technical assistance to developing countries.
2. Encourage the IMF and World Bank, working with other international and regional organizations as appropriate, to further develop and make publicly available consistent and detailed revenue data sets for the developing countries.
3. Encourage the international organizations, including the Forum on Tax Administrations, to develop a tool kit of measures to counter tax evasion and avoidance, based on best practices and guidelines adapted to the needs of developing countries.
4. Promote the Multilateral Convention on Administrative Assistance in Tax Matters.

Given the important role which international organizations play in enhancing tax capacity of developing countries, the implementation of this commitment will be assessed through monitoring national actions on a bilateral basis and actions through and in partnership with international institutions (OECD, IMF, UN, World Bank, among others). In order to receive full compliance G20 members must take actions to assist

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<sup>2227</sup> Supporting the Development of More Effective Tax System, A Report to the G20 Development Working Group by the IMF, OECD, UN, and World Bank 2011. Access: 19 February 2014. <http://www.imf.org/external/np/g20/pdf/110311.pdf>.

<sup>2228</sup> Supporting the Development of More Effective Tax System, A Report to the G20 Development Working Group by the IMF, OECD, UN, and World Bank 2011. Access: 19 February 2014. <http://www.imf.org/external/np/g20/pdf/110311.pdf>.

developing countries in capacity building through national actions that address common issues and common concerns and as stakeholders or member of international organizations.

**Scoring Guidelines**

-1	Member does not assist developing countries in capacity building through national actions that address common issues and common interests or as stakeholders or members of international organizations.
0	Member assists developing countries in capacity building through national actions that address common issues and common interests OR as stakeholders or members of international organizations, but not both.
+1	Member assists developing countries in capacity building through national actions that address common issues and common concerns AND as stakeholders or members of international organizations.

**Argentina: +1**

Argentina has fully complied with the commitment on building tax administration capacity in developing countries.

Argentina has assisted developing countries in capacity building through national actions that address common issues and common interests.

Argentina continues to publish data on taxes collected on a monthly basis.<sup>2229</sup>

On 11 December 2015, Officials from the National Customs and Tax Administration (SUNAT) of Peru came to Argentina to participate in the internship that gave the Argentinian Federal Administration of Public Revenue (AFIP). SUNAT agents and their Argentine counterparts discussed the conceptual models, and technological and application architecture that supports Tax Accounting.<sup>2230</sup>

On 23 February 2015, it was reported that the Federal Administration of Public Revenue of Argentina held a meeting with the ambassador of Azerbaijan to continue strengthening cooperation in tax and customs spheres.<sup>2231</sup>

On 17 March 2015, a delegation of officials from the Argentinian Federal Administration of Public Revenue visited Morocco, where they conducted seminars and shares successful experiences in online submission of affidavits, electronic payment, registration system, current accounts and other tax-oriented issues such as electronic monitoring and control tax data.<sup>2232</sup>

Argentina has assisted developing countries in capacity building as stakeholders or members of international organizations.

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<sup>2229</sup> Recaudación de Septiembre, El Diario de la AFIP. 1 October 2015. Access: 11 October 2015. <http://www.dialogofiscal.gob.ar/panoramaFiscal/recaudacion/septiembre2015.aspx>.

<sup>2230</sup> La AFIP brindó una pasantía sobre el Sistema de Cuentas Tributarias a su par de Perú, El Diario de la AFIP. 11 December 2014. Access: 7 April 2015. <http://www.dialogofiscal.gob.ar/internacionales/sistemaCuentasTributarias.aspx>.

<sup>2231</sup> Argentina y Azerbaiyán continúan reforzando sus lazos aduaneros y tributarios, El Diario de la AFIP. 23 February 2015. Access: 7 April 2015. <http://www.dialogofiscal.gob.ar/internacionales/lazosAduaneros.aspx>.

<sup>2232</sup> La AFIP brinda asistencia técnica a la DGI de Marruecos, El Diario de la AFIP. 17 March 2015. Access: 7 April 2015. <http://www.dialogofiscal.gob.ar/internacionales/dgiMarruecos.aspx>.

According to the Global Forum on Transparency and Exchange of Information for Tax Purposes report delivered to G20 Finance Ministers, Argentina has been largely compliant with the international standard of transparency and exchange of information on request.<sup>2233</sup>

On 11-14 December 2015, Argentina organized a workshop “Mega data in Precise Agriculture,” attended by the representatives of Inter-American Centre of Tax Administrations, EMBRAPA Brazil and researchers from the USA, Uruguay, etc. The purpose of the meeting was to exchange techniques on data analysis in agriculture. The initiative was supported by the participants, and the next meeting is to take place in August in Colombia.<sup>2234</sup>

On 22-26 March 2015, the Argentinean Federal Administration of Public Revenue organized a course “The tax administration against global taxpayer” in close collaboration with the United Nations Institute for Training and Research (UNITAR). This course provided a solid introduction to the technical aspects of international taxation, as well as the theoretical approach, based on the most updated information.<sup>2235</sup>

On 15 June 2015, Administración Federal de Ingresos Públicos (AFIP) of Argentina provided technical assistance to the Subsecretaría de Estado de Tributación of Paraguay. The AFIP provided specialized technical assistance to its counterpart as part of the cooperation project between tax administrations.<sup>2236</sup>

On 6 July 2015, tax administrations of Argentina and Colombia have agreed to strengthen their ties of cooperation. According to the source, Administración Federal de Ingresos Públicos (AFIP) of Argentina provided training on electronic methods in taxation to the Tax and Customs of Colombia (DIAN), under the EUR OsociAL Programme for Social Cohesion in Latin America Control.<sup>2237</sup>

Argentina has assisted developing countries in capacity building through national actions that address common issues and common concerns and as stakeholders or members of international organizations. Thus, it is awarded a score of +1.

*Analyst: Anton Markov*

## **Australia: 0**

Australia has partially complied with the commitment on assisting developing countries to build their tax administration capacity.

Australia has taken actions to assist developing countries in capacity building through national actions.

Since 2009, Australia has been providing broad governance assistance to Nauru, aimed at helping the country’s government to improve fiscal management, strengthen public financial management, improve government communications and enhance data collection. To this end Australia is funding the recruitment and salaries of three Deputy Secretaries within the Department of Finance, responsible for revenue collection

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<sup>2233</sup> Tax Transparency 2014: Report on Progress, Global Forum on Transparency and Exchange of Information for Tax Purposes. Access: 7 April 2015. <http://www.oecd.org/tax/transparency/GFannualreport2014.pdf>.

<sup>2234</sup> El CIAT estuvo presente en taller sobre agricultura de precisión en Argentina, CIAT Blog. 10 January 2015. Access: 7 April 2015. <http://www.ciatnews.cgiar.org/es/2015/01/10/el-ciat-estuvo-presente-en-taller-sobre-agricultura-de-precision-en-argentina/>.

<sup>2235</sup> Echegaray presentó el curso internacional “La administración tributaria frente el contribuyente global”, El Diario de la AFIP. 23 March 2015. Access: 7 April 2015. <http://www.dialogofiscal.gob.ar/gestion/bariloche.aspx>.

<sup>2236</sup> La AFIP brindó asistencia técnica a la Subsecretaría de Estado de Tributación de Paraguay, El Diario de la AFIP. 15 June 2015. Access: 11 October 2015. <http://www.dialogofiscal.gob.ar/internacionales/tributacionParaguay.aspx>.

<sup>2237</sup> Las administraciones tributarias de Argentina y Colombia refuerzan sus vínculos de cooperación, El Diario de la AFIP. 6 July 2015. Access: 11 October 2015. <http://www.dialogofiscal.gob.ar/internacionales/cooperacionColombia.aspx>.

including customs revenue, debt management, public expenditure policy, as well as broad fiscal management.<sup>2238</sup>

No Australian actions to assist developing countries in tax administration capacity building within the international institutions have been registered.

During the compliance period Australia has taken steps aimed at assisting developing countries in building their tax administration capacity through national actions but not as a member of international organization. Thus, it has been awarded a score of 0.

*Analyst: Andrei Sakharov*

### **Brazil: +1**

Brazil has fully complied with the commitment on building tax administration capacity in developing countries.

Brazil has assisted developing countries in capacity building through national actions that address common issues and common interests.

On 26 November 2014, the Ministry of Justice of Brazil participated in the Launch Workshop Asset Recovery Network for West Africa. The Brazilian participation in the forum aims to expand the partnership of cooperation in asset recovery and tax evasions fighting with the African continent. The Arin-WA Network is an informal platform to assist in locating, identifying, freezing and confiscation of assets in the West African region. Brazil also participates in other forums and networks on the subject, such as the Asset Recovery Network of Financial Action Task Force of South America (RRAG) and the Asset Recovery Network (StAR Interpol).<sup>2239</sup>

Brazil has assisted developing countries in capacity building as stakeholders or members of international organizations.

On 22 December, the Administrative Council for Economic Defence (CADE) of the Federative Republic of Brazil and the Integrity Vice Presidency of the World Bank Group signed a memorandum of understanding. Under the memorandum the parties create transparent information exchange system by providing each other with relevant for financial frauds detection and prevention data which can facilitate elimination of tax evasions.<sup>2240</sup>

On 6 January 2015, the CADE and the Inter-American Development Bank signed an agreement for cooperation and information sharing. It involves information exchange in spheres of such financial frauds as tax evasions, money laundering and corruption.<sup>2241</sup>

As of March 2015, Brazil is admitted to be largely compliant with the international standard of transparency and exchange of information in both phase 1 and phase 2.<sup>2242</sup>

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<sup>2238</sup> Governance assistance in Nauru, Australian Government. Access 14 May 2015. <http://dfat.gov.au/geo/nauru/development-assistance/Pages/governance-assistance-nauru.aspx>.

<sup>2239</sup> Ministério da Justiça Busca Intensificar Cooperação Jurídica com Gana e Paraguai, Brazilian Ministério da Justiça 26 November 2014. Access: 4 April 2015. <http://www.justica.gov.br/noticias/ministerio-da-justica-busca-intensificar-cooperacao-juridica-com-gana-e-paraguai>

<sup>2240</sup> The Administrative Council for Economic Defence 22 December 2014. Access: 4 April 2015. [http://www.cade.gov.br/upload/MoU%20CADE%20-%20INT%20\(English\).pdf](http://www.cade.gov.br/upload/MoU%20CADE%20-%20INT%20(English).pdf)

<sup>2241</sup> The Administrative Council for Economic Defence of Brazil 6 January 2015. Access: 4 April 2015. <http://www.cade.gov.br/upload/Conv%C3%AAnio%20CADE-BID.pdf>

<sup>2242</sup> Global Forum on Transparency and Exchange of Information for Tax Purposes, Phase 1 and Phase 2 Reviews, OECD. Access: 4 April 2015. <http://www.oecd.org/tax/transparency/GFratings.pdf>

Brazil has assisted developing countries in capacity building through national actions that address common issues and common concerns and as stakeholders or members of international organizations. Thus, it is awarded a score of +1.

*Analyst: Sergey Burok*

### **Canada: +1**

Canada has fully complied with the commitment on tax administration.

The Canada Revenue Agency (CRA) is committed to take advantage of emerging opportunities and to address the realities of the current global environment for reinforcing strategic partnerships with key countries and organizations and leveraging new networks of influence with developing and emerging economies.<sup>2243</sup>

Canada participates in the Convention on Mutual Administrative Assistance in Tax Matters to tackle tax evasion and avoidance especially in developing countries.<sup>2244</sup>

Canada supports the Addis Tax Initiative aimed at helping developing countries to collect more in the form of taxes and non-tax revenues from their own citizens and businesses.<sup>2245</sup>

Canada has assisted developing countries in capacity building through national actions that address common issues and common concerns, and as stakeholders or members of international organizations during the compliance period. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **China: 0**

China has partially complied with the commitment on tax administration.

China has assisted developing countries in capacity building through national actions that address common issues and common concerns.

On 26 March 2015, President of the Republic of Indonesia Joko Widodo visited the Boao Forum for Asia Annual Conference in China. During the visit China and Indonesia agreed to improve taxation cooperation, combat international tax evasion, help developing countries and low-income countries increase capabilities related taxation, develop favourable taxation environment for investment, economic cooperation and trade between the two countries. China and Indonesia signed the Protocol to and Memorandum of Understanding on the Agreement between the Government of the People's Republic of China and the Government of the Republic of Indonesia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.<sup>2246</sup>

No facts of China's assistance to developing countries in capacity building as stakeholders or members of international organizations have been registered during the compliance period. China has assisted developing countries in capacity building through national actions that address common issues and common concerns,

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<sup>2243</sup> Offshoring Canadian Taxes. Access: 4 April 2015. <http://www.cra-arc.gc.ca/gncy/cmplnc/crprttxvdcn/menu-eng.html>

<sup>2244</sup> Jurisdictions Participating in the Convention on Mutual Administrative Assistance in Tax Matters. Status –8 April 2015. Access: 10 April 2015. [http://www.oecd.org/tax/exchange-of-tax-information/Status\\_of\\_convention.pdf](http://www.oecd.org/tax/exchange-of-tax-information/Status_of_convention.pdf)

<sup>2245</sup> About the Addis Tax Initiative. Participating countries, International Tax Compact. Access: 20 October 2015. <http://www.taxcompact.net/activities-events/addis-tax-initiative.html>

<sup>2246</sup> Joint Statement on Strengthening Comprehensive Strategic Partnership between the People's Republic of China and The Republic of Indonesia, Embassy of the People's Republic of China in the Kingdom of Norway 26 March 2015. Access: 25 April 2015. [http://wza.fmprc.gov.cn/yxsm/index.php?m=proxy&a=show&q\\_url=http%3A%2F%2Fno.china-embassy.org%2Feng%2F.%2Fzyxw%2Ft1249201.htm](http://wza.fmprc.gov.cn/yxsm/index.php?m=proxy&a=show&q_url=http%3A%2F%2Fno.china-embassy.org%2Feng%2F.%2Fzyxw%2Ft1249201.htm)

but they do not assisted developing countries in capacity building as stakeholders or members of international organizations. Thus, it has been awarded a score of 0.

*Analyst: Svetlana Nikitina*

### **France: 0**

France has partially complied with the commitment on tax administration.

France is generally paying little attention to specific solutions that will benefit developing countries and has expressed no intention to undertake impact assessments of its international tax policies or its tax treaties to analyse the spillover effects on developing countries.

France supports the Addis Tax Initiative aimed at helping developing countries to collect more in the form of taxes and non-tax revenues from their own citizens and businesses.<sup>2247</sup>

France has assisted developing countries in tax capacity building as stakeholders or members of international organizations, but failed to do the same through national actions that address common issues and common concerns. Thus, it has been awarded a score of 0.

*Analyst: Vitaly Nagornov*

### **Germany: +1**

Germany has fully complied with the commitment on building tax administration capacity in developing countries.

Germany has assisted developing countries in capacity building through national actions that address common issues and common interests.

On 16, 17 February 2015, the participants of the Executive Master's in Taxation Programme attended an expert meeting with the Bavarian Tax Administration at the Tax Office in Munich.<sup>2248</sup> Among the topics under discussion were "Base Erosion and Profit Shifting," the taxation on e-commerce, the standards of „Automatic Exchange of Information" (AEOI) and other highly relevant subjects. The main objective of the meeting was to provide practical exchange of experiences in the field of taxation. The event is a part of the Executive Master's in Taxation Programme launched on 17 October 2014 by Thomas Silberhorn, Parliamentary State Secretary at Federal Ministry for Economic Cooperation and Development of Germany. The above mentioned participants are the first cohort of 27 employees of revenue authorities and ministries of finance from across sub-Saharan Africa accepted for the new Master of Arts in Tax Policy and Tax Administration.<sup>2249</sup> The programme was developed jointly by GIZ's Good Financial Governance (GFG) in Africa Programme<sup>2250</sup> [Deutsche Gesellschaft für Internationale Zusammenarbeit is a federal enterprise that supports the German Government in achieving its objectives in the field of international cooperation for sustainable development<sup>2251</sup>], the African Tax Administration Forum (ATAF) and the Berlin School of

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<sup>2247</sup> About the Addis Tax Initiative. Participating countries, International Tax Compact. Access: 20 October 2015.

<http://www.taxcompact.net/activities-events/addis-tax-initiative.html>

<sup>2248</sup> News, Executive Master's In Taxation 16 February 2015. Access: 22 April 2015. <http://www.emtaxation.org/News.aspx>

<sup>2249</sup> Current Cohort, Executive Master's In Taxation 16 February 2015. Access: 22 April

2015. <http://www.emtaxation.org/TheProgramme/CurrentCohort.aspx>

<sup>2250</sup> Transparente Und Verantwortungsvolle Nutzung Öffentlicher Finanzen, Deutsche Gesellschaft für Internationale Zusammenarbeit. Access: 22 April 2015. <https://www.giz.de/en/worldwide/17668.html>

<sup>2251</sup> Profil, Deutsche Gesellschaft für Internationale Zusammenarbeit. Access: 21 April 2015.

<http://www.giz.de/en/aboutgiz/profile.html>

Economics and Law on the basis of partner needs of African tax officials, policy-makers and tax practitioners to help them expand their expertise in tax policy and tax administration.<sup>2252</sup>

Germany has assisted developing countries in capacity building as stakeholders or members of international organizations.

In February 2015, a draft Field Guide of the Tax Administration Diagnostic Assessment Tool (TADAT) was issued.<sup>2253</sup> It contains a structured methodology of this new initiative of the International Monetary Fund. The purpose of the organization is to provide measures to strengthen tax administration effectiveness and ensure fair, efficient, and transparent tax collection through assessing relative strengths and weaknesses of tax administrations. Germany actively participates in the affairs of the organization. German representatives hold places in most of its organs. For example, Marion Fleuth-Leferink is a member of the Steering Committee, the main directive body in TADAT, which also means that Germany is among the Contributors to the TADAT sub-account.<sup>2254</sup> Apart from that, Ministry for Economic Cooperation and Development of Germany is also one the TADAT international partners.<sup>2255</sup> TADAT carries out its assessment not only in advanced countries, but all over the world. Developing countries are widely engaged into the activities of the organization. The African Tax Administration Forum (ATAF) is a member of the Technical Advisory Group, whose aim is to support the technical development and maintenance of the diagnostic tool. Maimbo Nyanga, the Director for Research and Planning of the Zambian Revenue Authority (ZRA), speaking at the kick-off event, explained that the TADAT assessment was particularly useful to the ZRA in gaining a better understanding of reform needs and priorities.<sup>2256</sup> It is also worth mentioning that all current pilot missions of the organization take place in developing countries.<sup>2257</sup>

On 15 July 2015, the Addis Tax Initiative was launched on the basis of International Tax Compact (ITC) in the course of the 3rd Financing for Development Conference in Addis Ababa in 2015.<sup>2258</sup> ITC is an informal platform collaborating with interested countries and regional institutions in promoting effective, fair and transparent tax systems and fighting tax evasion and avoidance on a global scale. Germany is a participating country to the initiative and German government was the one who originally proposed it. Among other participants are developing countries of Sub-Saharan Africa and the abovementioned ATAF. The initiative is aimed at intensification of international cooperation in the area of taxation and improvement of the participating states' tax systems.<sup>2259</sup>

In July 2015, a study „Information Technology in Tax Administration in Developing Countries” was published. It provides an overview on the experience in 13 diverse developing countries with IT-based tax reforms as well as activities of major donors specializing in this area. The study was commissioned by KfW in partnership with the GIZ Sector Programme for Good Financial Governance and was funded by the German Federal Ministry of Economic Cooperation and Development (BMZ). Several members of the International

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<sup>2252</sup> New International Degree To Strengthen Tax Administrations In Africa, Deutsche Gesellschaft für Internationale Zusammenarbeit. Access: 22 April 2015. <http://www.giz.de/en/worldwide/27232.html>

<sup>2253</sup> Draft Field Guide, TADAT February 2015. Access: 22 April 2015. [http://www.tadat.org/files/TADAT\\_FieldGuide\\_V5.pdf](http://www.tadat.org/files/TADAT_FieldGuide_V5.pdf)

<sup>2254</sup> Steering Committee, TADAT. Access: 22 April 2015. <http://tadat.org/overview/SteeringCommittee%20.html>

<sup>2255</sup> TADAT Partners, TADAT. Access: 22 April 2015. [http://tadat.org/overview/tadat\\_partner.html](http://tadat.org/overview/tadat_partner.html)

<sup>2256</sup> New Tool to Improve Tax Administration, IMF 5 March 2014. Access: 22 April 2015. <http://www.imf.org/external/pubs/ft/survey/so/2014/NEW030314A.htm>

<sup>2257</sup> New, Pilot Missions, TADAT. Access: 22 April 2015. [http://tadat.org/news\\_events/PilotMissions.html](http://tadat.org/news_events/PilotMissions.html)

<sup>2258</sup> Addis Tax Initiative Background, International Tax Compact. Access: 14 October 2015. <http://www.taxcompact.net/activities-events/addis-tax-initiative.html>

<sup>2259</sup> ITC Factsheet, International Tax Compact. Access: 14 October 2015. <http://www.taxcompact.net/documents/ITC-Factsheet.pdf>

Tax Compact (ITC), in particular CIAT and the IMF, contributed with valuable comments on the terms and reference and shared their experience.<sup>2260</sup>

Germany has assisted developing countries in capacity building through national actions that address common issues and common concerns and as stakeholders or members of international organizations. Thus, it is awarded a score of +1.

*Analyst: Sergei Titov*

### **India: +1**

India has fully complied with the commitment on building tax administration capacity in developing countries.

India has assisted developing countries in capacity building through national actions that address common issues and common interests.

On 23-24 December 2014, the SAARC (South Asian Association for Regional Cooperation: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka) Standing Committee approved the Report on Avoidance and Double Taxation and Mutual Administrative Assistance in Tax Matters.<sup>2261</sup> All the member-countries are referred to developing economies according to the definition given by the World Bank,<sup>2262</sup> which means that the collaboration in the sphere of taxes might be seen as the assistance provided by India to developing countries.

On 1 July 2015, Mauritius and India came to an understanding about the Double Taxation Avoidance Agreement. The existing DTAA had already contributed to the development of the country's financial services sector<sup>2263</sup>, as the Minister of Finance and Economic Development of the Republic of Mauritius, Vishnu Lutchmeenaraidoo, noted; and the amended one would assist in fighting the activities of a shadow economy.<sup>2264</sup>

India has assisted developing countries in capacity building as stakeholders or members of international organizations.

As of 21 October 2015, India participates in the Convention on Mutual Administrative Assistance in Tax Matters.<sup>2265</sup>

On 9 February 2015, OECD Secretary-General in his Report to G20 Finance Ministers stated that as of February 2015, the Global Forum on Transparency and Exchange of Information for Tax purposes finished the second phase of evaluating jurisdictions' compliance with the international standard of transparency and exchange of information on request. India has received the rating of "compliant." Moreover, the report notices that India took the obligation to put into effect the new AEI (Automatic Exchange of Information)

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<sup>2260</sup> Information Technology in Tax Administration in Developing Countries, International Tax Compact September 2015. Access: 14 October 2015. <http://www.taxcompact.net/documents/IT-Tax-Administration-Study.pdf>.

<sup>2261</sup> Note by the Secretariat of Economic and Financial Cooperation, South Asian Association for Regional Cooperation 22 January 2015. Access: 7 April 2015. [http://www.saarc-sec.org/uploads/document/Note%20on%20Eco%20and%20Fin%20Coop%20-%2022%20January%202015\\_20150122045846.doc](http://www.saarc-sec.org/uploads/document/Note%20on%20Eco%20and%20Fin%20Coop%20-%2022%20January%202015_20150122045846.doc).

<sup>2262</sup> Country and Lending Groups, the World Bank. Access: 7 April 2015. <http://data.worldbank.org/about/country-and-lending-groups>.

<sup>2263</sup> India and Mauritius reach consensus on Double Taxation Avoidance Agreement, Government of the Republic of Mauritius 1 July 2015. Access: 11 October 2015. <http://www.govmu.org/English/News/Pages/India-and-Mauritius-reach-consensus-on-Double-Taxation-Avoidance-Agreement.aspx>.

<sup>2264</sup> Mauritius joins global tax convention to fight black money, The Economic Times 24 June 2015. Access: 11 October 2015. [http://articles.economictimes.indiatimes.com/2015-06-24/news/63782762\\_1\\_india-and-mauritius-india-mauritius-tax-treaty](http://articles.economictimes.indiatimes.com/2015-06-24/news/63782762_1_india-and-mauritius-india-mauritius-tax-treaty).

<sup>2265</sup> Jurisdiction Participating in the Convention on Mutual Administrative Assistance in Tax Matters Status - 4 March 2015, OECD 4 March 2015. Access: 21 October 2015. [http://www.oecd.org/tax/exchange-of-tax-information/Status\\_of\\_convention.pdf](http://www.oecd.org/tax/exchange-of-tax-information/Status_of_convention.pdf).



Standard in 2018. As the member of the Global Forum, India is committed to provide technical assistance to developing countries to implement the new Standard.<sup>2266</sup>

As of 10 October 2015, India is a party to CATA, — Commonwealth Association of Tax Administrations. The organization including 47 member-countries, among which virtually all are developing countries, aims at promoting efficient tax administrations through conferences, training programmes, publications and knowledge sharing.<sup>2267</sup>

India has assisted developing countries in capacity building through national actions that address common issues and common concerns and as stakeholders or members of international organizations. Thus, it is awarded a score of +1.

*Analyst: Anastasiia Matiukhina*

### **Indonesia: +1**

Indonesia has fully complied with the commitment on building tax administration capacity in developing countries.

Indonesia has assisted developing countries in capacity building as stakeholders or members of international organizations.

On 12 February 2015, Indonesian ministry of finance informed that at the meeting of the G20 finance ministers and central bank governors that had taken place in Istanbul on 9-10 February, the country had encouraged the implementation of the agreement to address Base Erosion and Profit Shifting issue. Additionally, Indonesian side expected international taxation cooperation agenda in the form of taxation information exchange among countries to be realized immediately.<sup>2268</sup>

Indonesia has assisted developing countries in capacity building through national actions that address common issues and common interests.

Since 2011 Indonesia has been engaged in capacity-building program in the area of taxation in Palestine.<sup>2269</sup>

Indonesia has assisted developing countries in capacity building as stakeholders or members of international organizations and on a bilateral basis. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepon*

### **Italy: -1**

Italy has failed to comply with the commitment on assisting developing countries to build their tax administration capacity.

No facts of Italy's national actions to assist developing countries in tax administration capacity building have been registered during the monitoring period.

No facts of Italy's involvement into international institutions' efforts to assist developing countries in tax administration capacity building have been registered.

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<sup>2266</sup> OECD Secretary-General Report to G20 Finance Ministers, OECD 9 February 2015. Access: 7 April 2015. <http://www.oecd.org/tax/transparency/2015-Feb-GF-report-G20.pdf>.

<sup>2267</sup> Commonwealth Association on Tax Administration. Access: 11 October 2015. <http://www.catatax.org/about/>.

<sup>2268</sup> Indonesia Encourages Implementation of MGM Agreement in G20, Ministry of Finance of Indonesia 12 February 2015. Access date: 17 April 2015. <http://www.kemenkeu.go.id/en/Berita/indonesia-encourages-implementation-mgm-agreement-g20>.

<sup>2269</sup> Land and Building Tax Training for Palestine, Ministry of Finance of Indonesia 28 November 2011. Access date: 13 October 2015. <http://www.bppk.kemenkeu.go.id/publikasi/konten/arsip-berita/8-berita-setban/14993-land-and-building-tax-training-for-palestine>.

During the compliance period Italy has failed to take steps aimed at assisting developing countries in building their tax administration capacity through national actions and as a member of international organization. Thus, it has been awarded a score of -1.

*Analyst: Andrei Sakbarov*

### **Japan: 0**

Japan has partially complied with the commitment on tax administration.

Japan has assisted developing countries in capacity building as stakeholders or members of international organizations.

On 7- 9 April 2015, Japanese Ministry of Finance and the IMF co-hosted the Sixth IMF-Japan High-Level Tax Conference for Asian Countries in Tokyo. The workshop will be financed by the Japan Administered Account for Selected IMF Activities (JSA). This Conference aimed to build an effective tax system and tax administration in developing countries by exchanging their own experience.<sup>2270</sup>

Japan promotes mobilization of public resources throw Tax Administration Diagnostic Assessment Tool (TADAT) that is designed to provide an assessment of key components of developing countries' systems of tax administration.<sup>2271</sup>

Japan has assisted developing countries in capacity building as stakeholders or members of international organizations, but has not assisted developing countries in capacity building through national actions that address common issues and common concerns. Thus, it has been awarded a score of 0.

*Analyst: Vitaly Nagornov*

### **Korea: +1**

Korea has fully complied with the commitment on assisting developing countries in building their tax administration capacity.

From 23 to 29 November 2014, Korean International Cooperation Agency was conducting a Capacity Development of Tax Administration program for the participants from Myanmar. The program was aimed at assisting Myanmar officials in developing "long term and short term plan for building taxation capacity in line with the country's economic development plan."<sup>2272</sup>

On 6 May 2015, KOICA announced a Program to develop tax integrated system for 15 participants from Ecuador as part of the Korean government's grant aid and technical cooperation in 2015. The 16-days program aims to share Korea's experiences and strategies in tax administration, providing response to current challenges in tax administration sphere, and to assist Ecuador in building master plan for the generation of a system for integrated control of HR processes.<sup>2273</sup>

Korea has assisted developing countries in capacity building as members of international organizations have been registered.

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<sup>2270</sup> The Sixth IMF-Japan High-Level Tax Conference for Asian Countries, "Emerging Tax Issues in Asia", Tokyo, Japan, April 7-9. Access: 22 April 2015. <http://www.imf.org/external/np/seminars/eng/2015/asiatax/>

<sup>2271</sup> The Tax administration Diagnostic Assessment Tool (TADAT). Access: 20 October 2015. [http://www.tadat.org/news\\_events/NewsAndEvents.html](http://www.tadat.org/news_events/NewsAndEvents.html).

<sup>2272</sup> Capacity Development of Tax Administration (Myanmar), Korea International Cooperation Agency 21 November 2014. Date of assess: 16 June 2015. [http://www.koica.go.kr/english/board/whats\\_new/1318746\\_3545.html](http://www.koica.go.kr/english/board/whats_new/1318746_3545.html).

<sup>2273</sup> Tax Integrated System Development (Ecuador), Korea International Cooperation Agency 6 May 2015. Date of assess: 25 May 2015. [http://www.koica.go.kr/english/board/whats\\_new/1319712\\_3545.html](http://www.koica.go.kr/english/board/whats_new/1319712_3545.html).

Korea supports the Addis Tax Initiative aimed at helping developing countries to collect more in the form of taxes and non-tax revenues from their own citizens and businesses.<sup>2274</sup>

During the compliance period Korea has taken steps aimed at assisting developing countries in building their tax administration capacity through national actions and multilateral channels. Thus, it has been awarded a score of +1 for full compliance.

*Analyst: Vitaly Nagornov*

### **Mexico: +1**

Mexico has fully complied with the commitment on assisting developing countries to build their tax administration capacity.

On 9-13 December 2014, a seminar on exchange of information for tax purposes was held in the Multilateral Tax Centre in Mexico.<sup>2275</sup> Mexican Secretariat of Finance and Public Credit co-sponsored the event. The seminar was aimed to assist the ministries of finance and the tax administrations of Latin America and the Caribbean in the implementation of the appropriate legal and administrative framework for the effective implementation of information exchange. The seminar was attended by the representatives of tax authorities of developing countries such as Antigua and Barbuda, Costa Rica, El Salvador, Guatemala and Jamaica. The expert panel was composed of representatives from the CIAT, the OECD, the Global Forum on Transparency and Information Exchange.<sup>2276</sup>

On 13 March 2015, during President of Guatemala Otto Pérez Molina's visit to Mexico, the Agreement on Double Taxation and Tax Evasion Preventing was signed aimed at boosting bilateral trade and investment and information sharing between countries.<sup>2277</sup>

On 20-22 April 2015, an expert of the Tax Administration Service (SAT) of Mexico visited the General Directorate of Taxation (DGT) of the Ministry of Finance of Costa Rica to share Mexico's experience on tax information exchange with 27 tax administration officials from Costa Rica, mainly the Directorates of Intelligence, Collection, Examination and International Taxation.<sup>2278</sup>

On 22-26 June 2015, the SAT held a specialized training on enforced collection for the General Tax Directorate of Uruguay (DGI) representatives, in particular on risk analysis techniques for debt collection and structural and organizational aspects for the implementation of administrative collection systems. The event

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<sup>2274</sup> About the Addis Tax Initiative. Participating countries, International Tax Compact. Access: 20 October 2015.

<http://www.taxcompact.net/activities-events/addis-tax-initiative.html>

<sup>2275</sup> The LAC Fiscal Initiative. Date of assess: 23 February 2015. <http://www.oecd.org/tax/tax-global/the-lac-fiscal-initiative.htm>.

<sup>2276</sup> The CIAT, OECD, SAT and SHCP of Mexico, AEAT of Spain and Guardia di Finanza of Italy sponsored an activity on information exchange for tax purposes. Date of assess: 23 February 2015. <http://www.ciat.org/index.php/en/news/archived-news/news/3071-el-ciat-junto-con-la-ocde-el-foro-global-sobre-transparencia-e-intercambio-de-informacion-sat-de-mexico-la-secretaria-de-hacienda-y-credito-publico-de-mexico-shcp-aeat-de-espana-y-la-guardia-di-finanza-de-italia-llevaron-a-cabo-una-actividad-sobre-.html>.

<sup>2277</sup> Declaración Conjunta con motivo de la Visita Oficial a México del Presidente de Guatemala, Otto Pérez Molina. Date of assess: 5 April 2015. <http://www.presidencia.gob.mx/declaracion-conjunta-con-motivo-de-la-visita-oficial-a-mexico-del-presidente-de-guatemala-otto-perez-molina/>; México y Guatemala buscan prevenir la evasión fiscal entre ambos países. Date of assess: 5 April 2015. <http://www.jornada.unam.mx/ultimas/2015/03/13/mexico-y-guatemala-firman-acuerdo-para-prevenir-la-evasion-fiscal-entre-ambas-naciones-150.html>.

<sup>2278</sup> The DGT of Costa Rica takes steps toward strengthening tax information exchange management with the support of Eurosocial II, CIAT and SAT of Mexico. Date of assess: 3 October 2015.

<http://www.ciat.org/index.php/en/component/content/article/3730.html>.

was aimed to shared Mexico`s experience and support DGI in reforming of its enforced collection and recovery area.<sup>2279</sup>

On 25-26 August 2015, the Tax Administration Service of Mexico and the Association of Certification Service Providers for Electronic Invoices — AMEXIPAC organized the Digital Taxation Forum CONEXION in Mexico City.<sup>2280</sup> The forum was attended by more than 400 participants. A number of developing countries were invited to the event, including Aruba, Barbados, Bermuda, Curacao, Guyana, Honduras.<sup>2281</sup> During the event the Mexican officials and experts shared with the participants the country`s experience in tax administration, managing digital tax documents, e-tax services, electronic audit etc.<sup>2282</sup>

During the compliance period Mexico has taken steps aimed at assisting developing countries in building their tax administration capacity through national actions and as a member of international organization (the OECD). Thus, it has been awarded a score of +1.

*Analyst: Elizaveta Safonkina*

### **Russia: 0**

Russia has partially complied with the commitment to assist developing countries in building their tax administration capacity.

Russia is a member of and donor to the Public Expenditure Management Peer-Assisted Learning (PEMPAL) network, which is “a multilateral effort to develop capacity and share reform experiences among countries in Central Asia and Central and Eastern Europe.” PEMPAL supports “the enhancement of domestic capacity in public expenditure and financial management, to play a catalytic role in scaling up aid, and to strengthen institutions and policies.”<sup>2283</sup> Through a trust fund managed by the World Bank, Russia allocated USD 30 million to support PEMPAL in 2010-2014, including USD 4 million in 2014.<sup>2284</sup>

The Steering Committee (SC) which manages PEMPAL is chaired by the representative of the Russian Ministry of Finance<sup>2285</sup> and representatives of the Russian Ministry of Finance actively participate in its work, including by chairing the SC meetings.<sup>2286</sup>

Russia has taken actions to assist developing countries in capacity building as stakeholders of international organizations but no facts of assistance through national actions have been registered. Thus, Russia is awarded a score of 0.

*Analyst: Mark Rakhmangulov*

### **Saudi Arabia: -1**

Saudi Arabia has failed to comply with the commitment on assisting developing countries to build their tax administration capacity.

No facts of Saudi Arabia`s national actions to assist developing countries in tax administration capacity building have been registered during the monitoring period.

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<sup>2279</sup> DGI of Uruguay receives expert advice from SAT Mexico in the framework of the EUR OsociAL II Program. Date of assess: 3 October 2015. <http://www.ciat.org/index.php/en/component/content/article/3837.html>.

<sup>2280</sup> CONEXION: International Forum of Digital Taxation. Date of assess: 3 October 2015. <http://www.ciat.org/index.php/en/news/archived-news/news/3902--foro-internacional-de-tributacion-digital-conexion.html>.

<sup>2281</sup> Guest Countries. Date of assess: 3 October 2015. <http://english.foroconexion.org/guest-countries.html>.

<sup>2282</sup> Agenda. Date of assess: 3 October 2015. [http://english.foroconexion.org/agenda\\_26.html](http://english.foroconexion.org/agenda_26.html).

<sup>2283</sup> About PEMPAL, PEMPAL. <http://www.pempal.org/about/about-pempal/>.

<sup>2284</sup> Government Directive No 222-r of 26 February 2010, Russian Government 2 March 2010. <http://archive.government.ru/gov/results/9565/>.

<sup>2285</sup> Steering Committee, PEMPAL. <http://www.pempal.org/about/governance/steering-committee/>.

<sup>2286</sup> Steering Committee Meeting, PEMPAL 16 April 2015. <http://www.pempal.org/event/read/146>.

No facts of Saudi Arabia's involvement into international institutions' efforts to assist developing countries in tax administration capacity building have been registered.

During the compliance period Saudi Arabia has failed to take steps aimed at assisting developing countries in building their tax administration capacity through national actions and as a member of international organization. Thus, it has been awarded a score of -1.

*Analyst: Andrei Sakharov*

### **South Africa: -1**

South Africa has failed to comply with the commitment on tax administration.

No actions taken by South Africa to build developing countries' tax administration capacity have been registered. Thus, it has been awarded a score of -1.

*Analyst: Lyudmila Tarasenko*

### **Turkey: +1**

Turkey has fully complied with its commitment on building tax administration capacity in developing countries.

Turkey has assisted developing countries in capacity building as stakeholders or members of international organizations.

On 9-10 February 2015, Turkey hosted the G20 Finance Ministers meeting in Istanbul, where the Global Forum progress report was delivered. The adopted report provides information on the progress in incorporating beneficial ownership into the Global Forum's standards and on ongoing preparations for monitoring the implementation of the new standard on automatic exchange of information, with a particular focus on helping developing countries build capacities to benefit from the international tax agenda.<sup>2287</sup>

On 6-8 May 2015, Turkey hosted the G20 International Tax Symposium organized by the country's ministry of finance. The main aim of the event was to discuss developments in international taxation related to the key items of the G20 tax agenda and to "ensure that developing and low-income countries benefit from the G20's work on tax and other related matters."<sup>2288</sup>

Turkey assisted developing countries in capacity building through national actions that address common issues and common interests.

In 2015, the OECD Ankara Multilateral Tax Center co-financed by the Turkish Revenue Administration and the OECD organized several events aimed at strengthening tax administration capacity for more than 100 representatives of developing countries.<sup>2289</sup>

Turkey has assisted developing countries in capacity building both as stakeholders or members of international organizations and through national actions that address common issues and common interests. Thus, it is awarded a score of +1.

*Analyst: Nadezhda Sporysheva*

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<sup>2287</sup> OECD Secretary-General Report to G20 Finance Ministers Istanbul, Turkey February 2015. Part II, OECD 10 February 2015. Access: 27 April 2015. <http://www.oecd.org/tax/transparency/2015-Feb-GF-report-G20.pdf>.

<sup>2288</sup> G-20 International Tax Symposium, G20 Turkey 2015 12 January 2015. Access: 27 April 2015. <https://g20.org/g-20-international-tax-symposium/>.

<sup>2289</sup> OECD Ankara Multilateral Tax Center, Turkish Revenue Administration. Access: 18 October 2015. <http://www.gib.gov.tr/en/about-tra/oecd-ankara-multilateral-tax-center>.

## United Kingdom: +1

The United Kingdom has fully complied with the commitment on building tax administration capacity in developing countries.

The United Kingdom has assisted developing countries in capacity building through national actions that address common issues and common interests.

In December 2014, the UK Department for International Development (DFID) updated its Operational Plan for 2011-2016. The plan provides for actions to help scale up tax revenue collection in 7 developing countries by 2016-16.<sup>2290</sup>

DFID is currently implementing a project in Afghanistan worth GBP 26 million aimed at increasing its domestic tax revenues, including through capacity building.<sup>2291</sup> Similar project worth about GBP 7 million will have been implemented by 30 June 2016 in Bangladesh.<sup>2292</sup>

DFID is also implementing a project aimed at generating “knowledge that will help developing (particularly low income and fragile) countries to i) mobilise domestic resources efficiently, effectively and equitably; and ii) develop tax systems that promote pro-poor economic growth and good governance.” By end-October 2015, about GBP 2.6 million had been spent to help 7 developing countries in this area.<sup>2293</sup>

On 25 March 2015, DFID launched the project aimed at strengthening tax administration and policy systems for sustainable domestic revenue generation in Ghana. By 21 October 2015, GBP 31,000 out of the total GBP 8.14 million of the project financing have been disbursed.<sup>2294</sup>

The United Kingdom has assisted developing countries in capacity building as stakeholders or members of international organizations.

DFID is currently engaged in tax capacity building in 22 countries and developing tax capacity building work in a further four countries. These actions include indirect support through multilateral organisations. The DFID-funded tax capacity building unit has provided direct peer to peer support in Tanzania, Ghana, Rwanda, Ethiopia, Pakistan, Malawi and Ukraine. Technical assistance to help combat tax avoidance and enhance revenue collection has been provided for Kenya, Uganda, Ghana, Ethiopia, Zambia, Rwanda, South Africa and Liberia through the UK programme of funding to the Global Forum, International Finance Corporation and OECD. The actions were made in the framework of a program aimed at enhancing revenue collection in up to 5 partner countries through tax capacity development by March 2015.<sup>2295</sup>

DFID currently implements the tax administration diagnostic tool development projects worth GBP 1.785 million in partnership with the IMF partner to help tax authorities in developing countries achieve more effective systems to reduce tax evasion, tax avoidance and tax base erosion.<sup>2296</sup> The GBP 6 million project

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<sup>2290</sup> Operational Plan 2011-2016. Governance, Open Societies and Anti-Corruption Department, UK Government 18 December 2015. Access date: 17 April 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/389494/GOSAC\\_Operational\\_Plan.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/389494/GOSAC_Operational_Plan.pdf).

<sup>2291</sup> Tax Administration Project, Development Tracker 25 March 2015. Access date: 17 April 2015.

<http://devtracker.dfid.gov.uk/projects/GB-1-202311/>.

<sup>2292</sup> Tax Administration - Compliance and Taxpayer Services (TACTS), Development Tracker 18 March 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-113287/>.

<sup>2293</sup> Effective Tax For Effective States, Development Tracker 28 March 2015. Access date: 21 October 2015.

<http://devtracker.dfid.gov.uk/projects/GB-1-201097/>.

<sup>2294</sup> Ghana Revenue Reform Programme, Development Tracker 24 September 2015. Access date: 21 October 2015.

<http://devtracker.dfid.gov.uk/projects/GB-1-204918/>.

<sup>2295</sup> Department for International Development, An official site of the British Prime Minister's Office 9 March 2015. Access date: 17 April 2015. <http://transparency.number10.gov.uk/business-plan-pdf/12>.

<sup>2296</sup> Tax administration diagnostic tool development (TADAT), Development Tracker 27 February 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-204114/>.

aimed at increasing tax transparency in developing countries is also implemented through the International Bank for Reconstruction and Development and the OECD Development Centre.<sup>2297</sup>

On 10 December 2014 — 31 March 2015, DFID provided GBP 250,000 to the African Tax Administration Forum in order to improve tax policy and administration in Africa and build fiscal sustainability.<sup>2298</sup>

The United Kingdom has assisted developing countries in capacity building through national actions that address common issues and common concerns and as stakeholders or members of international organizations. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **United States: 0**

The United States has partially complied with the commitment on tax administration.

On 29 January 2015, in its submission on strengthening international tax cooperation, the U.S. assured the United Nations in its strong support of tax collection and management capacity-building assistance for developing countries. According to this document, during the period under review, the U.S. has continued to provide assistance on tax policy and legislation and to support activities increasing the efficiency of tax regimes in Georgia, Egypt, El Salvador.<sup>2299</sup>

The USAID-funded<sup>2300</sup> Tax Reform Project (TRP) has organized a number of events on taxation in developing countries. On 11 March 2015, TRP together with the Civil Engagement in Local Governance (CELoG) project held a conference on local taxes and taxation reform in Yerevan (Armenia). TRP experts shed light on international practice of sub-national and property taxation for a number of professionals including top officials from central and local governments.<sup>2301</sup>

However, no actions of the US as a stakeholder or a member of international organizations have been registered.

The United States has taken actions to assist developing countries in capacity building through national actions that address common issues and common interests but failed to do so as a stakeholder or a member of international organizations. Thus, it has been awarded a score of 0.

*Analyst: Tatiana Lanshina*

### **European Union: +1**

The European Union has fully complied with the commitment on building tax administration capacity in developing countries.

The European Union has assisted developing countries in capacity building through national actions that address common issues and common concerns.

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<sup>2297</sup> Supporting Tax transparency in developing countries, Development Tracker 28 February 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-203564/>.

<sup>2298</sup> Support to the African Tax Administration Forum, Development Tracker 12 March 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-204677>.

<sup>2299</sup> U.S. Submission on Strengthening International Tax Cooperation, U.S. Mission to the United Nations 29 January 2015. Access: 27 April 2015. [http://www.un.org/esa/ffd/wp-content/uploads/2015/03/ICTM2015\\_USA.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/03/ICTM2015_USA.pdf).

<sup>2300</sup> USAID a U.S. government agency focused at global poverty eradication

<sup>2301</sup> "Local Taxes : Current Issues and Policy Perspectives " Conference Took Place in Yerevan, Tax Reform Project 11 March 2015. Access: 27 April 2015. <http://trp.am/en/events/49-presentations/193-ltconf>.

On 27 November 2014, the European Commission approved 12 projects, for a total amount of USD 133 million, under its new PanAfrican programme, which will foster Africa's integration process and support public finance management in the region among the other tasks.<sup>2302</sup>

On 11 June 2015, the European Union increased its support to Burkina Faso and signed a EUR 120 million agreement for future 18 months. This funding will be used for good public fund management among other purposes.<sup>2303</sup>

On 16 September 2015, the European Union reported its support Rwanda and Uganda on strengthening public financial systems and accountable and transparent use of public resources.<sup>2304</sup>

The European Union has assisted developing countries in capacity building as stakeholders or members of international organizations.

On 10 February 2015, the European Union and its members stated the position on options for further strengthening the work on international tax cooperation. They acknowledged the need to further promote international cooperation in tax matters and decided to continue to engage on this issue. The EU confirmed supporting developing countries in designing efficient and cooperative tax systems as a priority of its development policy along with the commitment to participate actively in the work of international organizations, such as the OECD, including the OECD informal taskforce on tax and development, and to engage in extensive dialogue with developing countries through instruments such as the Global Forum on Transparency and Exchange of Information and the Global Forum on development.<sup>2305</sup>

In preparation of the international conference on development finance, taking place in Addis Ababa 13-16 July, the European Parliament is working on "Financing for Development" report which has to be completed by 20 April 2015.<sup>2306</sup> According to this document, the European Parliament is going to encourage the Commission to strengthen the areas of tax administration, financial governance and public financial management through enhanced cooperation and capacity building in developing countries.<sup>2307</sup>

On 25 September 2015, the European Commission stated that it will help developing countries to mobilize more domestic resources and to improve their management of public finances in the framework of realization of the international 2030 Agenda for Sustainable Development.<sup>2308</sup>

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<sup>2302</sup> EU launches the first projects of the PanAfrican programme, European Commission 27 November 2014. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_MEX-14-2202\\_en.htm](http://europa.eu/rapid/press-release_MEX-14-2202_en.htm)

<sup>2303</sup> The European Union increases its support for the transition in Burkina Faso, 11 June 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5158\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5158_en.htm)

<sup>2304</sup> The EU's work in Rwanda, Kenya and Uganda, European Commission 16 September 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-5655\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5655_en.htm)

<sup>2305</sup> European Union and its members states position on options for further strengthening the work and operational capacity of the committee of experts on international tax cooperation, with an emphasis on better integrating its work into the Programme of work of the council following its reform and effectively contributing to the financing for development process and to the post-2015 development agenda, United Nations 10 February 2015. Access: 18 April 2015. [http://www.un.org/esa/ffd/wp-content/uploads/2015/03/ICTM2015\\_EuropeanUnion.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/03/ICTM2015_EuropeanUnion.pdf)

<sup>2306</sup> Committee meeting 20 April: development finance, global health, Structured Dialogue, European Parliament 13 April 2015. Access: 18 April 2015. <http://www.europarl.europa.eu/committees/en/deve/home.html>

<sup>2307</sup> Draft Report on Financing for Development, European Parliament 2 March 2015. Access: 18 April 2015. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-549.307+02+DOC+PDF+V0//EN&language=EN>

<sup>2308</sup> Sustainable Development Goals and the Agenda2030, European Commission 25 September 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-5709\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5709_en.htm)



The European Union has assisted developing countries in capacity building through national actions that address common issues and common concerns and as stakeholder or member of international organizations. Thus, it has been awarded a score of +1.

*Analyst: Mark Rakhmangulov*

## 16. Development: Aid for Trade

2014-70: We will continue to provide aid-for-trade to developing countries in need of assistance.

*G20 Brisbane Summit Leader's Communiqué*

### Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia			+1
Brazil		0	
Canada			+1
China			+1
France		0	
Germany			+1
India			+1
Indonesia	-1		
Italy		0	
Japan			+1
Korea		0	
Mexico		0	
Russia	-1		
Saudi Arabia	-1		
South Africa	-1		
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.20	

### Background

The G20 leaders first addressed issues of international trade at their inaugural meeting in Washington in 2008. At the 2010 Seoul Summit, assistance to developing countries in improving their access and availability to trade was included as one of the nine pillars of the G20 Multi-Year Action Plan on development aimed to resolve the most significant bottlenecks hindering inclusive, sustainable and resilient growth in those countries. The leaders committed to improve the access and availability to trade with advanced economies and between developing and low-income countries.<sup>2309</sup>

### Commitment Features

The commitment requires the G20 members to provide assistance to developing countries in terms of improving their capacities for trade.

According to the methodology developed by the Organisation for Economic Co-operation and Development (OECD) and the World Trade Organization Task Force on Aid for Trade 2006 recommendations, aid for trade comprises the following categories<sup>2310,2311</sup>:

<sup>2309</sup> Multi-Year Action Plan on Development, G20 Information Centre 12 November 2010. Access 20 January 2015. <http://www.g20.utoronto.ca/2010/g20seoul-development.html>.

<sup>2310</sup> Aid-for-trade statistical queries, OECD. Access 20 January 2015. <http://www.oecd.org/trade/aft/aid-for-trade/statisticalqueries.htm>.

- technical assistance for trade policy and regulations (e.g. helping countries to develop trade strategies, negotiate trade agreements, and implement their outcomes);
- trade-related infrastructure (e.g. building roads, ports, and telecommunications networks to connect domestic markets to the global economy);
- productive capacity building, including trade development (e.g. supporting the private sector to exploit their comparative advantages and diversify their exports);
- trade-related adjustment (e.g. helping developing countries with the costs associated with trade liberalization, such as tariff reductions, preference erosion, or declining terms of trade);
- other trade-related needs, if the action is identified as a trade-related development priority in partner countries' national development strategy.

To register full compliance with this commitment, a G20 member needs to provide assistance to a developing country taking actions in at least three of the abovementioned categories.

### Scoring Guidelines

-1	Member fails to provide aid-for-trade to developing countries.
0	Member takes actions in one or two of the abovementioned categories.
+1	Member takes actions in three or more of the abovementioned categories.

### Argentina: 0

Argentina has partially complied with the commitment to provide aid for trade to developing countries.

On 10 February 2015, Eduardo Antonio Zuani, Argentina's State Minister of Foreign Affairs and Worship, held discussions with Ambassador Berhane Gebre-Chrestos, Ethiopia's State Minister for Foreign Affairs. Berhane expressed Ethiopia's readiness to learn from Argentina's experience in agricultural sphere and pointed out that this was the main catalyst in the country's Growth and Transformation Plan. Following the talks, a general technical cooperation agreement was signed, focusing on the sharing of technical knowledge and experience, the exchange and provision of technical data and information, as well as best practices. As a result, Argentina has provided aid for trade to Ethiopia in two categories, specified by the World Trade Organization's Task Force on Aid for Trade. On the one hand, that might be regarded as productive capacity building, for Ethiopia has comparative advantages in agriculture and Argentina provides expertise on how to exploit them. On the other hand, that might be included into "other trade-related needs" category, as agriculture is included into the national development strategy of Ethiopia.<sup>2312</sup>

On 16 February 2015, Eduardo Zuain, Argentina's Deputy Foreign Minister, was received in Senegal by Mankeur Ndiaye, Minister for Foreign Affairs and Senegalese Abroad, to discuss, inter alia, the progress in the implementation of joint projects in the areas of livestock, agriculture and coastal security.<sup>2313</sup> This action correlates with the "productive capacity building" category, as Argentina helped Senegal to exploit its comparative advantage in agriculture.

From 18 to 21 of March, the Argentinian delegation comprising officials from the Embassy of Argentina in South Africa, Argentinian Ministry of Agriculture and the Argentinian National Institute of Agriculture Technology visited Zambia to enhance cooperation in agriculture. The delegation provided technical assistance linked to conservation agriculture, precision farming and no-till planting and farming techniques,

<sup>2311</sup> General Council supports suspension of trade talks; Task Force submits "Aid for Trade" recommendations, WTO. Access 20 January 2015. [http://www.wto.org/english/news\\_e/news06\\_e/gc\\_27july06\\_e.htm](http://www.wto.org/english/news_e/news06_e/gc_27july06_e.htm).

<sup>2312</sup> Ethiopia: Govt and Argentina Sign a Technical Cooperation Agreement, AllAfrica. 11 February 2015. Access: 7 April 2015. <http://allafrica.com/stories/201502111377.html>.

<sup>2313</sup> El Vicecanciller argentino y delegación finalizaron su misión en África con la visita a Senegal, Ministerio de Relaciones Exteriores y Culto de Argentina. 16 February 2015. Access: 7 April 2015. <http://www.mrecic.gov.ar/el-vicecanciller-argentino-y-delegacion-finalizaron-su-mision-en-africa-con-la-visita-senegal>.

which might dramatically increase agricultural production and exports in Zambia.<sup>2314</sup> Therefore, this step might be considered productive capacity building.

Argentina also exploits other means of providing aid for developing countries among which is Fondo Argentino de Cooperación Sur-Sur y Triangular. This Fund provides finance to 40 countries to foster the development of the most promising sectors of the economies of these states. By providing these credits, Argentina helps developing countries build up their economies and become engaged into world trade.

For example, on 17 July 2015 started providing finance to Bolivia to strengthen its livestock sector. Moreover, Argentina provided experts in the domain, e.g. technicians-specialists in fodder and milk production, to bring expertise to the agricultural sector of Bolivia. This action is aimed at improving the quality of life of Bolivian population and at increasing competitiveness of Bolivian dairy products on global markets.<sup>2315</sup>

In addition, on 28 September 2015, el Fondo Argentino de Cooperación Sur-Sur y Triangular provided aid to Bolivia on the strengthening of the industrial capacities of Mozambique through the development of Small and Medium Enterprise. For instance, 6 technicians from the Institute for the Mozambican Small and Medium sized Enterprises (IPEME) received diplomas in Argentinian National Institute of Industrial Technology (INTI) as trainers/consultants in the field of industrial competitiveness improvent of the Mozambican SMEs.<sup>2316</sup>

There are numerous other similar projects accessible at the official website of the Fund.

During the compliance period, Argentina has acted to provide aid for trade to developing countries in two categories specified by the Task Force on Aid for Trade. Thus, it is awarded a score of 0.

*Analyst: Anton Markov*

## **Australia: +1**

Australia has fully complied with the commitment to provide aid for trade to developing countries.

According to the Australian Government's Department for Foreign Affairs and Trade official information Australia's aid for trade expenditure in 2014-15 was estimated at around \$823 million (16.4 per cent of Australia's total Official Development Assistance). 29 per cent of it was directed towards global or cross-regional initiatives, projects in East Asia drew 38 per cent of Australia's aid for trade expenditure, and the projects in the Pacific including Papua New Guinea amounted to 21 per cent. Australia's aid for trade was distributed across three main types of activities: building economic infrastructure including transport and storage (43 per cent of aid for trade expenditure), building productive capacity including in agriculture (51 per cent), and trade policy and regulation (6 per cent).<sup>2317</sup>

Australia participates in a number of multilateral initiatives aligned with the aid for trade goals, such as: The Global Trust Fund, assisting developing countries in increasing the effectiveness of their engagement in multilateral trade negotiations and helping them implement their World Trade Organization (WTO) commitments, Enhanced Integrated Framework (EIF) assisting the least developed countries to implement capacity building activities and integrate trade into their national policies, International Trade Centre's

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<sup>2314</sup> Argentine Delegation Visits Zambia to Enhance Cooperation in Agriculture, High Commission of the Republic of Zambia. 17 March 2015. Access: 7 April 2015. <http://www.zambiapretoria.net/argentine-delegation-visits-zambia-to-enhance-cooperation-in-agriculture/>.

<sup>2315</sup> Bolivia: Lechería Como Instrumento Para Mejorar La Calidad De Vida, el Fondo Argentino de Cooperación Sur-Sur y Triangular, 17 July 2015. Access: 11 October 2015. <http://cooperacionarg.gob.ar/es/bolivia-lecheria-como-instrumento-para-mejorar-la-calidad-de-vida>

<sup>2316</sup> Mozambique: Smes As Part Of Production, el Fondo Argentino de Cooperación Sur-Sur y Triangular, 28 September 2015. Access: 11 October 2015. <http://cooperacionarg.gob.ar/en/mozambique-smes-part-production>

<sup>2317</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

Women and Trade Programme, aimed at economic empowerment of women in the Pacific Region, World Intellectual Property Organization, helping developing countries strengthen their intellectual property systems.<sup>2318</sup> These initiatives fall into the “productive capacity building,” “technical assistance for trade policy and regulations,” and “other trade-related needs” categories defined by the WTO Task Force on Aid for Trade.

Australia is also engaged in the number of regional aid for trade initiatives, mainly in the Asia-Pacific, including:

Pacific Horticulture and Agricultural Market Access program, aimed at assisting Samoa, Tonga, Solomon Islands, Vanuatu and Fiji in increasing their agriculture and horticulture exports, through improving their capacity to meet quarantine, sanitary, phytosanitary and other market access requirements of their trading partners. The project is to be active until 2017.<sup>2319</sup> These activities cover “productive capacity building,” and “technical assistance for trade policy and regulations” categories defined by the WTO Task Force on Aid for Trade.

Greater Mekong Subregion Trade and Transport Facilitation, helping countries of the region to enhance border procedures, and reduce the time required to process and clear goods through customs. The project is to be finalized in 2016.<sup>2320</sup> These activities fall into “technical assistance for trade policy and regulations” category defined by the WTO Task Force on Aid for Trade.

Phase II of the ASEAN Australia Development Cooperation Program, which is a long-term, 11 year program designed to help ASEAN countries establish a regional Economic Community by 2015. The program addresses investment, trade in services and consumer protection issues in the region from 2008 to 2019.<sup>2321</sup> These activities cover “technical assistance for trade policy and regulations,” and “trade-related adjustment” categories defined by the WTO Task Force on Aid for Trade.

ASEAN Australia New Zealand Free Trade Agreement (AANZFTA) Economic Cooperation Support Program. In the framework of this 5 year program, active from 2010 to 2015 Australia supports capacity building in the ASEAN countries to access the benefits of the AANZFTA.<sup>2322</sup> These activities cover “technical assistance for trade policy and regulations” category defined by the WTO Task Force on Aid for Trade.

Pacific Agreement on Closer Economic Relations (PACER) Plus Support, assisting Forum Island Countries in their participation in PACER Plus negotiations. Active until 2016.<sup>2323</sup> These activities cover “technical assistance for trade policy and regulations” category defined by the WTO Task Force on Aid for Trade.

Australia has also provided aid for trade on a bilateral basis. There are currently four bilateral projects underway, including one, which has been started in 2015:

Provincial Road Management Facility (PRMF), helping ten the Philippines to increase economic growth by improving public access to road infrastructure and basic services. The program will be finalized in 2015.<sup>2324</sup>

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<sup>2318</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2319</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2320</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2321</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2322</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2323</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

These activities cover “trade-related infrastructure” category defined by the WTO Task Force on Aid for Trade.

Strengthening Public Private Partnership Program, assisting the Philippine Government in fast-tracking the use of Public Private Partnerships to help meet the country’s infrastructure needs, is active until 2016.<sup>2325</sup> These activities cover “trade-related infrastructure” category defined by the WTO Task Force on Aid for Trade.

Solomon Islands Biosecurity Development Program, strengthening Solomon Islands’ agriculture and quarantine services and improving the country’s market access and trade opportunities, is active until 2016.<sup>2326</sup> These activities cover “productive capacity building” and “trade-related adjustment” categories defined by the WTO Task Force on Aid for Trade.

Investment Climate and Competitiveness Program was launched in 2015. This program is aimed at ensuring enabling environment for private sector growth in Burma by supporting legal and regulatory reforms, assisting in trade facilitation and small to medium enterprise skills development. The program is to be finalized by 2019.<sup>2327</sup> These activities cover “trade-related adjustment” category defined by the WTO Task Force on Aid for Trade.

On 30 June 2015, Strategy for Australia’s Aid for Trade Investments was released.<sup>2328</sup> The Australian Government committed to bring its aid for trade budget up to 20 per cent of the country’s total Official Development Assistance by 2020. The Strategy outlined several priority areas of Australia’s aid for trade for the coming years:

- trade and investment policy and trade facilitation;
- global value chains;
- infrastructure;
- private sector development;
- economic empowerment of women;
- knowledge and skills development;
- agriculture;
- services.<sup>2329</sup>

During the compliance period Australia has taken actions to provide aid-for-trade to developing countries in all five categories specified by the WTO Working Group on Aid for Trade. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

## **Brazil: 0**

Brazil has partially complied with the commitment to provide aid for trade to developing countries.

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<sup>2324</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2325</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2326</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2327</sup> Overview of aid for trade, Australian Government. Access: 14 May 2015. <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>.

<sup>2328</sup> Strategy for Australia’s Aid for Trade Investments, Department of Foreign Affairs and Trade 30 June 2015. Access: 19 October 2015. <http://dfat.gov.au/about-us/publications/Pages/strategy-for-australias-aid-for-trade-investments.aspx>.

<sup>2329</sup> Strategy for Australia’s Aid for Trade Investments, Department of Foreign Affairs and Trade 30 June 2015. Access: 19 October 2015. <http://dfat.gov.au/about-us/publications/Documents/strategy-for-australias-aid-for-trade-investments.pdf>.

On 21 November 2014, under the Institutional Support Project to the Togolese Institute of Agricultural Research (ITRA), four Togolese technicians and one producer participated in a two-week course on agro-processing cassava organized by Empresa Brasileira de Pesquisa Agropecuária (Embrapa) which is a subdivision of Ministério da Agricultura, Pecuária e Abastecimento. The project aims to support the modernization of agriculture policy in Togo and focuses on training ITRA experts in cassava production and processing. As a result, Togolese producers of cassava will obtain more competitive advantages in international trade.<sup>2330</sup> The action can be identified as a trade-related development priority in partner countries' national development strategy.

On 26 November 2014, Brazilian Embrapa began implementation of Regional Project to Strengthen the Cotton Sector in the Basins of the Lower Shire and Zambezi — Malawi and Mozambique. The aim of the project is to increase the institutional capacity and national human resources (researchers, extension agents and farmers of Malawi and Mozambique) in the use and dissemination of cotton production technologies on small farms in those countries.<sup>2331</sup> As it is stated by the Technical Assistance Program for Africa “Cotton plays a pivotal role in the exports and GDP” of such countries as Malawi.<sup>2332</sup> On 2 March 2015, Agência Brasileira de Cooperação and Embrapa had technical visit in northern Mozambique to study cotton sector of the country.<sup>2333</sup> The action refers to productive capacity building category.

On 7 June 2015, Brazil launched a new “Regional Project for the Improvement of African technicians in cotton industry.” Its aim is to strengthen local family farming as a part of the global cotton production chain. The courses had as a target audience technical experts from governmental institutions of African countries.<sup>2334</sup> The action refers to productive capacity building category.

During the compliance period Brazil took actions to provide aid-for-trade to developing countries in two categories specified by the World Trade Organization Working Group on Aid for Trade. Thus, it is awarded a score of 0.

*Analyst: Sergey Burok*

#### **Canada +1:**

Canada has fully complied with the commitment to provide aid for trade to developing countries.

On 1 December 2014, Canada has signed foreign investment promotion and protection agreements (FIPAs) with three sub-Saharan African countries: Côte d'Ivoire, Mali and Senegal. FIPAs improve the business climate by increasing investment and trade will contribute to sustainable economic growth in those countries and to achieving the objectives of the economic strategy for La Francophonie.<sup>2335</sup> This project falls into the “trade-related infrastructure” and “trade-related adjustment” categories defined by the World Trade Organization (WTO) Working Group on Aid for Trade.

On 28 April 2015, Ed Fast, Canadian Minister of International Trade met with Adrian Cristobal Jr., the Philippines' Undersecretary for Industry and Development and Trade to open new markets and create

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<sup>2330</sup> Curso Sobre Processamento Agroindustrial de Mandioca para Togoleses, Agência Brasileira de Cooperação 21 November 2014. Access: 6 April 2015. <http://www.abc.gov.br/imprensa/mostrarnoticia/574>.

<sup>2331</sup> Assinatura do Projeto Regional de Fortalecimento do Setor Algodoeiro nas Bacias do Baixo Shire e Zambeze – Malawi e Moçambique, Agência Brasileira de Cooperação 26 November 2014. Access: 6 April 2015. <http://www.abc.gov.br/imprensa/mostrarnoticia/575>.

<sup>2332</sup> Background, Tap for Cotton. Access: 6 April 2015. <http://www.cottontapafrika.org/background.html>.

<sup>2333</sup> ABC e Embrapa Realizam Visita Técnica no Norte de Moçambique no Setor Algodoeiro, Agência Brasileira de Cooperação 2 March 2015. Access: 6 April 2015. <http://www.abc.gov.br/imprensa/mostrarnoticia/594>.

<sup>2334</sup> Projeto Regional para o Aperfeiçoamento de Técnicos Africanos em Cotonicultura, Agência Brasileira de Cooperação 7 June 2015. Access: 11 October 2015. <http://www.abc.gov.br/imprensa/mostrarnoticia/621>.

<sup>2335</sup> Harper Government Announces New Investment Agreements in Sub-Saharan Africa. Access: 21 April 2015. <http://www.international.gc.ca/media/comm/news-communiques/2014/12/01b.aspx?lang=eng>.

opportunities for small and medium-sized enterprises.<sup>2336,2337</sup> This project falls into the “productive capacity building” category defined by the WTO Working Group on Aid for Trade.

On 20 April 2015 Canada and Burkina Faso signed a foreign investment promotion and protection agreement to set out clear rules governing investment relations, including in the areas of dispute resolution and protection against discriminatory and arbitrary practices, giving businesses greater confidence to invest.<sup>2338</sup> This project falls into the “trade-related adjustment” category defined by the WTO Working Group on Aid for Trade.

On 26 January 2015, Ed Fast, Minister of International Trade announced different initiatives and free-trade agreement to support economic and governance reform, and promote sustainable economic growth for Ukrainian small and medium-sized businesses in the dairy and grain sectors.<sup>2339</sup> This project falls into the “other trade-related needs” category defined by the WTO Working Group on Aid for Trade.

During the compliance period Canada took actions in four of the categories defined by the WTO Working Group on Aid for Trade. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **China: +1**

China has fully complied with the commitment to provide aid for trade to developing countries.

On 4 December 2014, Chinese President Xi Jinping and South African President Jacob Zuma signed the 5-10 Years Strategic Plan on Cooperation Between the People’s Republic of China and the Republic of South Africa 2015-2024, and multiple cooperation documents covering economy, trade, investment, agriculture and other fields.<sup>2340</sup> This fact fits into the category of trade-related needs, because China develops cooperation with South Africa in economy, trade, investment and agriculture.

On 17 December 2014, China, Serbia, Hungary and Macedonia signed a memorandum of understanding on joint construction of the Hungary-Serbia railway. This express passage links a Greek port and the landlocked Hungary to speed up transportation between China and Europe. It will link the Greek sea port of Piraeus in the south and Budapest in the north, stringing the Macedonian capital of Skopje and Belgrade.<sup>2341</sup> Thus this fact can be classified as trade-related infrastructure category, because China helps to improve trade networks between China, Serbia, Hungary and Macedonia by construction of the Hungary-Serbia railway.

On 17 December 2014, China’s Premier Li Keqiang met with Prime Minister Edi Rama of Albania in Belgrade. At the meeting Li Keqiang said that China is ready to participate in the infrastructure cooperation including highway, railway and port in Albania, expand the financing channels and enrich the financing approaches, continue to encourage Chinese enterprises to invest and construct cement plants in Albania and participate in the cooperation projects related to the mining resources, economic parks, tourism facilities and

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<sup>2336</sup> Minister Fast Talks Trade with Philippine Undersecretary. Access: 21 April 2015.

<http://www.international.gc.ca/media/comm/news-communiques/2015/04/28b.aspx?lang=eng>.

<sup>2337</sup> Joint Statement by International Trade Ministers of Philippines and Canada. Access: 21 April 2015.

<http://www.international.gc.ca/media/comm/news-communiques/2015/03/20a.aspx?lang=eng>.

<sup>2338</sup> Canada Signs Investment Agreement with Burkina Faso. Access: 21 April 2015.

<http://www.international.gc.ca/media/comm/news-communiques/2015/04/20a.aspx?lang=eng>.

<sup>2339</sup> Renewed Negotiations Toward a Canada–Ukraine Free Trade Agreement to Promote Growth and Prosperity in Ukraine. Access: 21 April 2015. <http://www.international.gc.ca/media/comm/news-communiques/2015/01/26a.aspx?lang=eng>.

<sup>2340</sup> Xi Jinping Holds Talks with President Jacob Zuma of South Africa, Comprehensively Planning Bilateral Cooperation and Injecting New Impetus into China-South Africa Relations, the Ministry of Foreign Affairs of the People’s Republic of China 4 December 2014. Access: 21 April 2015. [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1217316.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1217316.shtml)

<sup>2341</sup> China, CEE countries eye land-sea express passage, the State Council of the People’s Republic of China 17 December 2014. Access: 21 April 2015. [http://english.gov.cn/premier/news/2014/12/18/content\\_281475025689786.htm](http://english.gov.cn/premier/news/2014/12/18/content_281475025689786.htm)



other fields.<sup>2342</sup> Consequently this fact can be considered as trade-related infrastructure category and production capacity building category, because China promotes not only infrastructure projects as highway and railway, but also participates in development of mining resources and tourism facilities.

On 17 December 2014, China, Hungary, Serbia and Macedonia signed the document of Cooperation Framework on Custom Clearance Facilitation and thus supported trade liberalization and investment facilitation to the outside.<sup>2343</sup> Consequently this fact can be categorized as trade-related adjustment strategy, because China, Hungary, Serbia and Macedonia signed the document that facilitates custom clearance procedure.

On 22 December 2014, Chinese Premier Li Keqiang and Thai Prime Minister Prayut Chan-o-cha signed a memorandum of understanding on farm produce trade cooperation and of railway cooperation, agreeing to jointly build Thailand's first standard-gauge railway lines with a total length of more than 800 km. The project is estimated to cost some USD 10.6 billion, and will connect northeast Thailand's Nong Khai province, Bangkok and eastern Rayong province. The new railway will also benefit neighbouring countries if being extended to other places of the region. Chinese standards, equipment and manufacturing capacity will all be used in building the Thai railway.<sup>2344</sup> Hereby this fact can be categorized as trade-related infrastructure category and production capacity building category, because China not only helps Thailand to build railway lines, but also stimulates its farm produce trade cooperation.

On 22 December 2014, the Chinese Ministry of Commerce and the Ministry of Economy of the Republic of Belarus signed the Cooperative Protocol on Jointly Constructing "the Economic Belt of the Silk Road" in Beijing. According to the protocol both sides will jointly promote the construction of this road to improve the cooperation in trade, investment, economy, technology and industrial parks and advance the interconnectivity of infrastructure. Both sides will launch a number of big projects such as machine manufacturing, telecommunications and infrastructure through the platform of the China-Belarus industrial park to conduct logistics and transportation cooperation and strive to build the China-Belarus industrial park into an example project in "the Economic Belt of the Silk Road."<sup>2345</sup> Therefore this fact can be considered as trade-related infrastructure category, because China and Belarus will jointly promote the construction of "the Economic Belt of the Silk Road" that will improve logistics and transportation cooperation between these two countries.

On 26 December 2014, Chinese Foreign Minister Wang Yi said that China promised to help Nepal improve nine sectors such as trade, investment, agriculture, energy, infrastructure development, science and technology, tourism, security and law enforcement, to be removed from the least developed countries (LDCs) list by 2022. China also raised annual aid to Nepal from CNY 150 million (USD 24.16 million) to CNY 800 million.<sup>2346</sup> Therefore this fact can be considered as productive capacity building category, because China help Nepal to improve the main sectors of Nepal's economy to remove it from the LDC list.

On 28 December 2014, Chinese Foreign Minister Wang Yi held talks with Foreign Minister Abul Hassan Mahmood Ali of Bangladesh in Dhaka. During the meeting China committed to solve the imbalance in bilateral trade and sign the bilateral free trade agreement with Bangladesh to remove trade barrier and improve bilateral market access. China is ready to share its advantages with Bangladesh in agricultural

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<sup>2342</sup> Li Keqiang Meets with Prime Minister Edi Rama of Albania, the Ministry of Foreign Affairs of the People's Republic of China 17 December 2014. Access: 21 April 2015. [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1220934.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1220934.shtml)

<sup>2343</sup> Li Keqiang Meets with Prime Minister Nikola Gruevski of Macedonia, the Ministry of Foreign Affairs of the People's Republic of China 17 December 2014. Access: 21 April 2015. [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1220937.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1220937.shtml)

<sup>2344</sup> China joins hands with neighbors to elevate subregional development, the State Council of the People's Republic of China 22 December 2014. Access: 21 April 2015. [http://english.gov.cn/premier/news/2014/12/21/content\\_281475027371201.htm](http://english.gov.cn/premier/news/2014/12/21/content_281475027371201.htm)

<sup>2345</sup> Chinese Ministry of Commerce Signs Protocol on Jointly Constructing Silk Road Economic Belt with Belarusian Ministry of Economy in Beijing, the Ministry of Commerce of the People's Republic of China 22 December 2014. Access: 21 April 2015. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201412/20141200851925.shtml>

<sup>2346</sup> [http://big5.zlb.gov.cn/gate/big5/news.xinhuanet.com/english/2014-12/26/c\\_133881213.htm](http://big5.zlb.gov.cn/gate/big5/news.xinhuanet.com/english/2014-12/26/c_133881213.htm)

production, science, technology and machinery, carry out cooperation in hybrid rice planting and help it consolidate development foundation. China will share experience with Bangladesh in constructing industrial park, train management talents and advance industrial level, will share its technological and price advantages in infrastructure construction and construct railway, port, road and bridge to improve its development conditions. China will encourage investment in Bangladesh and export advanced production capacity to the country, develop thermal power and hydropower facilities to remove the bottleneck of its development, and participate in oil and gas exploration in Bangladesh. China appreciates Bangladesh's support to the construction of the Bangladesh-China-India-Myanmar economic corridor, and will cooperate with the country to actively advance relevant projects through bilateral and multilateral channels.<sup>2347</sup> Thus this fact can be qualified as trade-related infrastructure category, production capacity building category and trade-related adjustment strategy, because China develops infrastructure construction in Bangladesh, advances production capacity in agriculture, science, technology and machinery and solves the imbalance in bilateral trade and signs bilateral free trade agreement.

On 9 February 2015, at the first round of China-Afghanistan-Pakistan Trilateral Strategic Dialogue, which was held in Kabul, Chinese Assistant Foreign Minister Liu Jianchao<sup>2348</sup> stated that China agreed to lend its support to the initiatives aimed at enhancing highway and railway connection, interconnectivity and economic and trade interaction between Afghanistan and Pakistan.<sup>2349</sup> Hereby this fact is classified as trade-related infrastructure category, because China will develop highway and railway connection in Afghanistan and Pakistan.

On 9 February 2015, Prime Minister Ruhakana Rugunda of Uganda met with China State Councillor Yang Jiechi in Kampala. Yang Jiechi said that China will share its experience with Uganda in planning, designing, development and construction industrial parks, promote bilateral industrial cooperation. China will encourage Chinese enterprises to run a business in Uganda in planting, breeding, warehouse construction, agricultural product processing and other sectors, participate in the development and construction of transportation, energy, mining, network, electric power and other projects, help the country construct infrastructure, enhance added value of products and boost local employment. China hopes that in a short time Uganda could provide a convenient environment for Chinese enterprises investing in the country.<sup>2350</sup> This fact could be classified as trade-related infrastructure category and production capacity building category, because China will develop infrastructure projects in Uganda and advance production capacity by development of mining, energy, electric power and other projects.

On 26 March 2015, Chinese Premier Li Keqiang met with the Armenian President Serzh Sargsyan. Li said China wants to help Armenia build steel, cement and flat glass production lines, and participate in infrastructure construction to promote Armenia's industrialization.<sup>2351</sup> This fact can be considered as production capacity building category, because China committed to develop infrastructure construction in Armenia.

On 6 May 2015, it was announced that China pledged USD 500,000 to the World Trade Organization's (WTO) Least Developed Countries and Accessions Programme. The program aims to assist LDCs in

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<sup>2347</sup> Wang Yi Holds Talks with Foreign Minister Abul Hassan Mahmood Ali of Bangladesh, the Ministry of Foreign Affairs of the People's Republic of China 28 December 2014. Access: 21 April 2015. [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1224200.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1224200.shtml)

<sup>2348</sup> First Round of China-Afghanistan-Pakistan Trilateral Strategic Dialogue Held in Kabul, the Ministry of Foreign Affairs of the People's Republic of China 9 February 2015. Access: 21 April 2015. [http://www.fmprc.gov.cn/mfa\\_eng/wjbxw/t1236606.shtml](http://www.fmprc.gov.cn/mfa_eng/wjbxw/t1236606.shtml)

<sup>2349</sup> Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on February 10, 2015, the Ministry of Foreign Affairs of the People's Republic of China 10 February 2015. Access: 21 April 2015. [http://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/t1236313.shtml](http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1236313.shtml)

<sup>2350</sup> Prime Minister Ruhakana Rugunda of Uganda Meets with Yang Jiechi, the Ministry of Foreign Affairs of the People's Republic of China 9 February 2014. Access: 21 April 2015. [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1236932.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1236932.shtml)

<sup>2351</sup> Chinese premier meets Armenian president, Hengyang Municipal People's Government 26 March 2015. Access: 21 April 2015. <http://www.enghengyang.gov.cn/showdetail.aspx?newsid=12944>

integrating into the global economy by strengthening their participation in WTO activities and helping those not yet members to join the organization through providing accessions internships, roundtable meetings, ensuring developing countries' participation in the WTO meetings, engaging in South-South dialogue on LDCs and development, conducting LDCs' Trade Policy Review follow-up workshops.<sup>2352</sup> This falls in the categories of trade-related adjustment and technical assistance for trade policy and regulations in the WTO Task Force on Aid for Trade.

On 14 May 2015, China and Kenya signed a co-financing deal to build a railway linking Nairobi to Mombasa, a critical infrastructure project to boost regional trade and deepen integration in East Africa. China is also ready to share its technology and experience in railway construction and cooperate in project design, construction, equipment, management, personnel training and financing.<sup>2353</sup> This fact could be classified as trade-related infrastructure category, because China helps Kenya to build railway linking Nairobi to Mombasa.

On 15 May 2015, China and Chile signed the Memorandum of Understanding for the Upgrading of China-Chile Free Trade Agreement (FTA) between the Ministry of Commerce of China and the Ministry of Foreign Affairs of Chile in Santiago, agreeing to discuss the possibilities of upgrading the FTA.<sup>2354</sup> This fact can be considered as trade-related adjustment, because China signed free trade agreement that will facilitate trade relations between these two countries.

On 1 June 2015, China and Korea signed a free trade agreement in Seoul. Korea will eliminate tariffs on 92 percent of all products from China within 20 years after the implementation while China will abolish tariffs on 91 percent of all Korean goods.<sup>2355</sup> This fact can be considered as trade-related adjustment, because China will abolish tariffs on 91 percent of all Korean goods.

On 8 August 2015, Foreign Minister of China Wang Yi stated that China will boost cooperation with Sierra Leone in mining and production capacity: resume the production of the Tonkolili iron ore mine, help to develop deep-processing of mining products, enhance labor-intensive industries as steel manufacturing, light textile and household appliances, add value to the resources and create more job opportunities. Also China will actively encourage Chinese enterprises to carry out cooperation in planting of natural rubber, growing of rice, grain storage, marine fishing, processing of agricultural and fishery products to help Sierra Leone achieve food security, develop marine economy and boost incomes from agricultural sector. China promised to urge the Chinese enterprises to start the construction of the new Freetown International Airport, implement the supporting power transmission and transformation project of hydroelectric power plant.<sup>2356</sup> This fact could be classified as productive capacity building category, because China helps Sierra Leone to develop its infrastructure such as mining, agriculture and building airport and hydroelectric power plant.

On 17 September 2015, a Food and Agriculture Organization (FAO) official said China signed a new USD 50 million agreement between China and the FAO to support developing countries in Africa, Latin America and Asia in building sustainable food systems and inclusive agricultural value chains.<sup>2357</sup> This fact could be classified as productive capacity building category, because China helps developing countries to build sustainable food systems and inclusive agricultural value chains.

On 21 September 2015, China said that it will work with Africa on the construction of three major infrastructure networks: high speed railway

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<sup>2352</sup> China pledges USD 500,000 to support WTO accession and least-developed countries, WTO 6 May 2015. Access 27 May 2015. [https://www.wto.org/english/news\\_e/pres15\\_e/pr742\\_e.htm](https://www.wto.org/english/news_e/pres15_e/pr742_e.htm).

<sup>2353</sup> [http://en.cnta.gov.cn/focus/tipsontraveling/201507/t20150707\\_721670.shtml](http://en.cnta.gov.cn/focus/tipsontraveling/201507/t20150707_721670.shtml)

<sup>2354</sup> <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201505/20150500988384.shtml>

<sup>2355</sup> [http://fta.mofcom.gov.cn/enarticle/enrelease/201506/21875\\_1.html](http://fta.mofcom.gov.cn/enarticle/enrelease/201506/21875_1.html)

<sup>2356</sup> [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1288513.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1288513.shtml)

<sup>2357</sup> [http://big5.zlb.gov.cn/gate/big5/big5.xinhuanet.com/gate/big5/news.xinhuanet.com/english/2015-09/18/c\\_134635040.htm](http://big5.zlb.gov.cn/gate/big5/big5.xinhuanet.com/gate/big5/news.xinhuanet.com/english/2015-09/18/c_134635040.htm)

in Addis Ababa (Ethiopia), aviation and road highways. The USD 475 million the Addis Ababa Light Rail Transit (AA-LRT) was constructed by China Railway Group (CREC). The AA-LRT project has adopted Chinese standards and technology and was built with financing support of China.<sup>2358</sup> This fact could be classified as trade-related infrastructure category, because China help Africa to build high speed railway, aviation and road highways.

During the compliance period China took actions in four of the categories, specified by the WTO Task Force on Aid for Trade. Thus, it has been awarded a score of +1.

*Analysts: Svetlana Nikitina and Nadezhda Sporysheva*

## **France: 0**

France has partially complied with the commitment to provide aid for trade to developing countries.

France is paying more attention to specific solutions (transport and private finance) that will benefit trade in developing countries by indirect manner. France committed to continue providing support for trade, but in a tight fiscal environment funding for official development in 2015 will remain similar to that in 2014.<sup>2359</sup> But in general France actively promotes aid for trade, for example, France committed USD 2,4 billion to trade-related activities in 2013.<sup>2360</sup>

On 14 December 2014, PROPARCO, a division of French Development Agency, granted a EUR 30 million loan to a container terminal operator at the Port of Lomé in Togo.<sup>2361</sup> This financing was designed to support the construction of a terminal, it was a part of loan arranged by several international financial institutions. New port facilities will contribute to reducing transport and export costs for goods for the region and to partially decongesting existing ports.<sup>2362</sup> This action falls into the “trade-related infrastructure” category defined by the World Trade Organization’s Task Force on Aid for Trade.

On 21 April 2015, the Agence Française du Développement announced a project in Mozambique, with financing of EUR 0.5 million to expand the range and quality of the products and services.<sup>2363</sup> This action falls into the “productive capacity building” category of the Task Force on Aid for Trade.

On 18 September 2015, French Development Agency and African Export-Import Bank (Afreximbank) have signed a credit facility agreement for an amount of EUR 100 million to support Afrximbank’s ongoing intervention in transforming the structure of African trade. This action aims to facilitate trade related investments, projects, activities, which will enhance intra and extra African trade, thus promoting “productive capacity building” in Africa.<sup>2364</sup>

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<sup>2358</sup> <http://www.fmprc.gov.cn/zflt/eng/zxxx/t1299369.htm>

<sup>2359</sup> Aid for Trade at a Glance 2015: Reducing trade costs for inclusive, sustainable growth. Access: 20 October 2015.

[https://www.wto.org/english/res\\_e/booksp\\_e/aid4trade15\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/aid4trade15_e.pdf)

<sup>2360</sup> OECD (2015), Development Co-operation Report 2015: Making Partnerships Effective Coalitions for Action, OECD Publishing, Paris. <http://dx.doi.org/10.1787/dcr-2015-en>

<sup>2361</sup> PROPARCO supports the Port of Lomé in Togo Access: 22 April

2015.. [http://www.proparco.fr/Accueil\\_PROPARCO/Publications-Proparco/News\\_PROPARCO/ctnscroll\\_ActualitesList/6\\_12](http://www.proparco.fr/Accueil_PROPARCO/Publications-Proparco/News_PROPARCO/ctnscroll_ActualitesList/6_12)

<sup>2362</sup> Developing marine transport in Togo. Access: 22 April 2015.

[http://www.proparco.fr/lang/en/Accueil\\_PROPARCO/Activite/PageCacheeAnte2011/Tous-les-projets/developper-le-transport-maritime-au-togo](http://www.proparco.fr/lang/en/Accueil_PROPARCO/Activite/PageCacheeAnte2011/Tous-les-projets/developper-le-transport-maritime-au-togo)

<sup>2363</sup> Appui au développement de l’activité méso-finance de ProCredit Mozambique. Access: 22 2015. April 2015..

<http://www.afd.fr/base-projets/consulterProjet.action?idProjet=CMZ1102>

<sup>2364</sup> Promotion du commerce africain et intra-africain. Access: 20 October 2015.

<http://www.afd.fr/home/pays/mediterranee-et-moyen-orient/geo/afd-egypte?actuCtnId=133571>

During the compliance period France took actions in two of the categories defined by the Task Force on Aid for Trade. Thus, it has been awarded a score of 0.

*Analyst: Vitaly Nagornov*

### **Germany: +1**

Germany has fully complied with the commitment to provide aid for trade to developing countries.

Three German Federal Ministries alongside with GIZ, Federal Institute for Geosciences and Physikalisch-Technische Bundesanstalt (PTB) are brought together under the second round of the Integrated Mineral Resources Initiative (IMRI) established in Mongolia in 2014.<sup>2365</sup> The program aims to boost economic growth by developing mineral resource sector and at the same time diversifying the economy structure. In cooperation with the Swiss Agency for Development and Cooperation (SDC), steps are being taken to set up a local value chain for gold, especially gold jewellery, and create local employment and earning opportunities. Capacity development of employees from selected ministries and specialist agencies will help to achieve this, as will broaden knowledge on how to assess resource deposits and on how to draft and monitor conditions, laws, and agreements in the raw materials sector. Apart from that, transport and drive technologies of German companies specializing in mining engineering are in demand in Mongolia.<sup>2366</sup> So, the project complies with technical assistance and trade-related infrastructure guidelines.

On 9 March 2015, Germany's Ministry for Economic Cooperation and Development hosted in Berlin discussions under the heading "Defining Values for Negotiation Support" as part of the G7-CONNEX initiative.<sup>2367</sup> Among the participants were over 100 providers of consulting services, representatives of partner countries, companies and nongovernmental organizations including Fatima Acyl, the African Union Commissioner for Trade and Industry, and Ganzorig Temuulen, Vice-Minister of Mines in Mongolia. (The G7-CONNEX initiative was officially launched by the Heads of State and Government of the G7 in 2014 at the summit in Brussels to life. It aims to improve the support available to developing countries in specific negotiations on complex commercial contracts, particularly in the natural resources sector. On the German side, Günter Nooke, Representative of Ministry for Economic Cooperation and Development (BMZ) in Africa, significantly contributes to the process.) The central topics of discussion were better ways of negotiating contracts on commodities and minimum standards applicable to external consultants. Thus, the event can be regarded as technical assistance for trade policy and regulations.

On 16 February 2015, Thomas Silberhorn, Parliamentary State Secretary to German Minister for Economic Cooperation and Development, visited a dairy in Afghanistan receiving financial support from Germany (as a part of the annual assistance of EUR 250 million to Afghanistan from the ministerial funds).<sup>2368</sup> Silberhorn laid the foundation stone for an engineering college in the course of a project done by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of BMZ. (GIZ is a federal enterprise that supports German government in achieving its objectives in the field of international cooperation for sustainable development.<sup>2369</sup>) The project titled "Promoting vocational training in Afghanistan" was launched by GIZ in

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<sup>2365</sup> Integrierte Rohstoffinitiative, Deutsche Gesellschaft Für Internationale Zusammenarbeit. Access: 14 Oktober 2015. <http://www.giz.de/de/weltweit/17750.html>.

<sup>2366</sup> Rohstoffreichtum – Auch Die Bevölkerung Soll Profitieren, Deutsche Gesellschaft Für Internationale Zusammenarbeit. Access: 14 Oktober 2015. [http://www.giz.de/de/mit\\_der\\_giz\\_arbeiten/12272.html](http://www.giz.de/de/mit_der_giz_arbeiten/12272.html).

<sup>2367</sup> G7-CONNEX-Konferenz Zu Vertragsverhandlungen Im Rohstoffsektor, Bundesministerium Für Wirtschaftliche Zusammenarbeit Und Entwicklung 9 March 2015. Access: 21 April 2015. <http://www.bmz.de/20150309-1>

<sup>2368</sup> Parliamentary State Secretary Thomas Silberhorn Speaks Of Remarkable Progress On Development In Northern Afghanistan, Federal Ministry for Economic Cooperation and Development of Germany 16 February 2015. Access: 22 April 2015. <http://www.bmz.de/20150216-1en>

<sup>2369</sup> Profil, Deutsche Gesellschaft für Internationale Zusammenarbeit. Access: 21 April 2015.

<http://www.giz.de/en/aboutgiz/profile.html>

2010 and expires in 2017.<sup>2370</sup> The approach of the project is to create a technical and vocational education and training system in Afghanistan. Among the recent achievements is an agreement between businesses and the Afghan Ministry of Education that will enable students who have trained in traditional workshops without gaining a recognized state qualification to attend vocational schools as well.<sup>2371</sup> The aim of Germany's support in Afghanistan is to help workers receive up-to-date knowledge in their professional fields, thus enhancing efficiency, revealing the comparative advantages of producers and extending their range of products. The result of a similar project in Ghana was the improved quality of some products, which means they can now be sold on the international market.<sup>2372</sup> Therefore, such measures appertain to the productive capacity building category.

During the compliance period Germany took actions to provide aid for trade to developing countries in three categories specified by the World Trade Organization's Task Force on Aid for Trade. Thus, it is awarded a score of +1.

*Analyst: Sergei Titov*

### **India: +1**

India has fully complied with the commitment to provide aid for trade to developing countries.

On 24-28 November 2014 Training Programme on Entrepreneurship Development for Textile Sector was held in Entrepreneurship Development Institute of India (Ahmedabad).<sup>2373</sup> This event is a part of the Cotton Technical Assistance Programme for Africa, which is implemented by India's Department of Commerce of the Ministry of Commerce and Industry with the support of the Ministry of External Affairs. A special steering committee was set up to monitor the project.<sup>2374</sup> An important player in the global cotton and textile markets, India can provide assistance to African countries, participating in the program (Benin, Burkina Faso, Chad, Mali, Nigeria, Malawi, Uganda). The project will help these developing countries to strengthen their national cotton industries, which have a large share in their exports and gross domestic product and, thus, may be considered as productive capacity building.<sup>2375,2376</sup>

On 25 August 2015, the Department of Commerce issued a note that detailed the directions of the aid provided by India, which, inter alia, included: the establishment of the Regional Knowledge Cluster in Benin (training-organizing institution); Skill-Schools in Malawi and Nigeria on garment manufacturing.<sup>2377</sup>

On 22 January 2015, the Secretariat on Economic and Financial Cooperation of the South Asian Association for Regional Cooperation (SAARC) (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka) emphasized the great importance of trade cooperation in the region. It was noted that several mechanisms were set up to spur the process of turning South Asian Free Trade Area (SAFTA) into a South

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<sup>2370</sup> Zukunftsperspektiven Durch Berufsbildung, Deutsche Gesellschaft Für Internationale Zusammenarbeit. Access: 21 April 2015. <http://www.giz.de/en/worldwide/14616.html>

<sup>2371</sup> Deutsches Know-How Für Berufliche Bildung In Afghanistan, Deutsche Gesellschaft für Internationale Zusammenarbeit 22 January 2015. Access: 21 April 2015. <http://www.giz.de/en/mediacenter/29584.html>

<sup>2372</sup> Zitrusbauern in Ghana: Verbesserte Erträge, Deutsche Gesellschaft für Internationale Zusammenarbeit 2 April 2015. Access: 21 April 2015. <http://www.giz.de/en/mediacenter/31804.html>

<sup>2373</sup> Training Programme on Entrepreneurship Development for Textile Sector, Cotton Technical Assistance Programme for Africa 24-28 November 2014. Access: 11 October 2015. [http://cottontapafrika.org/pdf/CottonTAP\\_EDPTraining\\_ProgrammeSchedule.pdf](http://cottontapafrika.org/pdf/CottonTAP_EDPTraining_ProgrammeSchedule.pdf).

<sup>2374</sup> Implementation Mechanism, Cotton Technical Assistance Programme for Africa. Access: 11 October 2015. <http://www.cottontapafrika.org/implementing-mechanism.html>.

<sup>2375</sup> Country and Lending Groups, the World Bank. Access: 11 October 2015. <http://data.worldbank.org/about/country-and-lending-groups>.

<sup>2376</sup> Background, Cotton Technical Assistance Programme for Africa. Access: 11 October 2015. <http://www.cottontapafrika.org/background.html>.

<sup>2377</sup> Cotton Technical Assistance Programme for African Countries (Cotton TAP), Department of Commerce, Trade Policy Division 25 August 2015. Access: 11 October 2015. [http://commerce.nic.in/trade/Cotton\\_Tech\\_Astt\\_Prg\\_African\\_Countries\\_TAP.pdf](http://commerce.nic.in/trade/Cotton_Tech_Astt_Prg_African_Countries_TAP.pdf).

Asian economic union. The SAFTA Committee of Exports stated that value of exports has sharply increased since the Trade Liberalization Programme went into effect. The agreements reached in this sphere lay the foundation for members' national trade strategies, so collaborating within SAARC India provides technical assistance to developing countries for trade policy and regulations.<sup>2378</sup>

India is a party to IBSA tripartite organization that, inter alia, aims at strengthening South-South cooperation.

On 9 September 2015, the analysis of IBSA compliance with the Goal 17 of the UN Sustainable Development Goals was posted on the official web site of the organization. One of the programs considered as strengthening the global partnership for sustainable development is Knowledge Partnership Program, KPP. In the context of the program, India assisted Bangladesh in moving towards more ecologically friendly process of production in textile industry, a sector that is noted to contribute significantly to the GDP of the country. Therefore, the Indian aid can be regarded as satisfying "other trade-related needs" of Bangladesh.<sup>2379</sup>

During the compliance period, India took actions to provide aid for trade to developing countries in three of the five categories specified by the World Trade Organization's Task Force on Aid for Trade. Thus, it is awarded a score of +1.

*Analyst: Anastasiia Matinkhina*

### **Indonesia: -1**

Indonesia has not complied with the commitment to provide aid for trade to developing countries.

No evidence of Indonesia taking any action to provide aid for trade to developing countries was found during the compliance period.

Thus, Indonesia is awarded a score of -1.

*Analyst: Andrey Shelepov*

### **Italy: 0**

Italy has partially complied with the commitment to provide aid for trade to developing countries.

Italy is currently implementing two development assistance projects in Albania, aimed at improving the country's infrastructural linkages to better engage in international trade. These projects include:

Rehabilitation of the port of Vlora. The Italian Cooperation Agency assists the Albanese Government in improving the port infrastructure facilities, raising the efficiency of port administration, reducing docking operations time, providing a EUR 15 million loan.<sup>2380</sup>

Construction of the Lushnje-Fier motorway and supervision of the works for the road connecting Lushnje to Fier and Fier to Vlore. The Italian Cooperation Agency provides a EUR 24.35 million loan to the Albanese Government to construct efficient road network within the country, which will improve Albania's connectivity to the markets of the European Union, as well as benefiting the EU which considers the

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<sup>2378</sup> Note by the secretariat of economic and financial cooperation, South Asian Association for Regional Cooperation 22 January 2015. Access: 11 October 2015. [http://www.saarc-sec.org/uploads/document/Note%20on%20Eco%20and%20Fin%20Coop%20-%2022%20January%202015\\_20150122045846.doc](http://www.saarc-sec.org/uploads/document/Note%20on%20Eco%20and%20Fin%20Coop%20-%2022%20January%202015_20150122045846.doc).

<sup>2379</sup> Partnering Progress to Address Food Security, Resource Scarcity and Climate Change, the South-South Opportunity 9 September 2015. Access: 11 October 2015. <http://www.southsouth.info/profiles/blogs/partnering-progress-to-address-food-security-resource-scarcity>.

<sup>2380</sup> Riabilitazione del Porto di Valona - Costruzione e Direzione Lavori, Italian Cooperation agency in Albania. Access: 17 May 2015. [http://www.italcoopalbania.org/progetto\\_info.php?l=i&idp=41](http://www.italcoopalbania.org/progetto_info.php?l=i&idp=41).

Lushnje-Fier-Vlore route an integrating part of the pan European Corridor VIII.<sup>2381</sup> On 15 July 2015, the work on the site commenced.<sup>2382</sup>

During the compliance period Italy took actions to provide aid-for-trade to developing countries in one of the categories specified by the World Trade Organization Working Group on Aid for Trade — trade-related infrastructure. Thus, it is awarded a score of 0.

*Analyst: Andrei Sakbarov*

## **Japan: +1**

Japan has fully complied with the commitment to provide aid for trade to developing countries.

On 10 January 2015, Hon Ogawa Kazuya, Ambassador of Japan in Rwanda, Akihiko Ranaka, President of Japanese International Cooperation Agency (JICA), Mr. Moriya, Chief Representative JICA Rwanda, Yasunori Onishi, Chief Representative JICA Tanzania, together with officials of Tanzania and Rwanda opened One Stop Border Post. This project aims to simplify customs procedures between Tanzania and Rwanda. Through the project, trade and investment in the Eastern African region will be expanded.<sup>2383</sup> This project falls into the “trade-related infrastructure” category defined by the World Trade Organization (WTO) Working Group on Aid for Trade.

On 9 March 2015, JICA and the Kenya Ports Authority (KPA) signed the agreement to provide an ODA Loan of JPY 32116 billion for second phase of Mombasa Port Development Project. This loan will increase demand for cargo volume and make port management more efficient, with the objectives of promoting trade and contributing to socioeconomic development in the region overall, including Kenya and the neighboring countries.<sup>2384</sup> This project falls into the “trade-related infrastructure,” “trade-related adjustment,” and “productive capacity building” categories defined by the WTO Working Group on Aid for Trade.

On 26 March 2015, JICA loaned JPY 35.178 billion in official development assistance to Myanmar for two projects. The second project, Communication Network Improvement Project, will improve the communication network between three major Myanmar cities to increase the communication capacity contributing to economic development and trade.<sup>2385</sup> This project falls into the “trade-related infrastructure” category defined by the WTO Working Group on Aid for Trade.

On 23 January 2015, Japan provided JPY 3160 million to Papua New Guinea to reconstruct two bridges on New Britain Island. The Grant Agreement for the project was concluded on 30 January 2015.<sup>2386</sup> In 2015 Japan privileged Papua New Guinea to embark on development-funded trade and investment. This project falls into the “trade-related infrastructure” category defined by the WTO Working Group on Aid for Trade.

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<sup>2381</sup> Costruzione del tratto stradale Lushnje-Fier e supervisione dei lavori per i due tratti contigui Lushnje-Fier e Fier-Valona, Italian Cooperation agency in Albania. Access: 17 May 2015. [http://www.italcoopalbania.org/progetto\\_info.php?l=i&idp=38](http://www.italcoopalbania.org/progetto_info.php?l=i&idp=38).

<sup>2382</sup> Albania: iniziati i lavori di riabilitazione del porto di Valona, Italian Cooperation Agency 15 July 2015. Access: 20 October 2015. [http://www.cooperazioneallosviluppo.esteri.it/pdgcgs/index.php?option=com\\_content&view=article&id=12536:albania-iniziati-i-lavori-di-riabilitazione-del-porto-di-valona&catid=8:news&Itemid=515&highlight=WyJjb21tZXJjaWFsZSId.](http://www.cooperazioneallosviluppo.esteri.it/pdgcgs/index.php?option=com_content&view=article&id=12536:albania-iniziati-i-lavori-di-riabilitazione-del-porto-di-valona&catid=8:news&Itemid=515&highlight=WyJjb21tZXJjaWFsZSId.)

<sup>2383</sup> New Station at Tanzania-Rwanda Border Simplifies Customs to Boost Trade. Access: 22 April 2015. [http://www.jica.go.jp/english/news/field/2015/150414\\_02.html](http://www.jica.go.jp/english/news/field/2015/150414_02.html)

<sup>2384</sup> Signing of Japanese ODA Loan Agreement with the Republic of Kenya for Mombasa Port Development Project (Phase 2) . Access: 22 April 2015. [http://www.jica.go.jp/english/news/press/2014/150310\\_01.html](http://www.jica.go.jp/english/news/press/2014/150310_01.html)

<sup>2385</sup> Signing of Japanese ODA Loan Agreement with the Republic of the Union of Myanmar. Access: 22 April 2015. [http://www.jica.go.jp/english/news/press/2014/150326\\_02.html](http://www.jica.go.jp/english/news/press/2014/150326_02.html)

<sup>2386</sup> Signing of Grant Agreement for the Project for Reconstruction of Bridges on New Britain Highway. Access: 22 April 2015. <http://www.jica.go.jp/png/english/office/topics/150130.html>



During the compliance period Japan took actions in three of the categories defined by the WTO Working Group on Aid for Trade. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **Korea: 0**

Korea has partially complied with the commitment to provide aid for trade to developing countries.

From 23 February to 14 March 2015, the Korea International Cooperation Agency conducted a “Trade Promotion for African Countries” Fellowship Program. A group of 18 government officials, involved in the fields of international trade and economic development strategy from the ministries and agencies of Democratic Republic of Congo, Senegal, and Tunisia took part in the program within the framework of the Korean government’s grant aid and technical cooperation for 2015. The program’s goals included knowledge and experience sharing in the field of international trade and economic development strategy of Korea; assistance in enhancing the efficiency and effectiveness of mobilization of development resources and fostering capacity building; developing cooperative relations between African countries and Korea.<sup>2387</sup> This program falls into “technical assistance for trade policy and regulations” category specified by the World Trade Organization (WTO) Task Force on Aid for Trade.

From 9 March to 22 March 2015, the Korea Trade and Investment Promotion Agency implemented a Capacity Reinforcement of Trade and Investment Promotion Fields program for Vietnamese participants. There were 15 public officials in the field of Trade and Investment Promotion from Vietnam who took part in the program, which addressed such issues as: formulating export-oriented economic development strategies; increasing international competitiveness for Vietnam in international trade through benchmarking of Korea’s trade environment; and developing trade and investment promotion policies and strategies for Vietnam.<sup>2388</sup> This program falls into “technical assistance for trade policy and regulations” and “other trade-related needs” categories specified by the WTO Task Force on Aid for Trade.

From 19 April to 9 May 2015, Korea Trade Investment Promotion Agency conducted a Capacity Building for Trade and Investment Promotion program in Tanzania. 15 public officials in charge of trade policy from that country participated in the program, aimed at sharing practical trade promotion and investment skills, encouraging “all project participants to utilize their own strength when they negotiate good agreements by targeting Tanzania’s specific sectors,” promoting feasibility and suitability of Tanzania’s economic environment.<sup>2389</sup> This program falls into “technical assistance for trade policy and regulations” category specified by the WTO Task Force on Aid for Trade.

During the compliance period Korea took actions to provide aid-for-trade to developing countries in two of the categories specified by the WTO Working Group on Aid for Trade. Thus, it is awarded a score of 0 for partial compliance with the commitment.

*Analyst: Andrei Sakharov*

### **Mexico: 0**

Mexico has partially complied with the commitment on providing aid for trade to developing countries.

On 25 February 2015, at the second meeting of Commission for Cooperation of Mexico — Costa Rica Council for Strategic Association (Comisión de Cooperación del Consejo de Asociación Estratégica México-

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<sup>2387</sup> Trade Promotion for African Countries, Korea International Cooperation Agency 17 February 2015. Access: 3 June 2015. [http://www.koica.go.kr/english/board/whats\\_new/1319249\\_3545.html](http://www.koica.go.kr/english/board/whats_new/1319249_3545.html).

<sup>2388</sup> Capacity Reinforcement of Trade and Investment Promotion Fields (Vietnam), Korea International Cooperation Agency 6 March 2015. Access: 3 June 2015. [http://www.koica.go.kr/english/board/whats\\_new/1319377\\_3545.html](http://www.koica.go.kr/english/board/whats_new/1319377_3545.html).

<sup>2389</sup> Capacity Building for Trade and Investment Promotion (Tanzania) II, Korea International Cooperation Agency 16 April 2015. Access: 3 June 2015. [http://www.koica.go.kr/english/board/whats\\_new/1319603\\_3545.html](http://www.koica.go.kr/english/board/whats_new/1319603_3545.html).

Costa Rica) the cooperation projects to be implemented in 2015 were discussed, and in particular the cooperation between Costa Rican Ministry of Economy, Industry and Trade (MEIC) and Mexican Federal Commission on Regulatory Improvement (COFEMER) aimed at sharing experience and training the MEIC officials by COFEMER.<sup>2390</sup> This fact is related to the World Trade Organization's Task Force on Aid for Trade category of "technical assistance for trade policy and regulations" as it is aimed at training the Costa Rican officials on the trade policy issues.

On 13 March 2015, on occasion of visit by Guatemalan President Otto Pérez Molina to Mexico, the joint declaration was signed.<sup>2391</sup> The leaders of Mexico and Guatemala confirmed the importance of Mexico — Central America free trade agreement (TLC México-Centroamérica) mechanism and encouraged holding a second meeting of TLC Administration Commission in 2015 to facilitate trade between TLC parties and increase their trade potential.<sup>2392</sup> This fact is related to the category of "trade-related adjustment."

On 20 August 2015, the results of the first year of the Mexican — Dominican Republic Technical and Science Cooperation Program 2014-2016 were presented and discussed during the videoconference.<sup>2393</sup> The 8 projects implementing within the program are aimed among others at building capacity to address unfair trade and regulations and increasing competitiveness of micro, small and medium-sized enterprises by integrating them into productions chains, improving their production capacity and boosting internal and external trade. The Dominican and Mexican expressed their satisfaction with the first year results and committed to foster the efforts to finalize the program implementation in 2016.

During the compliance period Mexico took actions to provide aid for trade to developing countries only in two of the five categories, specified by the Task Force on Aid for Trade. Thus, it has been awarded a score of 0.

*Analyst: Elizaveta Safonkina*

#### **Russia: -1**

Russia has failed to comply with the commitment to provide aid for trade to developing countries.

No actions to provide aid for trade to developing countries by Russia were registered during the compliance period. Thus, Russia is awarded a score of -1.

*Analyst: Andrei Sakharov*

#### **Saudi Arabia: -1**

Saudi Arabia has failed to comply with the commitment to provide aid for trade to developing countries.

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<sup>2390</sup> MÉXICO Y COSTA RICA COMPARTEN SUS CAPACIDADES LOCALES PARA FORTALECER A LA REGIÓN. Date of assess: 5 April 2015. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/2174-mexico-y-costa-rica-comparten-sus-capacidades-locales-para-fortalecer-a-la-region>.

<sup>2391</sup> Declaración Conjunta con motivo de la Visita Oficial a México del Presidente de Guatemala, Otto Pérez Molina. Date of assess: 5 April 2015. <http://www.presidencia.gob.mx/declaracion-conjunta-con-motivo-de-la-visita-oficial-a-mexico-del-presidente-de-guatemala-otto-perez-molina/>.

<sup>2392</sup> Declaración Conjunta con motivo de la Visita Oficial a México del Presidente de Guatemala, Otto Pérez Molina. Date of assess: 5 April 2015. <http://www.presidencia.gob.mx/declaracion-conjunta-con-motivo-de-la-visita-oficial-a-mexico-del-presidente-de-guatemala-otto-perez-molina/>.

<sup>2393</sup> México y República Dominicana evalúan su Programa de Cooperación Técnica y Científica 2014-2016. 28 August 2015. Date of assess: 3 October 2015. <http://www.cooperacionsursur.org/informacion-del-programa/noticias-de-cooperacion-sur-sur/981-mexico-y-republica-dominicana-evaluan-su-programa-de-cooperacion-tecnica-y-cientifica-2014-2016.html>.

During the compliance period Saudi Arabia did not taken actions to provide aid for trade to developing countries in any of the categories specified by the World Trade Organization Working Group on Aid for Trade. Thus, it is awarded a score of -1.

*Analyst: Andrei Sakbarov*

### **South Africa: -1**

South Africa has failed to comply with the commitment to provide aid for trade to developing countries.

According to the World Trade Organization and the Organisation for Economic Co-operation and Development, South Africa is an upper middle income country in the group of recipients of aid for trade.<sup>2394</sup>

No actions by South Africa to provide aid for trade to developing countries were registered during the compliance period. Thus, it has been awarded a score of -1.

*Analyst: Lyudmila Tarasenko*

### **Turkey: 0**

Turkey has partially complied with the commitment to provide aid for trade to developing countries.

On 12 February 2015, the World Trade Organization (WTO), the Turkish government and the Istanbul Bilgi University in Turkey launched the WTO Chairs Programme at the Faculty of Law, Istanbul Bilgi University. This initiative is aimed at further developing academic courses, promoting new research initiatives, and linking up these enhanced institutional capacities to other universities and research institutions in Turkey and neighboring countries. This measure can be considered as addressing other trade-related needs of developing countries in accordance with the WTO Task Force on Aid for Trade classification.<sup>2395</sup>

During the compliance period Turkey took actions to provide aid-for-trade to developing countries in one category specified by the WTO Working Group on Aid for Trade. Thus, it is awarded a score of 0.

*Analyst: Nadezhda Sporysheva*

### **United Kingdom: +1**

The United Kingdom has fully complied with the commitment to provide aid for trade to developing countries.

In December 2014, the Trade Policy Unit of the UK Department for International Development (DFID) updated its Operational Plan for 2011-2016. The plan provides for measures to increase and make more effective the participation of developing countries in trade negotiations, ensure targeted support to LDCs to assess their trade needs, enhance trade finance for poor countries, and inform consumers about impact of barriers on consumer goods' price.<sup>2396</sup>

DFID is providing financial support to its Trade Advocacy Fund. In 2011-2016, The Fund is expected to receive more than GBP 3.1 million to help least developed and low income countries to participate more

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<sup>2394</sup> Global Review of Aid for Trade 2011, World Trade Organization 2012. Access: 29 April 2015.

[https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/african\\_case\\_stories\\_e.pdf](https://www.wto.org/english/tratop_e/devel_e/a4t_e/african_case_stories_e.pdf).

<sup>2395</sup> DDG Yi awards WTO Chair to Istanbul Bilgi University, WTO 12 February 2015. Access: 27 April 2015.

[https://www.wto.org/english/news\\_e/news15\\_e/chair\\_12feb15\\_e.htm](https://www.wto.org/english/news_e/news15_e/chair_12feb15_e.htm).

<sup>2396</sup> Operational plan 2011-2016. Trade Policy Unit, UK Government 18 March 2015. Access date: 17 April 2015.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/389428/trade-policy-unit1.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/389428/trade-policy-unit1.pdf).

effectively in international trade negotiations.<sup>2397</sup> This action falls into the technical assistance for trade policy and regulations category of the WTO recommendations.

On 25 March 2015, DFID extended for 5 years the project to support the International Centre for Trade and Sustainable Development. The UK will provide GBP 8.55 million to help developing countries “formulate more effective trade policies and negotiate more successfully in trade talks through the provision of impartial, evidence-based advice and opportunities to debate key issues with relevant stakeholders.”<sup>2398</sup> This action falls into the technical assistance for trade policy and regulations category of the WTO recommendations.

In 2015, DFID is going to spend more than GBP 4.7 million on making the customs services at the South Sudan’s border with Uganda more effective and transparent. To increase the volume and value of dutiable trade, DFID will not only improve relevant infrastructure, but also increase the capacity of associated trade related institutions in South Sudan.<sup>2399</sup> This action falls into the trade-related infrastructure and other trade-related needs categories of the WTO recommendations.

In 2015-2016, DFID is expected to spend more than GBP 4 million to support the International Trade Centre. Apart from other objectives, the project is aimed at increasing women entrepreneurs’ participation in trade and creating better environment for women informal cross-border traders to engage in trade.<sup>2400</sup> This action falls into the productive capacity building category of the WTO recommendations.

On 31 July 2015, DFID completed its project aimed at supporting the World Bank Multi-Donor Trust Fund for Trade and Development. In particular, the UK provided financing to build analytical base for policy action to address barriers to trade and enhance trade liberalisation, in particular in low income countries.<sup>2401</sup> This action falls into the other trade-related needs category of the WTO recommendations.

During the compliance period the UK took actions to provide aid-for-trade to developing countries in four categories specified by the WTO Working Group on Aid for Trade. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepon*

### **United States: +1**

The United States has fully complied with the commitment on providing aid for trade to developing countries.

On technical assistance for trade policy and regulations, the United States has been working to expand the Trade Africa Initiative to include Cote d’Ivoire, Ghana, Mozambique, Senegal, and Zambia. The aim is to improve business climate in these countries, to increase their compliance with World Trade Organization (WTO) rules and to combat barriers to trade.<sup>2402</sup>

In February 2015, the U.S. and the East African Community signed a new Cooperation Agreement. The main issues of this document are: 1) implementing the WTO’s Trade Facilitation Agreement, 2) helping East

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<sup>2397</sup> Advocacy Fund - Trade Window, Development Tracker 25 March 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-202089/>.

<sup>2398</sup> Support to the International Centre for Trade and Sustainable Development 5 year extension, Development Tracker 6 August 2015. Access date: 21 October 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-204717/>.

<sup>2399</sup> Custom Development & Trade Facilitation Support in South Sudan, Development Tracker 28 March 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-202514/>.

<sup>2400</sup> Support to the International Trade Centre Phase II, Development Tracker 28 March 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-203984/>.

<sup>2401</sup> World Bank Multi-Donor Trust Fund for Trade and Development Phase 2, Development Tracker 7 February 2015. Access date: 17 April 2015. <http://devtracker.dfid.gov.uk/projects/GB-1-203528/>.

<sup>2402</sup> Trade Africa, USAID 9 September 2015. Access: 8 October 2015. <https://www.usaid.gov/tradeafrica>.

African countries meet international food safety and quality standards, 3) providing training in these countries to ensure that harmonized international standards are fully adopted in them.<sup>2403</sup>

On trade-related infrastructure, on 21 November 2014, the United States and Mexico reached a modernized air service agreement. The new agreement will provide unlimited market access for US and Mexican air carriers and give further new opportunities in the sphere of transportation.<sup>2404</sup> The new agreement will benefit various economic agents, including shippers.<sup>2405</sup>

On 25 February 2015, the US Department of Commerce and the National Economic Development Authority of the Philippines launched the US-Philippines Infrastructure Collaboration Platform to help local Philippine governments develop infrastructure and to expand the US-Philippine trade relations.<sup>2406</sup>

On 29 September 2015, the U.S. Department of Commerce co-hosted the US–Africa Institutional Investor Roadshow, where new sources of private funds for African infrastructure projects were presented. The goal to attract long-term private funds to build major infrastructure and thus improve doing business in Africa.<sup>2407</sup>

In terms of productive capacity building, on 5 March 2015, US Secretary of Commerce Penny Pritzker opened the Regional Investments to Support Entrepreneurship, a public-private partnership to facilitate trade and investment between the US and Tunisia. US private actors will help their Tunisian partners gain access to funds for entrepreneurs, develop incubators and accelerators in Tunisia, and provide training and mentoring.<sup>2408</sup>

On 17 March 2015, the US Department of Commerce and the Brazilian Ministry of Development, Industry and Foreign Trade held the first US-Brazil Standards and Conformance Convergence Roundtable in Washington, where these two departments pledged to invite the US and Brazilian private companies for cooperation to increase bilateral trade, and US and Brazilian standards stakeholders were introduced to each other. On 19 March 2015, the US and Brazil signed a memorandum of intent to promote trade.<sup>2409</sup>

On trade-related adjustments, in February 2015, the US and the East African Community signed a cooperation agreement to increase trade-related capacity in three key areas: trade facilitation, sanitary and phyto-sanitary measures and technical barriers to trade. The agreement represents a milestone for Trade

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<sup>2403</sup> Trade Africa, USAID 9 September 2015. Access: 8 October 2015. <https://www.usaid.gov/tradeafrica>.

<sup>2404</sup> United States, Mexico Reach Modernized Aviation Agreement, U.S. Department of Transportation 21 November 2014. Access: 20 April 2015. <http://www.dot.gov/briefing-room/united-states-mexico-reach-modernized-aviation-agreement>.

<sup>2405</sup> Joint Statement: United States-Mexico High Level Economic Dialogue, U.S. Department of Commerce 6 January 2015. Access: 21 April 2015. <http://www.commerce.gov/news/press-releases/2015/01/joint-statement-united-states-mexico-high-level-economic-dialogue>.

<sup>2406</sup> U.S. Department of Commerce and the National Economic Development Authority of the Philippines Agree to Coordinate, Cooperate on Infrastructure Projects, U.S. International Trade Administration 25 February 2015. Access: 28 April 2015. <http://www.trade.gov/press/press-releases/2015/us-department-of-commerce-and-the-national-economic-development-authority-of-the-philippines-agree-to-coordinate-cooperate-on-infrastructure-projects-022515.asp>.

<sup>2407</sup> Inaugural U.S.-Africa Institutional Investor Roadshow Connects U.S. Investors with Potential Partners throughout Africa, International Trade Administration 29 September 2015. Access: 9 October 2015. <http://trade.gov/press/press-releases/2015/inaugural-us-africa-institutional-investor-roadshow-connects-us-investors-with-potential-partners-throughout-africa-092915.asp>.

<sup>2408</sup> U.S. Commerce Secretary Penny Pritzker Announces Public-Private Partnership to Strengthen Entrepreneurship in Tunisia, U.S. Department of Commerce 5 March 2015. Access: 21 April 2015. <http://www.commerce.gov/news/press-releases/2015/03/us-commerce-secretary-penny-pritzker-announces-public-private>.

<sup>2409</sup> The U.S.-Brazil Commercial Dialogue Joint Statement, U.S. International Trade Administration 19 March 2015. Access: 28 April 2015. <http://trade.gov/press/press-releases/2015/us-brazil-commercial-dialogue-joint-statement-03192015.asp>.

Africa initiative announced by US President Barack Obama in 2013 and focused at increasing trade and investment between Africa and the US.<sup>2410</sup>

The US took steps in three out of five categories in the Task Force on Aid for Trade. Thus, it has been awarded a score of +1.

*Analyst: Tatiana Lanshina*

### **European Union: +1**

The European Union has fully complied with the commitment to provide aid for trade to developing countries.

On 23 March 2015, in a speech titled “The Commission’s Future Trade Strategy” Cecilia Malmström, Commissioner for Trade, confirmed that development of poorer countries around the world is one of the EU’s objectives. She said that the EU is working to finally close the Doha Round of negotiations at the World Trade Organization and to open markets for developing countries.<sup>2411</sup> This support refers to technical assistance for trade policy and regulations category.

On 13 April 2015, the European Commission published the “Position Paper on the Trade Sustainability Impact Assessment in Support of Negotiations of a Deep and Comprehensive Free Trade Agreement Between the European Union and Morocco.” According to the document, the agreement between EU and Morocco is expected to give rise to positive macroeconomic effects for both regions. The gains in gross domestic product (GDP) in relative terms are negligible for the EU, but cause a 1.6% GDP increase for Morocco in the long term.<sup>2412</sup> This support refers to technical assistance for trade policy and regulations category.

On 13 April 2015, the European Commission also published the “Position Paper on the Trade Sustainability Impact Assessment in Support of Negotiations of a Deep and Comprehensive Free Trade Agreement Between the European Union and Tunisia.” According to the document, while the impact of the agreement on the EU’s GDP is expected to be negligible, it will cause a 7% GDP increase in the long term for Tunisia.<sup>2413</sup> This support refers to technical assistance for trade policy and regulations category.

The European Commission scheduled the roundtable about trade and sustainable development in EU and Vietnam relations on 12 May 2015.<sup>2414</sup> This support refers to technical assistance for trade policy and regulations category.

On 4 June 2015, European Commissioner for International Cooperation and Development Neven Mimica signed new EUR 1.3 billion regional funding for Southern, Eastern Africa and the Indian Ocean until 2020 to facilitate trade by integration of markets, promotion of investments, improvement of production capacities

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<sup>2410</sup> U.S. and East African Community Join to Increase Trade Competitiveness and Deepen Economic Ties, Office of the United States Trade Representative February 2015. Access: 21 April 2015. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2015/february/us-and-east-african-community-join>.

<sup>2411</sup> The Commission's Future Trade Strategy, European Commission 23 March 2015. Access: 18 April 2015. [http://trade.ec.europa.eu/doclib/docs/2015/march/tradoc\\_153265.pdf](http://trade.ec.europa.eu/doclib/docs/2015/march/tradoc_153265.pdf)

<sup>2412</sup> European Commission Services' Position Paper on the Trade Sustainability Impact Assessment in Support of Negotiations of a Deep and Comprehensive Free Trade Agreement between the European Union and Morocco, European Commission 13 April 2015. Access: 18 April 2015. [http://trade.ec.europa.eu/doclib/docs/2015/april/tradoc\\_153336.pdf](http://trade.ec.europa.eu/doclib/docs/2015/april/tradoc_153336.pdf)

<sup>2413</sup> European Commission Services' Position Paper on the Trade Sustainability Impact Assessment in Support of Negotiations of a Deep and Comprehensive Free Trade Agreement between the European Union and Tunisia, European Commission 13 April 2015. Access: 18 April 2015. [http://trade.ec.europa.eu/doclib/docs/2015/april/tradoc\\_153337.pdf](http://trade.ec.europa.eu/doclib/docs/2015/april/tradoc_153337.pdf)

<sup>2414</sup> Trade, Sustainable Development and Human Rights in EU-Vietnam Relations, European Commission 17 April 2015. Access: 18 April 2015. [http://trade.ec.europa.eu/doclib/docs/2015/april/tradoc\\_153334.pdf](http://trade.ec.europa.eu/doclib/docs/2015/april/tradoc_153334.pdf)

and development of infrastructures among other purposes.<sup>2415</sup> This support refers to trade-related infrastructure and productive capacity building categories.

On 10 June 2015, the European Commission announced new EUR 118 million for programs in Latin America and the Caribbean supporting new small-to-medium sized enterprises (SMEs) and road infrastructure in the region to improve the trade ties.<sup>2416</sup> This support refers to trade-related infrastructure and productive capacity building categories.

On 23 June 2015, the European Commissioner for International Cooperation and Development Neven Mimica signed the Central Africa Regional Indicative Programme with an additional funding of EUR 350 million for the period 2014-2020 for different purposes including EUR 211 million for regional economic integration and trade.<sup>2417</sup> This support refers to technical assistance for trade policy and regulations category.

On 6 July 2015, the European Commissioner for International Cooperation and Development Neven Mimica co-signed new regional funding for the Regional Indicative Programme helping countries of West Africa in different spheres, including support for trade, private sector and infrastructure.<sup>2418</sup> This support refers to technical assistance for trade policy and regulations and infrastructure categories.

On 7 October 2015, the European Commission confirmed EUR 20 million support for private sector development and trade in Paraguay. The EU will support Paraguay's efforts in development of SMEs with high export potential. This support will also help Paraguay to simplify customs procedures and to overcome technical barriers to trade. The European Commission also confirmed EUR 10 million supports for Peru to improve its institutional capacities and design of related regulations and to enhance the capacity of SMEs to adapt to market conditions.<sup>2419</sup> This support refers to trade-related infrastructure and productive capacity building categories.

The European Union has taken actions in in all of the necessary categories, providing technical assistance for trade policy and regulations, trade-related infrastructure, productive capacity building, trade-related adjustments and other trade-related needs. Thus, it has been awarded a score of +1.

*Analyst: Andrei Sakharov*

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<sup>2415</sup> EU to support regional programmes in Southern, Eastern Africa and the Indian Ocean with more than €1.3 billion, European Commission 4 June 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5114\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5114_en.htm)

<sup>2416</sup> EU-CELAC Business Summit: new programmes to increase cooperation between the two regions, European Commission 10 June 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-5152\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5152_en.htm)

<sup>2417</sup> EU reinforces its support to Central Africa, European Commission 23 June 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5246\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5246_en.htm)

<sup>2418</sup> EU support to the region of West Africa reaches €1.1 billion, European Commission 7 October 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5309\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5309_en.htm)

<sup>2419</sup> Factsheet on EU's Development Cooperation with Paraguay and Peru, European Commission 7 October 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-5785\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5785_en.htm)

## 17. Infrastructure

2014-152: [We] will work on ways to mobilise long-term financing for infrastructure.

*G20 Brisbane Action Plan*

### Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France		0	
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.95	

### Background

In July 2013 the G20 Study Group on Financing for Investment produced the Workplan on Financing for Investment Study Group's Findings and Ways Forward. The plan, among other things, emphasized mobilizing private sources of financing for infrastructure as one of five important topics of the Study Group's work.<sup>2420</sup>

In Brisbane the G20 leaders highlighted the importance of long-term financing, focusing on infrastructure investment, to foster long-term growth. The G20 Global Infrastructure Initiative (GII) was launched as "a multi-year program to support public and private investment in quality infrastructure."<sup>2421</sup>

### Commitment Features

The commitment requires the G20 members to mobilize infrastructure financing. The individual growth strategies of several G20 members contain a (non-exhaustive) list of planned measures to mobilize long-term

<sup>2420</sup> G20 Workplan on Financing for Investment Study Group's Findings and Ways Forward, G20 Russia July 2014. Access: 22 January 2015. [en.g20russia.ru/load/782804292](http://en.g20russia.ru/load/782804292).

<sup>2421</sup> G20 Note on the Global Infrastructure Initiative and Hub, G20 Information Centre 14 November 2014. Access: 22 January 2015. [http://www.g20.utoronto.ca/2014/g20\\_note\\_global\\_infrastructure\\_initiative\\_hub.pdf](http://www.g20.utoronto.ca/2014/g20_note_global_infrastructure_initiative_hub.pdf).



infrastructure financing. These actions' implementation will also contribute to the fulfillment of this commitment.<sup>2422</sup>

The GII emphasizes supporting public and private investment as a key objective of the initiative. Thus, to register full compliance with the commitment members should take actions to mobilize both public and private financing for infrastructure. These may include not only governments' direct funding or stimulating actions, but also creating conditions that are favorable to long-term investment financing.<sup>2423</sup>

The GII contains examples of policy actions that the G20 members agreed upon in order to lower barriers to investment, increase the availability of investment-ready projects, help match potential investors with projects and improve policy delivery, including through:

- developing a knowledge-sharing network to aggregate and share information on infrastructure projects and financing between governments, international organisations, development banks, national infrastructure institutions and the private sector;
- addressing key data gaps that matter to investors;
- developing effective approaches to implement the voluntary G20 Leading Practices on Promoting and Prioritising Quality Investment, including model documentation covering project identification, preparation and procurement;
- building the capacity of officials to improve institutional arrangements for infrastructure by sharing best practice approaches; and
- enhancing investment opportunities by developing a consolidated database of infrastructure projects, connected to national and relevant multilateral development bank databases, to help match potential investors with projects.<sup>2424</sup>

### Scoring Guidelines

-1	Member fails to take actions to mobilize long-term financing for infrastructure
0	Member takes actions to mobilize long-term financing for infrastructure from either private or public sources.
+1	Member takes actions to mobilize long-term financing for infrastructure from both private and public sources.

### Argentina: +1

Argentina has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term private financing for infrastructure.

On 24 November 2014, it was reported that Aeropuertos Argentina 2000 had announced the start of the construction of a new terminal at the airport Comodoro Rivadavia General Enrique Mosconi during the week before.<sup>2425</sup> The first phase of the project is worth about USD 1.7 million and is going to become one of the major private investments in airport infrastructure. The authorities of Argentina position airport

<sup>2422</sup> G20 Member Growth Strategies, Australian G20 Presidency. Access: 29 January 2015.

[http://www.g20australia.org/official\\_resources/current\\_presidency/growth\\_strategies](http://www.g20australia.org/official_resources/current_presidency/growth_strategies).

<sup>2423</sup> G20/OECD High-Level Principles of Long-Term Investment Financing by Institutional Investors, OECD September 2013.

Access: 22 January 2015. <http://www.oecd.org/finance/private-pensions/G20-OECD-Principles-LTI-Financing.pdf>.

<sup>2424</sup> The G20 Global Infrastructure Initiative, G20 Information Centre 14 November 2014. Access: 16 February 2015.

[http://www.g20.utoronto.ca/2014/g20\\_note\\_global\\_infrastructure\\_initiative\\_hub.pdf](http://www.g20.utoronto.ca/2014/g20_note_global_infrastructure_initiative_hub.pdf).

<sup>2425</sup> Argentina es el país que más invertirá en aeropuertos de la región, El Economista. 24 November 2014. Access: 7 April 2015.

<http://eleconomista.com.mx/industrias/2014/11/24/argentina-pais-que-mas-invertira-aeropuertos-region>.

infrastructure as one of the target fields for private investment (as in its comprehensive growth strategy presented at the Brisbane Summit), which might have fostered this investment.<sup>2426</sup>

On 11, 18, 28 May 2015 and 1 June 2015 Foro de la Infraestructura y la Construcción 2015 will be held in Rosario to foster infrastructural development and long-term (both private and public) investment in infrastructure.<sup>2427</sup>

On 7 January 2015, the Minister of Interior and Transportation of Argentina, Florencio Randazzo, visited the station Ing. Maschwitz and signed the award of rebuilding four stations of the diesel branch of the Mitre line. In addition, it was announced that since 1 March a new modern train will connect Buenos Aires with Rosario, the third largest city of the country.<sup>2428</sup> This step is a part of the state program of renovation of the Mitre line that is to cost the government USD 228.6 million.<sup>2429</sup>

On 11 February 2015, the website of the President of Argentina, Cristina Fernandez de Kirchner, announced that USD 15 million will be invested by the government in school infrastructure in 2015.<sup>2430</sup>

On 27 February 2015, it was announced that Argentina would invest USD 1.8 billion to build a pipeline to import Bolivian gas to supply its northeastern provinces. The new pipe will connect the existing pipeline network with the rural provinces of Salta, Santa Fe, etc. therefore significantly improving infrastructure in the region. The entire pipeline is due to be constructed by 2016. Not only the project mobilizes public financing for infrastructure in the next two years, but it might also lead to further long-term financing in the future.<sup>2431</sup>

From 22 to 24 April 2015, President Kirchner visited Russian Federation, where she signed a contract with Russian President Vladimir Putin, according to which Russia is to spend up to USD 10,000 million on infrastructure development in Argentina. For example, it will take part in the construction of the sixth block of Atucha nuclear power plant.<sup>24322433</sup>

International finance has also been drawn for other projects. On 14 July 2015, Argentina received a credit amounting to USD 150 mln from CAF Latin American Development Bank to strengthen its energy sector.<sup>2434</sup>

On 26 July 2015, it was announced that the construction of a new bridge on National Route 11 is to be finished soon.<sup>2435</sup>

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<sup>2426</sup> G20 Member Growth Strategies, Australian G20 Presidency. Access: 29 January 2015.

[http://www.g20australia.org/official\\_resources/current\\_presidency/growth\\_strategies](http://www.g20australia.org/official_resources/current_presidency/growth_strategies).

<sup>2427</sup> Acerca del Evento. Foro de la Infraestructura y la Construcción. Access: 1 May 2015. <http://fic2015.com.ar/index.php/acerca-del-evento>

<sup>2428</sup> El 1º de Marzo Volverá a Funcionar el Tren Buenos Aires - Rosario con Formaciones Okm, Ministerio del Interior y Transporte de Argentina. 7 January 2015. Access: 7 April 2015. <http://www.mininterior.gov.ar/prensa/prensa.php?i=3168>.

<sup>2429</sup> Renovación de la línea Mitre: 12 coches 0 km para el ramal Retiro-Tigre, Blog de Cristina Fernández de Kirchner. 26 November 2014. Access: 7 April 2015. <http://www.cfkargentina.com/renovacion-de-la-linea-mitre-12-coches-0-km-para-el-ramal-retiro-tigre/>.

<sup>2430</sup> Reparación y construcción de escuelas, equipamiento, infraestructura y playones deportivos, Blog de Cristina Fernández de Kirchner. 11 February 2015. Access: 7 April 2015. <http://www.cfkargentina.com/inversion-educacion-fondo-reparaciones-escuelas/>.

<sup>2431</sup> Argentina to invest \$1.8 bln in Bolivian pipeline, Interfax. 2 March 2015. Access: 7 April 2015.

<http://interfaxenergy.com/gasdaily/article/15412/argentina-to-invest-18-bln-in-bolivian-pipeline>.

<sup>2432</sup> Cristina apura contratos por obras millonarias con Rusia, Clarín. 4 April 2014. Access: 11 May 2015.

[http://www.ieco.clarin.com/economia/rusia-putin-cristina\\_kirchner-chihuidos-atucha\\_0\\_1333066741.html](http://www.ieco.clarin.com/economia/rusia-putin-cristina_kirchner-chihuidos-atucha_0_1333066741.html)

<sup>2433</sup> Cristina confirmó que Rusia construirá una central nuclear en el país, Clarín. 22 April 2015. Access 1 May 2015.

[http://www.clarin.com/politica/Cristina-confirmando-Rusia-construira-nuclear\\_0\\_1343865868.html](http://www.clarin.com/politica/Cristina-confirmando-Rusia-construira-nuclear_0_1343865868.html)

<sup>2434</sup> Nuevo préstamo del Banco de Desarrollo de América Latina para energía, Ministerio de Planificación de Argentina. 14 July 2015. Access: 11 October 2015. <http://www.minplan.gob.ar/noticia/21614/nuevo-prestamo-del-banco-de-desarrollo-de-america-latina-para-energia.html>

On 6 September 2015, the Ministry for Planification of Argentina announced the forthcoming completion of construction of a medical centre in Cañuelas that occupies 23,000 square meters and has costed the government over USD 352 mln. This project is to significantly enhance medical infrastructure in the region and will benefit around 5 mln people.<sup>2436</sup>

On 11 September 2015, government officials held a meeting with the representatives of telecommunications companies and agreed to increase investment in mobile telephony in 2015 and 2016 at least by USD 14.3 mln.<sup>2437</sup>

On 8 October 2015, it was announced that the 35000 km of REFEF0 Network together with the satellites ARSAT 1 and 2 recently launched by Argentina will provide access to telecommunications in all parts of Argentina.<sup>2438</sup>

On 9 October 2015, the start of the contest for aqueduct construction tender was announced. The total amount of the investment is reported to exceed USD 1.2 mln.<sup>2439</sup>In addition, Argentina continues mobilizing long-term public investment in accordance with its comprehensive growth strategy. One of the examples is the expansion of the Federal Optical Fiber Network (REFEF0) funded by the national Ministry for Planning. On 23 February 2015 the Municipality of Berazategui joined the network.<sup>2440</sup>

In addition, several airports have received modern airport pumpers (as the airport of San Juan on 11 December 2014<sup>2441</sup> or three other major airports on 27 November 2014<sup>2442</sup>) from the National Administration of Civil Aviation (a department of the Ministry of Interior and Transport).

During the compliance period Argentina has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Anton Markov*

## **Australia: +1**

Australia has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term financing for infrastructure from both public and private sources.

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<sup>2435</sup> Santa Fe: construcción del 5to puente en adecuación de RN 11, Ministerio de Planificación de Argentina. 26 July 2015. Access: 11 October 2015. <http://www.minplan.gov.ar/noticia/21751/santa-fe-construccion-del-5to-puente-en-adequacion-de-rn-11.html>

<sup>2436</sup> Avanzan las obras del Hospital Regional ubicado en Cañuelas, Ministerio de Planificación de Argentina. 6 September 2015. Access: 11 October 2015. <http://www.minplan.gov.ar/noticia/22580/avanzan-las-obras-del-hospital-regional-ubicado-en-canuelas.html>

<sup>2437</sup> Más inversiones de compañías de telefonía móvil en Lanús, Ministerio de Planificación de Argentina. 11 September 2015. Access: 11 October 2015. <http://www.minplan.gov.ar/noticia/22660/mas-inversiones-de-companias-de-telefonía-movil-en-lanus.html>

<sup>2438</sup> De Vido put into operation the fiber optic network in Formosa, Ministerio de Planificación de Argentina. 8 October 2015. Access: 11 October 2015. <http://www.minplan.gov.ar/noticia/23043/de-vido-puso-en-funcionamiento-la-red-de-fibra-optica-en-formosa.html>

<sup>2439</sup> La Presidenta y De Vido anunciaron llamado a licitación para el Acueducto del Norte de Santa Cruz, Ministerio de Planificación de Argentina. 9 October 2015. Access: 11 October 2015. <http://www.minplan.gov.ar/noticia/23074/la-presidenta-y-de-vido-anunciaron-llamado-a-licitacion-para-el-acueducto-del-norte-de-santa-cruz.html>

<sup>2440</sup> Municipio de Berazategui se suma a la Red Federal de Fibra Óptica, Ministerio de Planificación de Argentina. 23 February 2015. Access 7 April 2015. <http://www.minplan.gov.ar/noticia/19221/municipio-de-berazategui-se-suma-a-la-red-federal-de-fibra-optica.html>

<sup>2441</sup> El Aeropuerto de San Juan Recibió la Nueva Autobomba Aeroportuaria, Administración Nacional de Aviación Civil. Access 7 April 2015. <http://www.anac.gov.ar/anac/web/index.php/1/1064/noticias-y-novedades/el-aeropuerto-de-san-juan-recibi-la-nueva-autobomba-aeroportuaria>

<sup>2442</sup> Nuevas Autobombas Aeroportuarias en Tres Importantes Aeropuertos Nacionales, Administración Nacional de Aviación Civil. Access 7 April 2015. <http://www.anac.gov.ar/anac/web/index.php/1/1043/noticias-y-novedades/nuevas-autobombas-aeroportuarias-ltbr-gten-tres-importantes-aeropuertos-nacionales>

The Australian Government pledged to allocate AUD 300 million over the five years from 2014-15 to the Bridges Renewal Programme (BRP), aimed “to contribute to the productivity of bridges serving local communities, and facilitate higher productivity vehicle access.” The federal government is to contribute no more than 50 per cent of the total project cost through National Partnership Agreements to regional governments.<sup>2443</sup>

As a part of the long term government’s commitment to spend AUD 50 billion on infrastructure, announced in 2014, several initiatives are being implemented with multiple projects’ construction being funded through 2015-2016 FY. These initiatives include: the Asset Recycling Initiative, Black Spot Projects, Bridges Renewal Programme, Heavy Vehicle Safety and Productivity Programme, Roads to Recovery Programme, and National Highway Upgrade Programme<sup>2444</sup> covering construction of new highways, bridges, freight corridors, port facilities, tunnels, railways, enhancing existing roads’ safety, etc.<sup>2445</sup>

On 12 May 2015, Treasurer of the Commonwealth of Australia J.B. Hockey announced in his 2015 Budget Speech the government’s plans for infrastructure building for the following year. Mr. Hockey characterized these plans as “the biggest infrastructure programme in Australia’s history.” The plan provides for the construction of new transport infrastructure across the entire country. A new AUD 5 billion Northern Australia Infrastructure Facility was announced to develop Australia’s northern regions. The treasurer stated that the government would engage in cooperation with the private sector and regional governments “to provide large concessional loans for the construction of ports, pipelines, electricity and water infrastructure.”<sup>2446</sup>

On 14 June 2015, the completion of the Regional Rail Link was announced. According to the Deputy Prime Minister and Minister for Infrastructure and Regional Development Warren Truss, “Regional Rail Link removed major bottlenecks in Victoria’s rail network and significantly increased capacity for passengers in Melbourne’s west and Victoria’s major regional centres of Geelong, Ballarat and Bendigo.” The project was co-funded by the Australian Government investing AUD 2.7 billion, and the Victorian Government providing AUD 931 million.<sup>2447</sup>

On 3 July 2015, it was announced that the Australian Government will provide AUD 6.4 million to fund the AUD 8 million upgrade works on the Bruce Highway between the Pine River and the Caloundra Road interchange. The remaining AUD 1.6 million is provided by the Queensland Government.<sup>2448</sup>

On 8 July 2015, the works to upgrade and seal Carlyle Road, Sanatorium Road and Soldiers Road in Indigo Shire as a part of the Australian Government’s Indigo Shire Roads Package were completed. The government contributed the full project’s cost of AUD 1.84 million.<sup>2449</sup>

On 11 September 2015, the Deputy Prime Minister and Minister for Infrastructure and Regional Development Warren Truss participated in the official opening ceremony of the Lenox Bridge Portals, which

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<sup>2443</sup> Bridges Renewal Programme, Australian Government. Access: 14 May 2015.

<http://investment.infrastructure.gov.au/funding/Bridgesrenewal/Index.aspx>.

<sup>2444</sup> Infrastructure Investment, Australian Government. Access: 14 May 2015. <http://investment.infrastructure.gov.au/>.

<sup>2445</sup> New South Wales—Key Projects, Australian Government. Access: 14 May 2015.

[http://investment.infrastructure.gov.au/publications/policies/pdf/Infrastructure\\_Omnibus.pdf](http://investment.infrastructure.gov.au/publications/policies/pdf/Infrastructure_Omnibus.pdf).

<sup>2446</sup> Budget Speech 2015, Australian Government 12 May 2015. Access: 14 May 2015. <http://www.budget.gov.au/2015-16/content/speech/html/speech.htm>.

<sup>2447</sup> \$3.65 billion Regional Rail Link complete, Australia’s Minister for Infrastructure and Regional Development 14 June 2015. Access: 20 October 2015. [http://minister.infrastructure.gov.au/wt/releases/2015/June/wt174\\_2015.aspx](http://minister.infrastructure.gov.au/wt/releases/2015/June/wt174_2015.aspx).

<sup>2448</sup> \$8 million announced for Bruce Highway planning, Australia’s Minister for Infrastructure and Regional Development 3 July 2015. Access: 20 October 2015. [http://minister.infrastructure.gov.au/wt/releases/2015/July/wt198\\_2015.aspx](http://minister.infrastructure.gov.au/wt/releases/2015/July/wt198_2015.aspx).

<sup>2449</sup> Indigo Shire Roads Package, Department of Infrastructure and Regional Development. Access: 20 October 2015.

[http://investment.infrastructure.gov.au/projects/ProjectDetails.aspx?Project\\_id=051192-13VIC-NP](http://investment.infrastructure.gov.au/projects/ProjectDetails.aspx?Project_id=051192-13VIC-NP).

were constructed as a part of the Parramatta River City Renewal project. According to the Mr. Truss, Australian Government's contribution to the project amounted to AUD 3.75 million.<sup>2450</sup>

During the compliance period Australia has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

## **Brazil: +1**

Brazil has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term private financing for infrastructure.

On 19 December 2014, the Special Regime of Taxation of the National Broadband Plan (REPNBL), which will ensure about USD 3 billion of private investment was approved.<sup>2451</sup> REPNBL promotes the exemption of federal taxes on the construction of broadband networks. On 15 January 2015, it was published that in order to access the benefits, companies must submit the projects to the Ministry of Communications until June 2015 to be authorized by the IRS.<sup>2452</sup>

On 20 January 2015, it was announced that Brazilian Growth Acceleration Program aims to establish public-private partnership and promotes private participation in financing the largest investment projects such as Integração Projeto de Integração do Rio São Francisco, Morar Carioca — comunidade sustentável, Ferrovia Transcontinental and Metrô da Linha 6 de São Paulo.<sup>2453</sup>

On the 4 February 2015, the Diário Oficial da União released the tender for concession of the road batch of BR-101 / RJ between the President Costa e Silva Bridge (Niterói) and the RJ 071 (Red Line). The concession includes the operation, maintenance, monitoring, conservation and implementation of road system improvements in the segment.<sup>2454</sup>

On 12 February 2015, the Chief Minister of the National Secretariat of Ports, Edinho Araújo, highlighted the importance of private investments in the port sector. He held a meeting with businessmen where they discussed investment opportunities in the sector. According to the minister, in two years new Private Use Terminals (TUP) contracts will provide private investment of USD 4 billion.<sup>2455</sup>

On 18 September 2015, the government introduced a new Logistics Investment Program, which facilitates the participation of foreign construction companies in infrastructure projects.<sup>2456</sup>

Brazil has taken actions to mobilize long-term public financing for infrastructure.

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<sup>2450</sup> Parramatta's rich history continues with new Portals, Australia's Minister for Infrastructure and Regional Development 11 September 2015. Access: 20 October 2015.

[http://minister.infrastructure.gov.au/wt/releases/2015/September/wt284\\_2015.aspx](http://minister.infrastructure.gov.au/wt/releases/2015/September/wt284_2015.aspx).

<sup>2451</sup> Regime de Tributação em Banda Larga Garante Investimentos de R\$ 7,9 bi, Portal Brasil 19 December 2014. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2014/12/regime-de-tributacao-em-banda-larga-garante-investimentos-de-r-7-9-bi>

<sup>2452</sup> Portaria Reduz Exigências em Projetos Submetidos ao Regime Especial de Tributação, Portal Brasil 15 January 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/01/portaria-reduz-exigencias-em-projetos-submetidos-ao-regime-especial-de-tributacao>

<sup>2453</sup> Quatro Obras do PAC Estão Entre as 100 Mais Importantes do Mundo, Portal Brasil 20 January 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/01/quatro-obras-do-pac-estao-entre-as-100-mais-importantes-do-mundo>

<sup>2454</sup> ANTT Publica Edital e Define Data para Leilão da Ponte Rio-Niterói, Portal Brasil 4 February 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/02/antt-publica-edital-e-define-data-para-leilao-da-ponte-rio-niteroi>

<sup>2455</sup> Ministro Destaca Importância de Investimentos Privados no Setor Portuário, Portal Brasil 12 February 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/02/ministro-destaca-importancia-de-investimentos-privados-no-setor-portuario>

<sup>2456</sup> Novo Modelo de Concessões Deve Atrair Construtoras Pequenas, Médias e Estrangeiras, Portal Brasil 18 September 2015. Access: 11 October 2015. <http://www.brasil.gov.br/infraestrutura/2015/09/novo-modelo-de-concessoes-deve-atrair-construtoras-pequenas-medias-e-estrangeiras>

On 17 November 2014, the Minister of National Integration, Francisco José Teixeira declared that the construction of two dams in Acaraú basin and in Granja would be finished by the end of 2015.<sup>2457</sup>

On 20 November 2014, The Minister of Civil Aviation, Moreira Franco, said that subsidies for regional aviation are kept for next year. The government's plan includes the construction, expansion and reform of regional airports. The goal is also to create a national network of regional airports, so that 96% of the population live within 100 miles distance from any airport with regular flight. In 2015 about USD 4.3 billion will be allocated to the program.<sup>2458</sup>

On 2 December 2014, the National Department of Works Against Drought signed service contract for drilling and installation of over 40 public wells in eight cities in the state, benefiting over 40 communities with a total of approximately 200 families. It is one of four contracts for drilling and installation of 167 public wells, totaling USD 3.16 million within the Water for All programs and Civil Defense.<sup>2459</sup>

On 21 January 2015, it's announced that the National Department of Transport Infrastructure will implement a project of paving the 136 miles from the BR-235 which requires about USD 145 million. The work will facilitate access and integration of the Sergipe coast the densely populated interior regions of the north-northeast Brazil, similarly to Juazeiro-Petrolina pole.<sup>2460</sup>

On 27 February 2015, the wind farm Geribatu was opened in Santa Vitória do Palmar (RS). Investments in the wind farm and associated transmission systems were provided by the Growth Acceleration Program (CAP2) and amounted to USD 900 million.<sup>2461</sup>

On 28 February 2015, President Dilma Rousseff attended the inauguration of the wind farm Artilleros in Cologne 170 kilometers east of Montevideo (URU). The investments to the project from Brazil and Uruguay through partnership between Eletrobras and the National Administration of Power Plants and Electrical Transmissions amounted to USD 100 million. Part of the investments was funded by the Development Bank of Latin America.<sup>2462</sup> Moreover, it is expected that the energy interconnection between Brazil and Uruguay will have been launched by July.<sup>2463</sup>

On 19 August 2015, The Federal Savings Bank of Brazil and the German bank KfW Entwicklungsbank signed an agreement of partnership to finance sanitation projects infrastructure. It will increase the amount of investment in Brazilian infrastructure on a long-term basis.<sup>2464</sup>

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<sup>2457</sup> Ministro da Integração Diz que Novas Barragens Poderão ser Construídas no Ceará, Portal Brasil 18 November 2014. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2014/11/ministro-da-integracao-diz-que-novas-barragens-poderao-ser-construidas-no-ceara>

<sup>2458</sup> Subsídio para Aviação Regional Está Mantido para 2015, Diz Ministro, Portal Brasil 20 November 2014. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2014/11/subsidio-para-aviacao-regional-esta-mantido-para-2015-diz-ministro>

<sup>2459</sup> Piauí Receberá 29 Poços Públicos na Próxima Sexta, Portal Brasil 2 December 2014. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2014/12/piaui-recebera-29-pocos-publicos-na-proxima-sexta-5>

<sup>2460</sup> BR-235/BA: Obra Beneficiará Diretamente cerca de 600 Mil Habitantes, Brazilian Departamento Nacional de Infraestrutura de Transportes 21 January 2015. Access: 1 April 2015. <http://www.dnit.gov.br/noticias/br-235-ba-investimento-beneficiara-cerca-de-600-mil-habitantes-1/?searchterm=BR-235>

<sup>2461</sup> Parque Eólico Geribatu Será Inaugurado na Sexta no RS, Portal Brasil 26 February 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/02/parque-eolico-geribatu-sera-inaugurado-na-sexta-27-no-rs>

<sup>2462</sup> Dilma Comemora Integração Continental em Inauguração de Parque Eólico no Uruguai, Portal Brasil 28 February 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/02/dilma-comemora-integracao-continental-em-inauguracao-de-parque-eolico-no-uruguai>

<sup>2463</sup> Interligação Energética com Uruguai Deve Começar a Operar até Julho, Portal Brasil 2 March 2015. Access: 1 April 2015. <http://www.brasil.gov.br/infraestrutura/2015/03/interligacao-energetica-com-uruguai-deve-comecar-a-operar-ate-julho>

<sup>2464</sup> Brasil e Alemanha Firmam Parceria para Projetos Sustentáveis, Portal Brasil 19 August 2015. Access 11 October 2015. <http://www.brasil.gov.br/infraestrutura/2015/08/brasil-e-alemanha-firmam-parceria-para-projetos-sustentaveis>

On 30 September 2015, the federal government of Brazil authorized the release USD 92 million for the bus rapid transport project, in Campinas, through the Ministry of Cities. Other USD 54 million will be provided in a form of new credit line Pro-Transport.<sup>2465</sup>

During the compliance period Brazil has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Sergey Burok*

### **Canada: +1**

Canada has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term financing for infrastructure from both public and private sources.

The New Building Canada Plan is the long-term infrastructure plan providing stable funding for a 10-year period, including: the Community Improvement Fund which will provide over CAD 32 billion to municipalities for projects such as roads, public transit and recreational facilities, and other community infrastructure; a CAD 14-billion New Building Canada Fund; an additional CAD 1.25 billion in funding for the Public-Private Partnerships Canada Fund; CAD 6 billion in funding continues to flow across the country this year and beyond under existing infrastructure programs.<sup>2466</sup>

On 13 March 2015 Leona Aglukkaq, Minister of the Environment and Minister Responsible for Parks Canada announced CAD 20 million in new investments to National Parks and National Historic Sites. These investments are part of the CAD 2.8 billion to support infrastructure improvements to heritage, tourism, waterway and highway assets located within national historic sites, national parks, and national marine conservation areas across Canada.<sup>2467</sup>

During the compliance period Canada has taken actions to mobilize long-term financing for infrastructure from both private and public sources. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **China: +1**

China has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term financing for infrastructure from both public and private sources.

On 26 November 2014, the National Development and Reform Commission announced that China approved construction of four railway lines worth CNY 66.24 billion (USD 10.79 billion) to boost growth by infrastructure investment. The new railway lines will run in northeastern Jilin Province, southwestern Chongqing, Shaanxi Province and Inner Mongolia Autonomous Region.<sup>2468</sup>

On 4 December 2014, China Ministry of Finance launched 30 projects to solicit private capital in the form of a public-private partnership. These projects, worth a total of CNY 180 billion (USD 29.3 billion), include water and heating supply, sewer systems, garbage disposal, underground pipe networks, medical care, sports

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<sup>2465</sup> Governo Federal Libera R\$ 340 Milhões Para BRT de Campinas, Portal Brazil 30 September 2015. Access 11 October 2015. <http://www.brasil.gov.br/infraestrutura/2015/09/governo-federal-libera-r-340-milhoes-para-brt-de-campinas>

<sup>2466</sup> The New Building Canada Plan: The largest and longest federal infrastructure plan in Canadian history. Access: 21 April 2015. <http://www.infrastructure.gc.ca/plan/nbcp-npcc-eng.html>

<sup>2467</sup> Harper Government announces new investments to Parks Canada sites across New Brunswick. Access: 21 April 2015. [http://www.pc.gc.ca/apps/cp-nr/release\\_e.asp?id=2215&andor1=nr](http://www.pc.gc.ca/apps/cp-nr/release_e.asp?id=2215&andor1=nr)

<sup>2468</sup> China approves more railway projects, the State Council of the People's Republic of China 26 November 2014. Access: 21 April 2015. [http://english.gov.cn/news/top\\_news/2014/11/26/content\\_281475015673345.htm](http://english.gov.cn/news/top_news/2014/11/26/content_281475015673345.htm)

facilities and other urban infrastructure. Both domestic and foreign investors are welcome to participate in the construction and operation of these projects.<sup>2469</sup>

On 16 February 2015, the central bank of China stated that a Silk Road Fund designed to finance China-proposed “Belt and Road” initiatives begun operation. The Silk Road Fund Co., Ltd was established on 29 December 2014 in Beijing, after President Xi Jinping announced the creation of the USD 40 billion. The company was jointly funded by China’s foreign exchange reserves, China Investment Corporation, the Export-Import Bank of China and China Development Bank.<sup>2470</sup> The fund will invest in infrastructure and resources, as well as industrial and financial cooperation.<sup>2471</sup>

On 26 February 2015, the minister of industry of information technology, Miao Wei, said that China committed to increase internet infrastructure construction in 2015: “80 million homes will be hooked up to fiber optic connections and more than 600 000 base stations will be built nationwide to extend the 4G network so that it covers all counties and developed towns.” Deputy Secretary General of the Internet Society of China Network Shi Xiansheng said that improvements and cutting the price of internet access will stimulate new businesses and boost tertiary sectors, including e-commerce and Internet finance.<sup>2472</sup>

On 5 March 2015, Premier Li Keqiang during the opening meeting of the third session of China’s 12th National People’s Congress at the Great Hall of the People in Beijing stated in the government work report that China will invest more than CNY 1.6 trillion (USD 260 billion) in infrastructure, over CNY 800 billion (USD 130 billion) in railway construction and CNY 800 billion (USD 130 billion) in major water conservancy projects this year. Over 8,000 kilometres of railway track will be opened to traffic this year and construction on the 57 ongoing major water conservancy projects must be accelerated, adding that 27 more projects will start this year.<sup>2473</sup>

On 18 March 2015, Foreign Ministry spokesman Hong Lei told that China call on all countries to join the Asian Infrastructure Investment Bank (AIIB). The China-proposed AIIB, with an expected initial subscribed capital of USD 50 billion, will be an international financial institution to fund infrastructure projects in Asia. It is expected to be formally established by the end of 2015. Now already 31 countries applied to join as founding members. The bank will benefit developing Asian countries that lack infrastructure funds and will adopt the best practices of other multilateral development banks.<sup>2474</sup>

On 28 September 2015, the National Development and Reform Commission said that China approved three new railway projects worth CNY 109 billion (USD 17 billion). The projects include a CNY 13.7 billion railway running through the three southwestern provinces of Yunnan, Guizhou and Sichuan, a CNY 42.8 billion railway project in the eastern province of Jiangsu, and another one in central Hubei province entailing investment of CNY 52.7 billion.<sup>2475</sup>

During the compliance period China has taken actions to mobilize long-term financing for infrastructure from both private and public sources. Thus, it has been awarded a score of +1.

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<sup>2469</sup> China opens projects worth billions to private investors, the State Council of the People’s Republic of China 4 December 2014. Access: 21 April 2015. [http://english.gov.cn/state\\_council/ministries/2014/12/05/content\\_281475019529345.htm](http://english.gov.cn/state_council/ministries/2014/12/05/content_281475019529345.htm)

<sup>2470</sup> China’s \$40 bln Silk Road Fund starts operation, the State Council of the People’s Republic of China 16 February 2015. Access: 21 April 2015. [http://english.gov.cn/news/top\\_news/2015/02/16/content\\_281475056807589.htm](http://english.gov.cn/news/top_news/2015/02/16/content_281475056807589.htm)

<sup>2471</sup> China pools strength on Belt and Road strategy, the State Council of the People’s Republic of China 16 February 2015. Access: 21 April 2015. [http://english.gov.cn/news/top\\_news/2015/03/13/content\\_281475070545384.htm](http://english.gov.cn/news/top_news/2015/03/13/content_281475070545384.htm)

<sup>2472</sup> China to improve Internet infrastructure, the State Council of the People’s Republic of China 26 February 2015. Access: 21 April 2015. [http://english.gov.cn/news/top\\_news/2015/02/27/content\\_281475062454630.htm](http://english.gov.cn/news/top_news/2015/02/27/content_281475062454630.htm)

<sup>2473</sup> China Focus: Infrastructure investment to offset growth slowdown, the Ministry of Water Resources of the People’s Republic of China 5 March 2015. Access: 21 April 2015. [http://www.mwr.gov.cn/english/Medianews/201503/t20150309\\_626966.html](http://www.mwr.gov.cn/english/Medianews/201503/t20150309_626966.html)

<sup>2474</sup> China calls on countries interested in AIIB to join by March 31, the State Council of the People’s Republic of China 18 March 2015. Access: 22 April 2015. [http://english.gov.cn/state\\_council/ministries/2015/03/19/content\\_281475073943970.htm](http://english.gov.cn/state_council/ministries/2015/03/19/content_281475073943970.htm)

<sup>2475</sup> [http://www.eguizhou.gov.cn/2015-10/02/content\\_22132738.htm](http://www.eguizhou.gov.cn/2015-10/02/content_22132738.htm)



**France: 0**

France has partially complied with the commitment on infrastructure. France has taken actions to mobilize long-term financing for infrastructure from public sources but not to mobilize long-term financing for infrastructure from private sources.

On 11 December 2014, Secretary of State for Transport, Sea and Fisheries presented the Seine-Nord Europe Canal project. The realization of this major project will begin in 2017 and require close partnership with local actors, as well as major financial support.<sup>2476</sup>

During the compliance period France has taken actions to mobilize long-term financing for infrastructure from public sources. Thus, it has been awarded a score of 0.

*Analyst: Vitaly Nagornov*

**Germany: +1**

Germany has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term private financing for infrastructure.

On 17 December 2014, the Federal Cabinet adopted a draft bill “Introduction of an infrastructure charge for the use of federal highways” proposed by Federal Transport Minister Alexander Dobrindt.<sup>2477</sup> An additional fee is aimed at domestic- as well as foreign-registered vehicles and is supposed to raise up to EUR 3.7 billion private finance for home infrastructure projects annually. The construction and operation of a system for payment of the infrastructure charge shall be entrusted to a private operator. On 8 May 2015, the bill passed through the Bundesrat and thus, the parliamentary process of adoption was complete.<sup>2478</sup> The law is to be put into force in 2016.

On 17 March 2015, Wolfgang Schäuble, German Finance Minister, announced that Germany, with France and Italy, would become a founding member of the Asian Infrastructure Investment Bank.<sup>2479</sup> As it is widely known, “multilateral development banks play a critical role in attracting private infrastructure investment to developing countries by contributing their own funding, bringing financing partners into specific deals (through syndications or co-financing), and by using risk guarantees and other tools.”<sup>2480</sup>

On 30 April 2015, a New Generation of PPP-projects (public private partnership) was announced jointly by Federal Transport Minister Alexander Dobrindt and German Finance Minister Wolfgang Schäuble. Among the primary changes are the redesign of the transport infrastructure financing, optimization of the compensation mechanism and a broader scope of public-private partnerships. The list of planned activities already contains 10 projects which in total account for EUR 7 billion of construction costs. Maintenance and operating measures costs amount to additional EUR 7 billion.<sup>2481</sup> The initiative was launched with the first

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<sup>2476</sup> Canal Seine Nord Europe : l’Etat et les acteurs territoriaux se réunissent. Access: 22 May 2015. <http://www.developpement-durable.gouv.fr/Canal-Seine-Nord-Europe-l-Etat-et.html>

<sup>2477</sup> Infrastrukturabgabe ist fair, sinnvoll, gerecht, Bundesministerium für Verkehr und Digitale Infrastruktur 17 Dezember 2014. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=151150>.

<sup>2478</sup> Dobrindt: Infrastrukturabgabe passiert Bundesrat, Bundesministerium für Verkehr und Digitale Infrastruktur 8 May 2015. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=156642>.

<sup>2479</sup> 3 European Powers Say They Will Join China-Led Bank, The New York Times 17 March 2015. Access: 9 April 2015. <http://nyti.ms/18WEHrs>.

<sup>2480</sup> How To Stop Worrying And Love The Asian Infrastructure Investment Bank, The Washington Post 6 April 2015. Access: 9 April 2015. <http://www.washingtonpost.com/blogs/monkey-cage/wp/2015/04/06/how-to-stop-worrying-and-love-the-asian-infrastructure-investment-bank/>.

<sup>2481</sup> Bund startet Neue Generation von ÖPP-Projekten, Bundesministerium für Verkehr und Digitale Infrastruktur 30 April 2015. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=156300>.

project of motorway A 10 / A 24 expansion presented by Minister Dobrindt on the Future Forum for Infrastructure on 29 May 2015.<sup>2482</sup>

Germany has taken actions to mobilize long-term public financing for infrastructure.

On 21 November 2014, State Secretary at Federal Ministry of Transport and Digital Infrastructure, Rainer Bomba, and the State Secretary at the Ministry of Transport of Hessen, Mathias Samson, opened the reconstruction of the viaduct Marbach. The government invested EUR 43 million in the project.<sup>2483</sup>

On 24 November 2014, Parliamentary State Secretary at Federal Ministry of Transport and Digital Infrastructure, Dorothee Bär, jointly with the Minister of Transport and Infrastructure of Baden-Württemberg, Winfried Hermann, introduced a four-lane construction of the federal highway 31 between Immenstaad and Friedrichshafen / Waghershausen. The government invested EUR 100 million in the project.<sup>2484</sup> The aim is to increase road safety, reduce traffic, noise and air pollution in the region.

On 28 November 2014, the Bundestag approved the budget of Ministry of Transport and Digital Infrastructure for 2015. It is the largest investment budget in the federation. Compared to 2014, total expenditures had increased by around EUR 420 million.<sup>2485</sup>

On 12 December 2014, the Ministry of Transport and Digital Infrastructure accounted for EUR 40 million for the reconstruction of the main railway station in Augsburg. Previously it had been included in the federal program for the Community Transport Financing Act (GVFG). With this program, the federal government is promoting the expansion of public transport in the states.<sup>2486</sup>

On 12 December 2014, Anak Ferlemann, Parliamentary State Secretary at Ministry of Transport, jointly with Secretary of State at Ministry of Economic Affairs, Labour and Transport, Daniela Behrens, made ceremony for the construction of the northern bypass Nordhorn. The government invested EUR 30 million.<sup>2487</sup>

On 12 January 2015, Alexander Dobrindt, Federal Minister of Transport and Digital Infrastructure, announced a new service and financing agreement (LuFV II) to modernize the rail network. Previously the Budgetary and Transport Committee of the German Parliament had approved the agreement. The record sum of EUR 28 billion was allotted to modernize rail infrastructure.<sup>2488</sup>

On 30 April 2015, Wolfgang Schäuble, Federal Minister of Finance, and Alexander Dobrindt, Federal Minister of Transport and Digital Infrastructure announced a so-called “New Generation” of PPP projects in Federal German road construction. The “New Generation” currently consists of eleven projects with a total investment volume of approx. EUR 15 billion.<sup>2489</sup>

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<sup>2482</sup> Dobrindt startet Neue Generation ÖPP, Bundesministerium für Verkehr und Digitale Infrastruktur 29 May 2015. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=158134>.

<sup>2483</sup> Bomba: Talbrücke Marbach An Der A 45 Wird Fit Für Die Zukunft Gemacht, Bundesministerium für Verkehr und Digitale Infrastruktur 21 November 2014. Access: 9 April 2015. <http://www.bmvi.de/goto?id=147710>.

<sup>2484</sup> Bär: Bund Investiert 100 Millionen Euro In Den Neubau Der B 31 Bei Friedrichshafen, Bundesministerium für Verkehr und Digitale Infrastruktur 24 November 2014. Access: 9 April 2015. <http://www.bmvi.de/goto?id=147824>.

<sup>2485</sup> Investitionen Auf Dem Weg Zum Rekordniveau, Bundesministerium für Verkehr und Digitale Infrastruktur 24 November 2014. Access: 9 April 2015. <http://www.bmvi.de/goto?id=150554>.

<sup>2486</sup> Bahnhofsumbau Wird Aus Dem GVFG-Bundesprogramm Gefördert, Bundesministerium für Verkehr und Digitale Infrastruktur 12 December 2014. Access: 9 April 2015. <http://www.bmvi.de/goto?id=150824>.

<sup>2487</sup> B 403/ B 213: Erster Spatenstich für die Nordumgehung Nordhorn, Bundesministerium für Verkehr und Digitale Infrastruktur 12 December 2014. Access: 9 April 2015. <http://www.bmvi.de/goto?id=150834>.

<sup>2488</sup> 28 Milliarden Euro Für Das Schienennetz -

Dobrindt und Grube Unterzeichnen Neue LUFV, Bundesministerium für Verkehr und Digitale Infrastruktur 12 January 2015. Access: 9 April 2015. <http://www.bmvi.de/goto?id=151652>.

<sup>2489</sup> Germany wants private investors to help build roads, Reuters 30 April 2015. Access: 28 August 2015. <http://www.reuters.com/article/2015/04/30/germany-infrastructure-idUSL5N0XR5P120150430>.

On 16 June 2015, the Federal Ministry Of Transport And Digital Infrastructure received a green light from the EU-Commission to provide faster Internet access in Germany.<sup>2490</sup> Minimum 50 Mbit per second connection must be provided throughout Germany by 2018. A total of EUR 1.4 billion is already set for the expansion of fast Internet in the next year budget.

On 16 June 2015, the sum of EUR 112 million was provided by the Federal Ministry Of Transport And Digital Infrastructure for the construction of a new S-Bahn line Rhine-Main, Frankfurt-Airport — Frankfurt-Stadium (Gateway Gardens).<sup>2491</sup> The line was included into the federal program for the Municipal Transport Financing Act (GVFG). With this program the BMVI promotes the expansion of public transport to the federal lands.

On 26 June 2015, The Federal Government and the Land Baden-Württemberg agreed on environmental and human friendly route of highway between Offenburg and Basel that guarantees a high level of protection of local residents against noise and vibrations.<sup>2492</sup> Secretary Odenwald and Minister Hermann stressed that compared to the original plan, significant additional funds are provided. The federal government extra costs amount to almost EUR 1.2 billion for the construction of freight tunnel under Offenburg.

On 20 July 2015, a new significant investment package with construction authorization was presented by Minister Dobrindt.<sup>2493</sup> The value of the package totals EUR 2.7 billion. Among them EUR 1.5 billion are allotted for closing gaps, EUR 700 million — for urgent new projects and EUR 500 million — for modernization. This additional finance comes from the budget and truck-toll.

On 1 September 2015, a groundbreaking ceremony for the construction of a bypass around Oberau was held by Minister Dobrindt.<sup>2494</sup> The four-lane bypass is 4.2 kilometers long and involves an approximately three-kilometer tunnel. The Federal Ministry is investing around EUR 200 million in the project.

During the compliance period Germany has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Sergei Titov*

### **India: +1**

India has fully complied with the commitment on infrastructure.

At the Brisbane Summit, the individual growth strategy was defined for India. As for infrastructure, India pledged to set up public-private partnership (PPP) institute in order to finance and mainstream PPPs.<sup>2495</sup>

India has taken actions to mobilize long-term private financing for infrastructure.

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<sup>2490</sup> EU-Kommission genehmigt neue Rahmenregelung, Bundesministerium für Verkehr und Digitale Infrastruktur 15 June 2015. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=158788>.

<sup>2491</sup> Bund gibt 112 Millionen für neue S-Bahn in Frankfurt, Bundesministerium für Verkehr und Digitale Infrastruktur 16 June 2015. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=158842>.

<sup>2492</sup> Historische Entscheidung im Projektbeirat für den Ausbau der Rheintalbahn, Bundesministerium für Verkehr und Digitale Infrastruktur 26 June 2015. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=159598>.

<sup>2493</sup> Deutschlands Infrastruktur wird modernisiert, Bundesministerium für Verkehr und Digitale Infrastruktur 20 July 2015. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=161398>.

<sup>2494</sup> Dobrindt: Ein Jahrhunderttag für Oberau, Bundesministerium für Verkehr und Digitale Infrastruktur 1 September 2015. Access: 11 Oktober 2015. <http://www.bmvi.de/goto?id=163914>.

<sup>2495</sup> Comprehensive Growth Strategy: India. G20 Member Growth Strategies, Australian G20 Presidency 15-16 November 2014. Access: 11 October 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_india\\_0.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_india_0.pdf).

On 15 December 2014, Shri Dhamendra Pradhan, Minister of Petroleum and Natural Gas of India, stated that 11,900 out of 15,000 planned additional km of gas pipelines were already authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) and 1,200 more were under review.<sup>2496</sup>

On 8 January 2015, Arun K. Tripathi, Energy Director at the Ministry of New and Renewable, at the meeting with the officials of nationalized public sector and private sector banks, international financial institution and other government agencies invited the representatives of financial institutions to finance solar rooftop projects through Solar Entrepreneurship scheme.<sup>2497</sup>

On the 18 February 2015 The Road Transport and Highway Ministry informed the private sector investors about the creation of the so called “hybrid PPP model,” which implies that 40% of the funds for building a new highway will be raised from the government; the rest will be paid by private developers. The Highway Ministry Secretary Vijay Chhibber indicated that the PPP model, which was used earlier and required 100% private financing failed as the slowdown appeared in the economy.<sup>2498</sup>

On 28 February 2015, in his Budget Speech in the Parliament, the Finance Minister Shri Arun Jaitley said that the Tax “pay through” scheme will be introduced for alternative investment funds, according to which the tax will not be paid by the fund itself but by investors. This is said to be done to spur investment including infrastructure investment. The 3P model is used to build a new capital in Andhra Pradesh state. For this purpose an additional investment allowance of 15% and additional depreciation of 15% to new manufacturing units set up in notified areas are laid out in the budget.<sup>2499</sup>

On 8 March 2015, during the meeting of the Fourteenth Finance Commission with the Indian Parliament the Budget 2015-2016 was presented. Later Infrastructure and PPP division of NITI, — National Institution for Transforming India of the Government of India, — published a note, describing the actions made by the Indian government to strengthen PPP policy. It is reported that the Indian Union Budget for the years 2014-2015 assumed the allocation of funds with the corpus of RS 5 billion for establishing “3P India” institution.<sup>2500</sup>

India has taken actions to mobilize long-term public financing for infrastructure.

On 21 January 2015, Prime Minister Shri Narendra Modi chairing the meeting on the Goal of “Housing for All” by the year of 2022 finalized the contours of the mission aimed at building houses and providing electricity supply and access.<sup>2501</sup> The program prioritizes rural areas inhabitants, which is one of India’s commitments according to Individual Strategy.<sup>2502</sup>

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<sup>2496</sup> Answer on Starred Question No 309, Ministry of Petroleum and Natural Gas, Government of India 15 December 2014. Access: 11 October 2015. <http://164.100.47.132/LssNew/psearch/QResult16.aspx?qref=9824>.

<sup>2497</sup> Ministry of New and Renewable Energy (Grid Connected Rooftop Solar Power Division) Office Memorandum, Ministry of New and Renewable Energy Government of India 9 February 2015. Access: 11 October 2015. <http://mnre.gov.in/file-manager/UserFiles/MoM-grid-connected-solar-rooftop-09022015.pdf>.

<sup>2498</sup> Highways ministry to attract investors with ‘hybrid PPP’ model, Hindustan Times 18 February 2015. Access: 11 October 2015. <http://www.hindustantimes.com/business-news/highways-ministry-to-attract-investors-with-hybrid-ppp-model/article1-1318285.aspx>.

<sup>2499</sup> General Budget 2015-16, Highlights and Summary, Press Information Bureau, Government of India 28 February 2015. Access: 11 October 2015. <http://pib.nic.in/budget2015/budgetdoc/gbEngRelease.pdf>.

<sup>2500</sup> Investment in Infrastructure: Strengthening PPP policy framework, NITI AAYOG, Government of India. Access: 11 October 2015. [http://niti.gov.in/mgov\\_file/NITI%20Brief5.pdf](http://niti.gov.in/mgov_file/NITI%20Brief5.pdf).

<sup>2501</sup> PM reviews preparations for “Housing for All”, PM official web site, 21 January 2015. Access: 11 October 2015. [http://pmindia.gov.in/en/news\\_updates/pm-reviews-preparations-for-housing-for-all/](http://pmindia.gov.in/en/news_updates/pm-reviews-preparations-for-housing-for-all/).

<sup>2502</sup> Comprehensive Growth Strategy: India. G20 Member Growth Strategies, Australian G20 Presidency 15-16 November 2014. Access: 11 October 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_india\\_0.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_india_0.pdf).

On 23 February 2015, the President of India, Shri Pranab Mukherjee in his speech at the Joint Session of both Houses of Parliament talking about actions of the Indian Government aimed at promoting shipping industry noted that the development of National Waterways is arranged through “Jal Marg Vikas” project.<sup>2503</sup> The project envisages to develop a 3m depth 1,620 kms length fairway between Allahabad to Haldia, enabling commercial navigation of at least 1500 ton vessels. The estimated costs of the project count USD 650,000.<sup>2504</sup>

On 28 February 2015, in his Budget Speech in the Parliament, the Finance Minister Shri Arun Jaitley said that the Delhi-Mumbai Industrial Corridor (an infrastructure project to create “Smart Cities”) received USD 193.11 million in the current year. He added that the Ahmedabad-Dholera investment region in Gujarat and the Shendra-Bidkin Industrial park near Aurangabad, in Maharashtra, are ready to commence the work on basic infrastructure.

In presenting the general budget Jaitley emphasized that this year there will be an increase in infrastructure investment by USD 11.2 billion, including the support to the railways by USD 3.85 billion. The National Investment and Infrastructure Fund will be set up with an initial amount of USD 3.2 billion. It was also proposed to set up “plug-and game” infrastructure projects. The Rural Infrastructure Development Fund is planned to be set up this year; for this purpose USD 4 million will be allocated from the budget.<sup>2505</sup>

Moreover, The Finance Minister noted that the resources for 4 Infrastructure Development Funds will be allocated from the National Budget, namely, Rural Infrastructure Development Fund, Long Term Rural Credit Fund, Short Term Co-operative Rural Credit Refinance Fund, Short Term RRB Refinance Fund. The funds will receive finance with a corpus of USD 3.86 billion, USD 2.32 billion, USD 6.95 billion, USD 2.32 billion respectively (in accordance with INR-USD exchange rate as of 11 October 2015).<sup>2506</sup>

On 6 May 2015, Government of India announced its approval for Real Estate Investment Trust, the introduction of which was proposed by the Finance Minister in his Budget Speech, to act as an eligible financial instrument, reducing pressure on banking system.<sup>2507</sup>

On 16 June 2015, the Reserve Bank of India published the results of the on-going assessment of Basel III implementation by India. The standards adopted by RBI in respect of risk-based capital requirements were ranked as “compliant,” the Liquidity Coverage Ratio were assessed as “largely compliant.”<sup>2508</sup> According to Indian Individual Growth Strategy, acting in compliance with Basel III rules might act as a spur for long-term bank lending to infrastructure sector.<sup>2509</sup>

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<sup>2503</sup> Address by the President of India, Shri Pranab Mukherjee to the Joint Session of both houses of Parliament, Press Information Bureau, Government of India 23 February 2015. Access: 11 October 2015. <http://pib.gov.in/newsite/erelease.aspx?relid=115678>.

<sup>2504</sup> Jal Marg Vikas, Government of India, Ministry of Shipping, Press Information Bureau 19 March 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=117401>.

<sup>2505</sup> General Budget 2015-16, Highlights and Summary, Press Information Bureau, Government of India 28 February 2015. Access: 11 October 2015. <http://pib.nic.in/budget2015/budgetdoc/gbEngRelease.pdf>.

<sup>2506</sup> Union Budget 2015-16: List of Monetary Allocations to various sectors, Indiatoday 28 February 2015. Access: 11 October 2015. <http://indiatoday.intoday.in/education/story/union-budget-2015-16-list-of-allocations-to-various-sectors/1/421574.html>.

<sup>2507</sup> Introduction of Real Estate Investment Trusts (REITs) as an eligible financial instrument, Press Information Bureau, Government of India 6 May 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=121308>.

<sup>2508</sup> Basel III implementation assessments of India published by Basel Committee, Reserve Bank of India 16 June 2015. Access: 11 October 2015. [https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=34194](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=34194).

<sup>2509</sup> Comprehensive Growth Strategy: India. G20 Member Growth Strategies, Australian G20 Presidency 15-16 November 2014. Access: 11 October 2015.

[http://www.g20australia.org/sites/default/files/g20\\_resources/library/g20\\_comprehensive\\_growth\\_strategy\\_india\\_0.pdf](http://www.g20australia.org/sites/default/files/g20_resources/library/g20_comprehensive_growth_strategy_india_0.pdf).

On 23 July 2015, the Prime Minister Shri Narendra Modi announced the launching of “Deen Dayal Upadhyaya Gram Jyoti Yojan,” the scheme that is to provide sustainable and constant supply of power in rural areas and can be considered as rural infrastructure initiative.<sup>2510</sup>

During the compliance period India has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Anastasiia Matiukhina*

### **Indonesia: +1**

Indonesia has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term private financing for infrastructure.

On 23 January 2015, Indonesian ministry of finance announced its plans to spend USD 1.63 billion to transform the state-owned financing company Sarana Multi Infrastruktur into an infrastructure bank. The new bank will help attract infrastructure investment from private sources and state-owned enterprises.<sup>2511</sup>

On 20 January 2015, Indonesian government announced its plans to contribute IDR 48 trillion (about USD 3.8 billion) to increase the capital of several state enterprises. State-owned enterprises minister Rini Soemarno mentioned that this capital injection is aimed at expanding the businesses and making them support the government’s infrastructure plans.<sup>2512</sup>

Indonesia has taken actions to mobilize long-term public financing for infrastructure.

On 25 November 2014, Indonesian minister of national development planning Andrinof Chaniago presented the government’s five-year plan aimed at strengthening economic growth in the long term. The plan provides for USD 450 billion of infrastructure investment from the national budget in 2015-2019.<sup>2513</sup>

In 2015-2016, as reported by the Indonesia Investment Coordinating Board, the government plans to implement 17 large infrastructure projects based on the PPP scheme.<sup>2514</sup>

In 2015, Indonesian government continued the implementation of three large infrastructure projects in Jakarta, including the construction of two non-toll flyover roads, the new Priok port and the Mass Rapid Transit system.<sup>2515</sup>

During the compliance period Indonesia has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

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<sup>2510</sup> Prime Minister to Launch Deendayal Upadhyaya Gram Jyoti Yojana in Patna, Ministry of Power, Government of India 23 July 2015. Access: 11 October 2015. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=123595>.

<sup>2511</sup> Update on Infrastructure Development in Indonesia under Joko Widodo, Indonesia Investments 23 January 2015. Access date: 17 April 2015. <http://www.indonesia-investments.com/business/business-columns/update-on-infrastructure-development-in-indonesia/item5247>.

<sup>2512</sup> Rp 48t stimulus to help state firms back govt’s infrastructure push, The Jakarta Post 20 January 2015. Access date: 17 April 2015. <http://www.thejakartapost.com/news/2015/01/20/rp-48t-stimulus-help-state-firms-back-govt-s-infrastructure-push.html>.

<sup>2513</sup> Propelling Indonesia’s Infrastructure Development, DBS Bank 26 November 2014. Access date: 17 April 2015. [http://www.dbs.com/in/personal/aics/GenericArticle.page?dcrPath=templatedata/article/generic/data/en/GR/112014/141126\\_economics\\_propelling\\_indonesia\\_infrastructure\\_development.xml](http://www.dbs.com/in/personal/aics/GenericArticle.page?dcrPath=templatedata/article/generic/data/en/GR/112014/141126_economics_propelling_indonesia_infrastructure_development.xml).

<sup>2514</sup> Infrastructure Projects and Special Economic Zones in Indonesia, Ministry of Foreign Affairs of Indonesia. Access date: 17 April 2015. [http://www.kemlu.go.id/kuwaitcity/Documents/PPP%20Infrastructure%20projects%20and%20Special%20Economic%20Zones%20in%20Indonesia%20\(BKPM%202015\).pdf](http://www.kemlu.go.id/kuwaitcity/Documents/PPP%20Infrastructure%20projects%20and%20Special%20Economic%20Zones%20in%20Indonesia%20(BKPM%202015).pdf).

<sup>2515</sup> Public Projects, Indonesia Investments 2015. Access date: 21 October 2015. <http://www.indonesia-investments.com/projects/public-projects/item72>.

## Italy: +1

Italy has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term public financing for infrastructure.

On 30 January 2015, it was announced that Maurizio Lupi, the Italian Minister of Infrastructure and Transport, signed a decree towards the implementation of the “Sblocca Italia” law, allocating additional EUR 100 million for infrastructure projects in the municipalities with less than 5,000 inhabitants. This action increased the investment in small communities’ infrastructure in Italy up to EUR 250 million.<sup>2516</sup>

On 24 February 2015, Maurizio Lupi, the Italian Minister of Infrastructure and Transport, and Alain Vidalies, the French Secretary of State for Transport, signed an agreement to begin the construction of the high-speed Lyon-Turin railway. Public Promoter Telt (Tunnel Euralpin Lyon Turin), created on the previous day owned 50 percent each by the Italian State Railways and France will supervise the construction and operation of the future line. The total cost of the cross-border section is EUR 8.6 billion (at 2012 values), to be divided between France, Italy and the EU under the agreement of 30 January 2012.<sup>2517</sup>

On 26 February 2015, Maurizio Lupi, the Italian Minister of Infrastructure and Transport, presented 71 infrastructure projects worth EUR 6.822 billion to the European Commission, requesting EUR 2.471 billion investment from the EU. The projects, covering railways, motorways, port infrastructure, waterways, etc., are to be completed by 2020.<sup>2518</sup>

On 17 March 2015, it was announced that the Italian Minister of Infrastructure and Transport Maurizio Lupi signed a decree which allocated EUR 100 million for new infrastructure projects in small communities. According to the decree the municipalities under 5,000 inhabitants are eligible for investments from 100 to 400,000 euro. This will allow to implement from 250 to 1000 new projects adding to the 293 already funded by the “6000 campanili” program, approved in September 2014.<sup>2519</sup>

On 17 March 2015, the Minister of Infrastructure and Transport Maurizio Lupi signed a decree allocating EUR 50 million to for urgent hydrogeological actions to alleviate the consequences of natural disasters. Of the EUR 50 million, EUR 18 million are channeled to the Southern regions and EUR 4 million to the municipality of Cesenatico, devastated by the flood in February 2015.<sup>2520</sup>

On 10 April 2015, Italian Government approved the 2015 Economic and Financial Document, with the Program of Strategic Infrastructure prepared by the Ministry of Infrastructure and Transport as an annex. The Program designates three main areas: improving railway services, strengthening urban road networks to reduce traffic congestion, and improving the competitiveness of the port system, through construction of new infrastructure facilities. The Program also contains a list of infrastructure projects proposed to the European Commission for joint implementation by 2020, amounting to EUR 7.009 million.<sup>2521</sup>

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<sup>2516</sup> Programma 6000 Campanili, Lupi: altri 100 milioni ai piccoli comuni, 293 le opere finanziate, Italian Ministry of Infrastructure and Transport 30 January 2015. Access: 17 May 2015. <http://www.mit.gov.it/mit/site.php?p=cm&o=vd&id=3712>.

<sup>2517</sup> Promoter for Lyon-Turin HSR, Tunnelbuilder 24 February 2015. Access: 17 May 2015. <http://tunnelbuilder.com/News/Promoter-for-Lyon-Turin-HSR-2.aspx>.

<sup>2518</sup> Bandi europei TEN-T: Lupi presenta a Bruxelles 71 progetti infrastrutturali con richiesta di finanziamenti per 2 miliardi e 471 milioni di euro, Italian Ministry of Infrastructure and Transport 26 February 2015. Access: 17 May 2015. <http://www.mit.gov.it/mit/site.php?p=cm&o=vd&id=3764>.

<sup>2519</sup> 100 milioni di euro per nuove opere infrastrutturali nei piccoli comuni, Italian Ministry of Infrastructure and Transport 17 March 2015. Access: 17 May 2015. <http://www.mit.gov.it/mit/site.php?p=cm&o=vd&id=3782>.

<sup>2520</sup> Dissesto idrogeologico – Il ministro Lupi firma il decreto che ripartisce 50 milioni per interventi urgenti, Italian Ministry of Infrastructure and Transport 17 March 2015. Access: 17 May 2015. <http://www.mit.gov.it/mit/site.php?p=cm&o=vd&id=3327>.

<sup>2521</sup> Documento di Economia e Finanza 2015, Programma delle infrastrutture strategiche del Ministro delle infrastrutture e dei trasporti, Italian Ministry of Economy and Finance. Access: 17 May 2015. [http://www.dt.tesoro.it/modules/documenti\\_it/analisi\\_progammazione/documenti\\_programmatici/Allegato\\_infrastrutture.pdf](http://www.dt.tesoro.it/modules/documenti_it/analisi_progammazione/documenti_programmatici/Allegato_infrastrutture.pdf).

On 20 April 2015, Terminal 1 of the Malpensa airport in Milan opened after reconstruction, funded by the EUR 30 million from the Government. The new Minister of Infrastructure and Transport Graziano Delrio participating in the ceremony stated that the airport was one of the primary gateways to Italy.<sup>2522</sup>

On 6 August 2015, National Plan against Floods for 2015-2020 was presented by Italian Minister of the Environment Gian Luca Galletti and Minister of Infrastructure and Transport Graziano Delrio.<sup>2523</sup> The plan provides for a EUR 1.33 billion spending on preventive infrastructure measures aimed to counter the threat of floods in the most vulnerable cities.<sup>2524</sup>

Italy has taken action to mobilize long-term private financing for infrastructure during the monitoring period.

On 2 October 2015, the Italian Council of Ministers approved the strategy to improve broadband infrastructure countrywide, in coherence with the European Digital Agenda. The new strategy provides for the mix of private and public investment aiming to bridge the gap in digital services availability in Italy.<sup>2525</sup>

During the compliance period Italy has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Japan: +1**

Japan has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term financing for infrastructure from private sources.

In 2015, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Narita International Airport Company and private transportation companies will jointly work in the Liaison Council to improve the accessibility at Narita Airport, looking ahead to the 2020 Tokyo Olympic and Paralympics Games as well.<sup>2526</sup>

Japan has taken actions to mobilize long-term financing for infrastructure from public sources.

Japan is planning investment in infrastructure in Asia in close collaboration with public and private sectors.<sup>2527</sup> The initiative is estimated at USD 800 billion per year. The Japan-led Asian Development Bank ADB estimates the region's infrastructure financing needs will exceed USD 8 trillion in 2020. Japan will provide resources to promote innovative infrastructure technologies through "new cooperative framework" between the Japan International Cooperation Agency, the country's foreign aid agency, and the ADB to strengthen public-private partnerships.<sup>2528</sup>

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<sup>2522</sup> Malpensa, il Ministro inaugura il restyling, Italian Ministry of Economy and Finance 20 April 2015. Access: 17 May 2015. <http://www.mit.gov.it/mit/site.php?p=cm&o=vd&id=3835>.

<sup>2523</sup> Dissesto idrogeologico. A Palazzo Chigi il via al piano di oltre 100 cantieri contro le alluvioni, Italian Government 6 August 2015. Access: 20 October 2015. <http://www.governo.it/Notizie/Presidenza/dettaglio.asp?d=79091>.

<sup>2524</sup> #italiasicura il Governo contro il dissesto idrogeologico, Italian Government 6 August 2015. Access: 20 October 2015. <http://www.governo.it/backoffice/allegati/79091-10465.pdf>.

<sup>2525</sup> Banda ultralarga e crescita digitale: approvati i Piani nazionali, Italian Government 2 October 2015. Access: 20 October 2015. [http://www.governo.it/GovernoInforma/Dossier/crescita\\_digitale/](http://www.governo.it/GovernoInforma/Dossier/crescita_digitale/).

<sup>2526</sup> The Joint Efforts for Further Improving the Accessibility at Narita Airport. Access: 22 April 2015. <http://www.mlit.go.jp/common/001086567.pdf>

<sup>2527</sup> Japan planning initiative to boost infrastructure investment in Asia. Access: 5 May 2015. <http://www.japantimes.co.jp/news/2015/05/04/national/politics-diplomacy/japan-planning-initiative-boost-quality-infrastructure-investment-asia/#.VVYB50hnXxo>

<sup>2528</sup> For initiatives recently for the overseas expansion of the urban transport sector. Access: 22 April 2015. <http://www.mlit.go.jp/common/001068938.pdf>



During the compliance period Japan has taken actions to mobilize long-term financing for infrastructure from both private and public sources. Thus, it has been awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **Korea: +1**

Korea has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term financing for infrastructure from both public and private sources.

In accordance with the Work Plan 2015, Korean Ministry of Agriculture, Food, and Rural Affairs plans to scale up and modernize agricultural sector through information and communication technology infrastructure modernization in main production areas.<sup>2529</sup>

On 2 April 2015, the Honam High Speed Railway became operational. The new 183 km railway section connects Seoul and Gwangju allowing to travel between these cities in 90 minutes. “The Honam High Speed Railway marks a milestone in the development of the regional economy, too, by boosting the ease with which social & cultural exchanges and cooperation can take place,” — said Korean President Park Geun-hye at the opening ceremony.<sup>2530</sup>

On 9 April 2015, the Korean Government announced its decision to ease regulations for investors in the Saemangeum development project. The Saemangeum project is a state-funded land reclamation project which includes creating infrastructure, such as ports and roads. The government plans to ease employment regulations to match those imposed on foreign firms operating in Korea’s free economic zones, with an aim to encourage foreign direct investors to invest in the project.<sup>2531</sup>

On 28 May 2015, the Korean Ministry of Land, Infrastructure and Transport announced the 2015 comprehensive housing plan for residential stabilization with intention to build 434,000 houses, including 88,000 public houses, by the end of the year. The plan is to provide residential support to 1.26 million households.<sup>2532</sup>

During the compliance period Korea has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Mexico: +1**

Mexico has fully complied with the commitment on mobilizing long-term financing for infrastructure. It has mobilized the long-term financing for infrastructure from public sources.

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<sup>2529</sup> Work Plan, Korean Ministry of Agriculture, Food, and Rural Affairs. Access: 3 June 2015.

[http://english.mafra.go.kr/eng/list.jsp?group\\_id=1177&menu\\_id=1177&link\\_menu\\_id=1188&division=H&board\\_kind=&board\\_skin\\_id=&parent\\_code=&depth=0&tab\\_yn=](http://english.mafra.go.kr/eng/list.jsp?group_id=1177&menu_id=1177&link_menu_id=1188&division=H&board_kind=&board_skin_id=&parent_code=&depth=0&tab_yn=)

MAFRA, Announcing Detailed Action Plans for Measures for Agriculture as Future Growth, Korean Ministry of Agriculture, Food, and Rural Affairs 20 January 2015. Access: 3 June 2015.

[http://english.mafra.go.kr/eng/list.jsp?id=29162&pageNo=2&NOW\\_YEAR=2015&group\\_id=1001&menu\\_id=1020&link\\_menu\\_id=1020&division=B&board\\_kind=G&board\\_skin\\_id=G1&parent\\_code=1001&link\\_url=&depth=1&code=&link\\_target\\_yn=&menu\\_introduction=&menu\\_name=&popup\\_yn=&reference=&tab\\_yn=N](http://english.mafra.go.kr/eng/list.jsp?id=29162&pageNo=2&NOW_YEAR=2015&group_id=1001&menu_id=1020&link_menu_id=1020&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N)

<sup>2530</sup> High-speed rail contributes to balanced development: president, Korean Government 2 April 2015. Access: 3 June 2015.

<http://www.korea.net/NewsFocus/Policies/view?articleId=126653>.

<sup>2531</sup> Saemangeum eases regulations to attract investment, Korean government 9 April 2015. Access: 3 June 2015.

<http://www.korea.net/NewsFocus/Policies/view?articleId=126840>.

<sup>2532</sup> MOLIT announces 2015 comprehensive housing plan for residential stabilization, South Korean Ministry of Land, Infrastructure and Transport 28 May 2015. Access: 3 June 2015. <http://goo.gl/BWRjj1>.

On 2 December 2014, the first phase of one of the largest in Mexico gas pipe lines “Los Ramones” construction was accomplished in Nuevo León. “Los Ramones” is 116 kilometres long and is expected to increase by 50% Mexican import of natural gas for economic development of the country.<sup>2533</sup>

On 13 December 2014, 10 new roads were opened in the Mexican states of San Luis Potosí, Durango, Sinaloa, Estado de México, Puebla, Veracruz, Jalisco, Quintana Roo, Guanajuato, Baja California Sur y Coahuila. The total investment in their construction was USD 983 million.<sup>2534</sup>

On 17 February 2015, the Mexican Secretariat of Communications and Transportation announced an allocation of USD 33 million for finalizing three infrastructure facilities in Baja California Sur, including bridge Caduaño reconstruction and rural road Santa Rita a Puerto Chale modernization. The project is aimed to strengthen connectivity in the south of state.<sup>2535</sup>

On 10 March 2015, Mexican President Enrique Peña Nieto inaugurated the expanded and modernized belt way in San Luis Potosí which “would increase San Luis Potosí competitiveness and transform it into an important hub.” In his speech he also emphasized that the structural reforms in Mexico were aimed at mobilizing investment for various sectors.<sup>2536</sup>

On 21 September 2015, Mexican President Enrique Peña Nieto inaugurated the highway Salamanca-León with total duration of 79 kilometers. The highway will facilitate a delivery of the Mexican products to the US. The total investment in the highway construction was more than USD 200 million.<sup>2537</sup>

Mexico has mobilized the long-term financing for infrastructure from private sources.

Mexico’s comprehensive growth strategy adopted at the Brisbane G20 summit in November 2014<sup>2538</sup> contains a commitment “to foster investment in infrastructure through the implementation of the Financial Reform and the National Infrastructure Program” by improvement of capital market regulations, encouraging of the private sector participation in infrastructure through the National Infrastructure Fund to promote public private partnerships.

For 2014-2015 the Federal Electricity Commission (CFE) of Mexico announced tenders for 11 projects on natural gas transportation with total investment of about USD 300 million. The projects under the construction within the Mexican Comprehensive Strategy and these announced projects will increase the national gas pipeline system length by 54%.<sup>2539</sup> With private sector engagement, CFE plans to construct six power plants using natural gas with total investment of approximately USD 385 million and 4,600 megawatts capacity.<sup>2540</sup>

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<sup>2533</sup> Gasoducto “Los Ramones” Fase I. 2 December 2014. Date of assess: 23 February 2015.

<http://www.presidencia.gob.mx/gasoducto-los-ramones-fase-i/>.

<sup>2534</sup> Cumplido: 10 nuevas autopistas. 13 December 2014. Date of assess: 23 February 2015.

<http://www.presidencia.gob.mx/cumplido-10-nuevas-autopistas/>.

<sup>2535</sup> Obras de infraestructura aumentan la conectividad terrestre de Baja California Sur. 17 February 2015. Date of assess: 23 February 2015. <http://www.presidencia.gob.mx/obras-de-infraestructura-aumentan-la-conectividad-terrestre-de-baja-california-sur/>.

<sup>2536</sup> Modernización del Anillo Periférico de San Luis Potosí. Date of assess: 5 April 2015.

<http://www.presidencia.gob.mx/modernizacion-del-anillo-periferico-de-san-luis-potosi/>.

<sup>2537</sup> Inauguración de la Autopista Salamanca – León. 21 September 2015. Date of assess: 5 April 2015.

<http://www.gob.mx/presidencia/articulos/inauguracion-de-la-autopista-salamanca-leon-11573>.

<sup>2538</sup> Comprehensive Growth Strategy: Mexico. Date of assess: 23 February 2015. [https://g20.org/wp-content/uploads/2014/12/g20\\_comprehensive\\_growth\\_strategy\\_mexico.pdf](https://g20.org/wp-content/uploads/2014/12/g20_comprehensive_growth_strategy_mexico.pdf).

<sup>2539</sup> Plan de infraestructura impulsa incremento de gasoductos en 75%: CFE. Date of assess: 26 April 2015.

<http://www.obrasweb.mx/construccion/2015/03/13/plan-de-infraestructura-impulsa-incremento-de-gasoductos-en-75-cfe>.

<sup>2540</sup> Oportunidades de inversión para el sector energético. Date of assess: 5 April 2015.

<http://www.presidencia.gob.mx/oportunidades-de-inversion-para-el-sector-energetico/>.

On 8 September 2015, a package of economic bills for 2016 including an income and budget bill was presented to the Mexican Congress following to the instruction of Mexican President Enrique Peña Nieto. The documents include a number of measures aimed at encouraging investment.<sup>2541</sup> In particular these measures permit for a time an immediate deductibility of investment for SMEs, transport infrastructure and energy sector.<sup>2542</sup>

During the compliance period Mexico has taken actions to mobilize long-term financing for infrastructure from both private and public sources. Thus, it has been awarded a score of +1.

*Analyst: Elizaveta Safonkina*

### **Russia: +1**

Russia has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term public and private financing for infrastructure.

On 27 December 2014, the Government of the Russian Federation issued a decree №2744-p approving the investment projects by the JSC Russian Railways, a state company, aimed at improving railroad infrastructure and linkages with sea ports in the Russian Far East, North-West and Azov-Black Sea regions.<sup>2543</sup>

On 27 March 2015, the Government of the Russian Federation approved the decree to introduce the Agreement between Russia and China on natural gas shipments to State Duma for ratification. The agreement inter alia provides for the construction of a pipeline to transport natural gas into Chinese territory.<sup>2544</sup>

On 3 April 2015, following the meeting on the development of the Russian Far East, Russian President Vladimir Putin signed a list of instructions to the Government of the Russian Federation dealing with restoring the budget allocations that were earlier envisaged in the 2015 federal budget for the construction (reconstruction) of transportation infrastructure facilities: airports in Khabarovsk, Blagoveshchensk and Yakutsk and an air terminal in Magadan within the framework of the Federal Targeted Programme Developing Russia's Transport System (2010–2020).<sup>2545</sup> During the meeting the president and the ministers discussed the planned measures on priority development territories which provide for attraction of private, including foreign, investments to the region's development.<sup>2546</sup> The Government received instructions to urgently consider increasing funding from the federal budget of the investment projects planned on the territory of the Russian Far East and the priority development areas to be created in the region, as well as funding for the construction of energy infrastructure facilities and seaports.<sup>2547</sup>

On 16 April 2015, the Government of the Russian Federation approved the distribution of subsidies for 2015 on the implementation of the federal program “Sustainable development of rural territories in 2014-2017 and until 2020.” According to a draft government decree, 4.5 billion rubles of federal budget funds will be spent

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<sup>2541</sup> Propuesta del Paquete Económico 2016. 8 September 2015. Date of assess: 3 October 2015.

<http://www.gob.mx/presidencia/articulos/propuesta-del-paquete-economico-2016>.

<sup>2542</sup> 16 claves del Paquete Económico 2016. 8 September 2015. Date of assess: 4 October 2015.

<http://www.cnnexpansion.com/economia/2015/09/08/las-claves-del-paquete-economico-2016>.

<sup>2543</sup> On the JSC Russian Railways investment projects, Russian Government 27 March 2015. Access: 11 June 2015.

<http://government.ru/docs/16441/>.

<sup>2544</sup> On introduction to the State Duma draft law on ratification of the Agreement between the governments of Russia and China on cooperation in natural gas shipment to PRC by the “Eastern route”, Russian Government 27 March 2015. Access: 11 June 2015. <http://government.ru/media/files/CK1aOi11Evs.pdf>.

<sup>2545</sup> Instructions following meeting on development of Russian Far East. President of Russia 17 April 2015. Access: 11 June 2015.

<http://en.kremlin.ru/acts/news/49275>.

<sup>2546</sup> Meeting on developing the Russian Far East, President of Russia 3 April 2015. Access: 11 June 2015.

<http://en.kremlin.ru/events/president/transcripts/49084>.

<sup>2547</sup> Instructions following meeting on development of Russian Far East. President of Russia 17 April 2015. Access: 11 June 2015.

<http://en.kremlin.ru/acts/news/49275>.

in 2015 on improving living conditions of people in rural areas, and 4.33 billion rubles will be allocated towards construction of social and engineering infrastructure facilities.<sup>2548</sup>

On 16 October 2015, Russia and Pakistan signed an intergovernmental agreement to build the “North-South” gas pipeline from Karachi to Lahore. The project will be implemented by Russian company “PT — Global Resources,” part of the Rostec state corporation.<sup>2549</sup>

During the compliance period Russia has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Andrei Sakharov*

### **Saudi Arabia: +1**

Saudi Arabia has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term public and private financing for infrastructure.

Saudi Arabia plans a USD 100 billion investment until 2020 to upgrade and future-proof the Kingdom’s infrastructure, including 2 ports construction and operations, air aviation developments with the first planned private airport, major rail expansion, road design and supervision of new connections and expansions.<sup>2550</sup>

During the compliance period Saudi Arabia has taken actions to mobilize long-term financing for infrastructure from public and private sources. Thus, it is awarded a score of +1.

*Analyst: Vitaly Nagornov*

### **South Africa: +1**

South Africa has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term public financing for infrastructure.

On 19 March 2015, South African President Jacob Zuma unveiled 95 electric locomotives assembled at the Transnet Engineering Koedoespoort Plant in Pretoria as part of ‘the country’s massive infrastructure rollout programme’. The locomotives are part of Transnet’s Market Demand Strategy designed to ‘upgrade and modernise their infrastructure and assets to ensure effective and efficient logistics for the benefit of the South African economy’.<sup>2551</sup>

On 30 April 2015, South African President convened a meeting of the Presidential Infrastructure Coordinating Commission (PICC). Participants discussed the progress of construction across the full public infrastructure project pipeline, organised through 18 major Strategic Integrated Projects. It was reported that more than 220,000 direct jobs were supported by the projects currently coordinated by the PICC, covering road-build, ports, rail lines, social infrastructure (clinics, hospitals, schools, colleges and universities), energy-plants, dams and pipelines, broadband rollouts and household connections (electricity, water, sanitation and communications).<sup>2552</sup>

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<sup>2548</sup> Materials to the Government’s meeting on 16 April 2015, Russian Government 16 April 2015. Access: 11 June 2015. <http://government.ru/announcements/17677/>.

<sup>2549</sup> Russia and Pakistan signed an intergovernmental agreement on gas pipeline construction, Russian Energy ministry 16 October 2015. Access: 21 October 2015. [http://minenergo.gov.ru/press/min\\_news/3553.html](http://minenergo.gov.ru/press/min_news/3553.html).

<sup>2550</sup> Saudi Transtec 2015. Access: 17 May 2015. <http://www.sauditranstec.com>

<sup>2551</sup> The Presidency Annual Report 2014/2015. <http://www.thepresidency.gov.za/MediaLib/Downloads/Home/Publications/AnnualReports/The%20Presidency%20Annual%20Report%202014-15.pdf>

<sup>2552</sup> President Zuma convenes the Presidential Infrastructure Coordinating Commission, 30 April 2015 <http://www.thepresidency.gov.za/pebble.asp?relid=19617>

South Africa has taken actions to mobilize long-term financing for infrastructure from public and private sources. Thus it has been awarded a score of +1.

*Analyst: Lyudmila Tarasenko*

### **Turkey: +1**

Turkey has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term private financing for infrastructure.

On 11 December 2014, Turkish deputy prime minister Ali Babacan delivered a speech outlining the G20 Turkish presidency priorities. He particularly stressed the commitment of the Turkish government to address a substantial need for investments, especially for infrastructure through introducing concrete and ambitious investment strategies related both to public and private investment.<sup>2553</sup>

On 26 March 2015, the Turkish government's representatives informed on the plans to make the country a member of the China-led Asian Infrastructure and Investment Bank (AIIB), which was established by the Chinese government with the aim to attract financing for infrastructure in the Asian region.<sup>2554</sup> Later on, Turkey was approved as a founding member of the AIIB.<sup>2555</sup>

On 28-29 April 2015, the Turkish ministry of health co-organized the PPP Healthcare Summit in Istanbul. One of the issues discussed during the event was the public sector's role in mobilizing finance for infrastructure investment and designing relevant government policies.<sup>2556</sup>

As of June 2015, a number of PPP infrastructure projects worth USD 12.5 billion were in the process of implementation in Turkey, allowing the country to be ranked second among 139 emerging economies in terms of private participation in infrastructure investment.<sup>2557</sup>

Turkey has taken actions to mobilize long-term public financing for infrastructure.

On 28 November 2014, the Turkish government revealed its plans to invest EUR 10 billion in developing railway transport. In particular, it plans to conduct network modernisation works, construct 10,000 new kilometres of high-speed rail lines and 4,000 km of conventional lines.<sup>2558</sup>

On 3 January 2015, Turkey's Ministry of Health informed on launching in 2015 new infrastructure reforms aimed at transformation of healthcare infrastructure (city hospitals, cancer research institutes, domestic production of drugs and vaccination, stem cell coordination center, new clinics and a campaign to fight obesity).<sup>2559</sup>

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<sup>2553</sup> Deputy Prime Minister Ali Babacan's Speech at the G20 Finance and Central Bank Deputies Meeting, G20 Turkey 2015 17 December 2014. Access: 27 April 2015. <https://g20.org/deputy-prime-minister-ali-babacans-speech-g20-finance-central-bank-deputies-meeting/#>.

<sup>2554</sup> Turkey plans to join China-led Asian infrastructure bank: Treasury, Daily News 26 March 2015. Access: 28 April 2015. <http://www.hurriyetdailynews.com/turkey-plans-to-join-china-led-asian-infrastructure-bank-treasury.aspx?pageID=238&nID=80226&NewsCatID=346>.

<sup>2555</sup> China: Countries gather for AIIB signing ceremony, Anadolu Agency 29 June 2015. Access: 21 October 2015. <http://www.aa.com.tr/en/economy/china-countries-gather-for-aiib-signing-ceremony/31403>.

<sup>2556</sup> PPP Healthcare Summit, Ministry of Health of Turkey 21 February 2015. Access: 30 April 2015. <http://www.saglik.gov.tr/TR/dosya/1-96566/h/phsbrochure290315.pdf>.

<sup>2557</sup> Turkey ranks second in PPP investment projects – World Bank, Invest in Turkey 10 June 2015. Access: 21 October 2015. <http://www.invest.gov.tr/en-US/infocenter/news/Pages/100615-turkey-ranks-second-in-ppp-infrastructure-projects.aspx>.

<sup>2558</sup> Turkey to make major investment in rail, International Transport Journal 28 November 2014. Access: 28 April 2015. <http://www.transportjournal.com/de/home/news/artikeldetail/turkey-to-make-major-investment-in-rail-infrastructure.html>.

<sup>2559</sup> Major changes to Turkey's health infrastructure in 2015, Daily Sabah Turkey 3 January 2015. Access: 27 April 2015. <http://www.dailysabah.com/nation/2015/01/03/major-changes-to-turkeys-health-infrastructure-in-2015>.

On 18 April 2015, President Recep Tayyip Erdoğan attended the promotional event “51st Presidential Cycling Tour of Turkey.” Speaking at the event, the president mentioned: “We cannot say that we have a good infrastructure for bicycle riders, but I hope that we will rapidly improve the infrastructure for bicycle riders and enhance the love for cycling.”<sup>2560</sup>

During the compliance period Turkey has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Nadezhda Sporysheva*

### **United Kingdom: +1**

The United Kingdom has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term public and private financing for infrastructure.

On 2 December 2014, the UK government published the National Infrastructure Plan 2014. According to this document, infrastructure facilities worth GBP 277 were under construction at that moment. The infrastructure development strategy up to 2020 and beyond provides for GBP 15 billion of public investment in the Strategic Road Network as part of a new Road Investment Strategy which will include undertaking over 100 major schemes, a GBP 2.3 billion programme of flood investment investing in over 1,400 schemes to protect at least 300,000 homes, a GBP 38 billion Network Rail delivery programme, and continued support for digital infrastructure. Overall, according to the refreshed National Infrastructure Pipeline, around GBP 411 billion of investment across the public and private sectors is planned by 2020-21, with GBP 101 billion coming from public sources, and GBP 46 billion from a mix of public and private sources.<sup>2561</sup> Private investment are supported through the ongoing UK Guarantees Scheme and other financing vehicles.<sup>2562</sup>

On 12 February 2015, the UK Infrastructure Act came into force. The Act turned the Highways Agency into a government-owned company, Highways England, with stable long term funding, and reduced a number of administrative barriers in infrastructure sector.<sup>2563</sup>

On 18 March 2015, the UK government announced the digital communications infrastructure strategy. The document set the goals for telecommunications infrastructure sector development and introduced a number of initiatives to attract appropriate private investment.<sup>2564</sup>

During the compliance period the UK has taken actions to mobilize long-term financing for infrastructure from both public and private sources. Thus, it is awarded a score of +1.

*Analyst: Andrey Shelepov*

### **United States: +1**

The United States has fully complied with the commitment on infrastructure. It has taken steps to mobilize long-term financing for infrastructure from both private and public sources.

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<sup>2560</sup> President Erdoğan Attends Promotional Event "the 51st Presidential Cycling Tour of Turkey", Presidency of the Republic of Turkey 18 April 2015. Access: 28 April 2015. <http://www.tccb.gov.tr/news/397/92991/president-erdogan-attends-promotional-event-the-51st-presidential-cycling-tour-of-turkey.html>.

<sup>2561</sup> National Infrastructure Pipeline July 2015, UK Government 20 July 2015. Access date: 11 November 2015. <https://www.gov.uk/government/publications/national-infrastructure-pipeline-july-2015>.

<sup>2562</sup> National Infrastructure Plan 2014, UK Government 2 December 2014. Access date: 17 April 2015. <https://www.gov.uk/government/publications/national-infrastructure-plan-2014>.

<sup>2563</sup> Infrastructure Act will get Britain building, UK Government 12 February 2015. Access date: 17 April 2015. <https://www.gov.uk/government/news/infrastructure-act-will-get-britain-building>.

<sup>2564</sup> The digital communications infrastructure strategy, UK Government 18 March 2015. Access date: 17 April 2015.

<https://www.gov.uk/government/publications/the-digital-communications-infrastructure-strategy/the-digital-communications-infrastructure-strategy>.

On 16 January 2015, the Water Infrastructure and Resiliency Finance Center of the US Environmental Protection Agency was created to support the Build America Investment Initiative. The new centre will explore new financial instruments, create opportunities for public-private partnerships and support communities to develop sustainable financial sources for water infrastructure projects.<sup>2565</sup>

On 20 February 2015, US Department of Transportation Secretary Anthony Foxx completed a four-day bus tour through five states to call Congress to act on the long-term transportation bill. During the tour he visited universities, manufacturers and different infrastructure facilities.<sup>2566</sup>

On 30 March 2015, Anthony Foxx sent to Congress a six-year USD 478 billion transportation reauthorization proposal or Grow America Act aimed at modernizing the US infrastructure. This act will increase investment in all forms of surface transportation by 45% and facilitate partnerships between state, local and private investors.<sup>2567</sup>

In the previous six years, 32 short-term funding extensions have failed to adequately modernize the aging U.S. infrastructure.<sup>2568</sup>

On 22 September 2015, the U.S. Department of Transportation announced that beginning October 2015, agencies that are important actors of permitting, reviewing and funding processes in the sphere of infrastructure must report a common set of project schedule metrics for infrastructure projects. This will increase the speed of decision-making and improve agency coordination.<sup>2569</sup>

On 29 September 2015, the U.S. Department of Transportation opened its new Build America Transportation Investment Center (BATIC), which had been created in 2014 in the framework of the Build America Investment Initiative. The aim of BATIC is to attract private capital to form public private partnerships in the sphere of infrastructure. Activities of the new center will improve coordination of states, municipalities and infrastructure project sponsors, facilitate funding as well as improve access to procedural, permitting and other information.<sup>2570</sup>

The United States has taken actions to promote long-term funding for infrastructure from both private and public sources. Thus, it has been awarded a score of +1.

*Analyst: Tatiana Lanshina*

### **European Union: +1**

The European Union has fully complied with the commitment on infrastructure. It has taken actions to mobilize long-term financing for infrastructure from private sources.

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<sup>2565</sup> Water Infrastructure and Resiliency Finance Center, the U.S. Environmental Protection Agency 16 January 2015. Access: 30 April. <http://water.epa.gov/infrastructure/waterfinancecenter.cfm>.

<sup>2566</sup> Secretary Foxx Calls on Congress to Invest in America's Infrastructure, U.S. Department of Transportation 20 February 2015. Access: 27 April 2015. <http://www.dot.gov/briefing-room/secretary-foxx-calls-congress-invest-america%E2%80%99s-infrastructure>.

<sup>2567</sup> Secretary Foxx Sends Six-Year Transportation Bill to Congress, U.S. Department of Transportation 30 March 2015. Access: 27 April 2015. <http://www.dot.gov/briefing-room/secretary-foxx-sends-six-year-transportation-bill-congress>.

<sup>2568</sup> U.S. Transportation Secretary Anthony Foxx Unveils President's Bold \$94.7 Billion Investment in America's Infrastructure Future, U.S. Department of Transportation 2 February 2015. Access: 20 February 2015. <http://www.dot.gov/briefing-room/us-transportation-secretary-anthony-foxx-unveils-president%E2%80%99s-bold-947-billion>.

<sup>2569</sup> Federal Infrastructure Permitting Dashboard, U.S. Department of Transportation 22 September 2015. Access: 10 October 2015. <https://www.transportation.gov/briefing-room/obama-administration-initiatives-accelerate-infrastructure>.

<sup>2570</sup> U.S. Transportation Secretary Foxx Unveils Build America Transportation Investment Center, U.S. Department of Transportation 29 September 2015. Access: 10 October 2015. <https://www.transportation.gov/briefing-room/us-transportation-secretary-foxx-unveils-build-america-transportation-investment>.

On 13 January 2015, the European Commission adopted the legislative proposal for the European Fund for Strategic Investments, which will be established in partnership with the European Investment Bank. The fund will mobilize at least USD 353 billion in private and public investment across the European Union to support strategic investments, including broadband and energy infrastructure. A European Investment Advisory Hub was also set to help with project preparation and development across the European Union.<sup>2571</sup>

On 18 February 2015, the European Commission launched the project to unlock funding for Europe's businesses and to stimulate growth in the EU's members with the creation of the Capital Markets Union. The Capital Markets Union will help to break down the barriers for cross-border investments in the EU and improve access to finance for all infrastructure projects across Europe.<sup>2572</sup>

On 10 March 2015, the European Parliament supported the new investment framework European Long-Term Investment Funds designed to attract investors who want to invest into long-term projects relating to energy, transport but also social housing, schools and hospitals.<sup>2573</sup>

On 25 March 2015, the European Commission committed to review the current telecoms and media rules to make them fit for new challenges to encourage private investment in this infrastructure.<sup>2574</sup>

On 30 June 2015, the European Commission announced that EUR 550 million will be made available for projects that will contribute to end energy isolation and to eliminate energy bottlenecks in the European energy market. This funding has to act as a catalyst for attracting additional financing both from private and public investors as the amount of EU support in the projects cannot exceed 50% of their costs.<sup>2575</sup>

The EU has taken actions to mobilize long-term financing for infrastructure from public sources.

On 26 November 2014, the European Commission announced an investment plan to incentivize economic growth and employment in Europe. The plan includes the creation of a new European Fund for Strategic Investments, guaranteed with public money, to mobilize at least USD 394 billion of additional investment over the next three years (2015-2017) with the focus on infrastructure, especially broadband and energy networks and transport infrastructure in industrial centres.

On 15 January 2015, the European Commission published nine studies which identified transport infrastructure development needs which represent approximately USD 812 billion of financial investment until 2030.<sup>2576</sup>

On 9 February 2015, representatives of Austria, Bulgaria, Croatia, Greece, Hungary, Italy, Romania, Slovenia and Slovakia and European Commission Vice-President for Energy Union Maroš Šefčovič and Commissioner for Climate Action and Energy Miguel Arias Cañete held the first meeting of the Central East South Europe Gas Connectivity High Level Group in Sofia to establish a regional priority infrastructure

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<sup>2571</sup> Delivery of €315 billion Investment Plan on track: Commission presents law for the European Fund for Strategic Investments, European Commission 13 January 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-3222\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3222_en.htm)

<sup>2572</sup> Unlocking Funding for Europe's Growth - European Commission consults on Capital Markets Union, European Commission 18 February 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-4433\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4433_en.htm)

<sup>2573</sup> Commissioner Hill welcomes agreement reached in European Parliament on Long Term Investment Funds, European Commission 10 March 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-4572\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4572_en.htm)

<sup>2574</sup> Digital Single Market Strategy: European Commission agrees areas for action, European Commission 25 March 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-4653\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4653_en.htm)

<sup>2575</sup> Internal energy market: Commission releases €550 million for cross-border European networks, European Commission 30 June 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5281\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5281_en.htm)

<sup>2576</sup> Commission identifies the infrastructure priorities and investment needs for the Trans-European Transport Network until 2030, European Commission 15 January 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-3341\\_en.htm](http://europa.eu/rapid/press-release_IP-15-3341_en.htm)



roadmap and advance its implementation in order to develop missing infrastructure and improve security of gas supplies.<sup>2577</sup>

On 13 February 2015, the European Commission adopted 40 new programmes under the European Cohesion Policy to support economic development and social cohesion across the European Union. These programs include those ones realized through the Cohesion Fund which was set up to provide a financial contribution to projects in the fields of environment and trans-European networks in the area of transport infrastructure.<sup>2578</sup>

On 26 March 2015, the European Commission Vice-President Šefčovič and Commissioner Bulc met with Transport Ministers from Czech Republic, Hungary, Poland, Slovakia and Austria, to discuss interconnections in Central Europe. They also discussed the possibilities of using the European Fund for Strategic Investment for regional transport initiatives and signed a Memorandum of Cooperation on the development of transportation infrastructure.<sup>2579</sup>

On 15 April 2015, Commissioner for Regional Policy Corina Crețu visited Romania to discuss the adoption of the Large Infrastructure Operational Programme, an investment package of nearly USD 10 billion for transport and energy projects in the country. Romania will receive nearly USD 24 billion from European Cohesion Policy funds for 2014-2020.<sup>2580</sup>

On 14 July 2015, EU Member States agreed to invest EUR 150 million to 20 key trans-European energy infrastructure projects. 11 projects will be in the gas sector with financial aid worth EUR 80 million and nine projects will be in the electricity sector with financial aid worth EUR 70 million.<sup>2581</sup>

During the compliance period European Union has taken actions to mobilize long-term financing for infrastructure from both private and public sources. Thus, it has been awarded a score of +1.

*Analyst: Andrei Sakharov*

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<sup>2577</sup> Joint Press Statement by Ministers and Representatives of Austria, Bulgaria, Croatia, Greece, Hungary, Italy, Romania, Slovenia and Slovakia and the European Commission, European Commission 9 February 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_STATEMENT-15-4281\\_en.htm](http://europa.eu/rapid/press-release_STATEMENT-15-4281_en.htm)

<sup>2578</sup> Cohesion Policy: Commission commits more than 66 billion euro to promote economic development across Europe, European Commission 13 February 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_IP-15-4425\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4425_en.htm)

<sup>2579</sup> Vice-President Šefčovič and Commissioner Bulc meet with five Transport Ministers to further develop transport infrastructure in Central Europe, European Commission 25 March 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_MEX-15-4692\\_en.htm](http://europa.eu/rapid/press-release_MEX-15-4692_en.htm)

<sup>2580</sup> Commissioner Corina Crețu in Romania, European Commission 15 April 2015. Access: 18 April 2015. [http://europa.eu/rapid/press-release\\_MEX-15-4784\\_en.htm](http://europa.eu/rapid/press-release_MEX-15-4784_en.htm)

<sup>2581</sup> Energy: EU invests €150 million in energy infrastructure, European Commission 14 July 2015. Access: 10 October 2015. [http://europa.eu/rapid/press-release\\_IP-15-5362\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5362_en.htm)