



**G8 UK**  
UNITED KINGDOM 2013

**Trade, Tax & Transparency**  
The 2013 UK G8 Presidency Report

# FOREWORD



At the beginning of the year I set out my ambition for the G8 in 2013. I didn't want us to be a talking shop. I wanted us to confront and tackle some of the fundamental challenges facing the world today. No issue was more important to the G8 this year than the quest for economic success: the challenge of our time, facing all countries, developed and developing alike.

That is why we put forward a clear agenda for the G8: fairer taxes, open trade and increased transparency. The three Ts went far beyond a snappy title. They are all essential components of the global economic race we're in. When taxes are not paid, people suffer and public trust in business is corroded. When trade isn't free, all our economies lose out. When transparency is lacking, the wealth of a nation cannot be properly shared with its people. All these areas demand political leadership in equal measure.

This was an ambitious agenda. As we approach the end of the UK's Presidency, I can report real progress. The Lough Erne Declaration and Communiqué saw real and significant commitments by all of the G8's leaders: not woolly rhetoric but concrete promises of action in clear, plain language. Throughout this report you'll be able to read in more detail about the progress being made on these commitments.

But of course the commitments we've made this year are just the beginning. What matters now is seeing them through. The G8 published a Comprehensive Accountability Report this year, scrutinising our performance on over 60 development commitments made by the G8 over the past 11 years. It highlights areas where there has been good progress, and is also honest in saying where we have more to do.

This spirit applies to what we agreed at Lough Erne too. The first line of responsibility lies with the G8 members ourselves. We need to practise what we preach. And this is exactly what we have done in the UK. We've promised to introduce a public register of company beneficial ownership. We've signed up to the Extractives Industry Transparency Initiative. We are pushing hard on free trade deals and contributed to the historic WTO agreement in Bali to slash red tape and trade barriers at borders. I am also pleased that the UK will this year meet our promise to spend 0.7% of our national income on international aid.

But we know there's still a lot to do. All of us who were part of the G8 this year must continue to follow through what we said we'd do, and ensure that future accountability exercises properly monitor the commitments we made at Lough Erne.

To really succeed, we also need others to join us - governments from around the globe, international bodies, civil society, business and many others besides. To all of you reading this report, I ask you to continue working with us to make the legacy of this year's G8 a lasting one.

So as we celebrate the G8's achievements in 2013, this is just the beginning of a determined journey. Let us step up the pace and be confident of what we can achieve together.

Together we can hardwire the three Ts into the way our world works, shaping permanently the rules which define the global economy and our future prosperity. It is a difficult challenge. But, if this year has shown anything, we are more than capable of rising to it.

A handwritten signature in black ink that reads "David Cameron". The signature is written in a cursive, slightly stylized font.

**David Cameron**  
Prime Minister of the United Kingdom

Private enterprise drives growth, reduces poverty, and creates jobs and prosperity for people around the world. Governments have a special responsibility to make proper rules and promote good governance. Fair taxes, increased transparency and open trade are vital drivers of this. We will make a real difference by doing the following:

- 1 Tax authorities across the world should automatically share information to fight the scourge of tax evasion.
- 2 Countries should change rules that let companies shift their profits across borders to avoid taxes, and multinationals should report to tax authorities what tax they pay where.
- 3 Companies should know who really owns them and tax collectors and law enforcers should be able to obtain this information easily.
- 4 Developing countries should have the information and capacity to collect the taxes owed them - and other countries have a duty to help them.
- 5 Extractive companies should report payments to all governments - and governments should publish income from such companies.
- 6 Minerals should be sourced legitimately, not plundered from conflict zones.
- 7 Land transactions should be transparent, respecting the property rights of local communities.
- 8 Governments should roll back protectionism and agree new trade deals that boost jobs and growth worldwide.
- 9 Governments should cut wasteful bureaucracy at borders and make it easier and quicker to move goods between developing countries.
- 10 Governments should publish information on laws, budgets, spending, national statistics, elections and government contracts in a way that is easy to read and re-use, so that citizens can hold them to account.

## Trade

- 1 G20 Leaders agreed to extend the standstill commitment on protectionist measures until end-2016. The EU and Canada reached agreement on key elements of their bilateral trade deal, and other talks are making progress.
- 2 G8 members made significant contributions to the historic outcome at the WTO Bali Conference. The Conference delivered a strong trade package to boost the global economy by £70 billion per year, including measures to cut border bureaucracy. It was the first multilateral deal in twenty years.

## Tax

- 3 The OECD is working to present a new single global standard for automatic exchange of tax information by February 2014. 41 countries around the world have committed to being early adopters of this standard.
- 4 G20 leaders endorsed the OECD's two-year Action Plan to update international tax rules to address tax avoidance through profit shifting. This includes work to develop a common template for multinationals to report to tax authorities what tax they pay where.
- 5 G8 members are strengthening support for better tax collection by developing countries. The OECD launches Tax Inspectors Without Borders in early 2014, and will work with others to help developing countries sign up to and benefit from the new global standard on tax information exchange.

## Transparency

- 6 Extractive firms will be required by US and EU law to report payments to all governments. Canada is developing a similar regime. The United States, UK, France, Germany and Italy are preparing to subscribe to EITI. Ukraine's and Senegal's applications to join EITI have been approved. G8 members are establishing extractive partnerships with Burkina Faso, Colombia, Ghana, Mongolia, Burma/ Myanmar, Guinea, Peru and Tanzania.
- 7 All G8 countries published Action Plans setting out how they will ensure companies know who owns and controls them, and to prevent their misuse. The UK will hold this information in a central registry, which will be publicly accessible. G20 countries are implementing the FATF standards in this area and will report on progress in November 2014.
- 8 The Kimberley Process (KP) plenary meeting in November agreed changes that will raise standards for the supply of minerals and strengthen implementation of the scheme.
- 9 G8 members are establishing land partnerships with Burkina Faso, South Sudan, Nigeria, Niger, Senegal, Tanzania and Ethiopia.
- 10 All G8 members have signed the Open Data Charter, as have Ireland, Panama and the Philippines.

## Commitments made

### We will:

- support an extension of the G20 standstill commitment<sup>1</sup>, conclude a set of ambitious trade deals, and make a determined effort to reach agreement at the World Trade Organisation (WTO) Ministerial Conference in Bali in December on a package which focuses on cutting bureaucracy at borders;
- within our current Aid for Trade<sup>2</sup> commitments, provide substantial technical assistance and capacity building to help implement a WTO Trade facilitation deal focused specifically on the Least Developed Countries; and commit to be more transparent in reporting our aid and work with developing countries to ensure it is better matched to needs;
- work with African countries and regional economic communities to meet the African Union's target of doubling intra-Africa trade and reducing crossing times by 50% at key border posts by 2022; and
- increase support for the preparation of cross border infrastructure projects in Africa.

## Progress since June

### Bolstering international trade:

- *G20 leaders* extended the standstill commitment until end 2016, and committed to roll back new protectionist measures.
- The *EU* and *Canada* reached agreement on the key elements of a Comprehensive Economic and Trade Agreement.
- The *EU* and *United States* negotiations on Transatlantic Trade and Investment Partnership (TTIP) are progressing with three rounds of negotiations since June. Both sides will be reviewing progress in early 2014.
- *EU-Japan* negotiations are progressing well. A 3<sup>rd</sup> round of negotiations happened in October and a 4<sup>th</sup> round is scheduled for January 2014.
- The *Canada-Japan* Economic Partnership Agreement negotiations held a 4<sup>th</sup> round in November.
- *Russia* will provide \$1.5million (2013-15) for the Transparency in Trade Initiative.<sup>3</sup>
- *Trans-Pacific Partnership* (TPP) negotiations have also made significant progress. The 19<sup>th</sup> negotiating round was held in August. TPP Ministers met in Singapore in December.
- The *G8* has worked together to align global positions in the run up to the WTO Ministerial Conference in

Bali. G20 leaders also committed to make significant contributions to the negotiations. The Bali conference agreed a package of measures to boost global trade, including through cutting bureaucracy at borders. This will boost the global economy by £70 billion annually.

- *G8* partners continue to provide Aid for Trade, supporting developing country reforms and building strong infrastructure to enable trade both domestically and across borders.

### In support of the African Union's target of doubling intra-Africa trade:

- Organisation for Economic Cooperation and Development-Development Assistance Committee (OECD-DAC) members of the *G8* have together pledged \$3.7 billion to the African Development Fund 13 (2014-16).
- The *UK* has scaled-up funding for TradeMark East Africa's programmes from £87 million to £200 million this year and is providing support to the African Union Commission to help prepare negotiations for the Continental Free Trade Area.
- The *EU* is supporting regional economic integration and trade



<sup>1</sup> A commitment to not impose new protectionist trade measures and to remove those already in place.

<sup>2</sup> Read more about Aid for Trade here: [www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](http://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm)

<sup>3</sup> An initiative to improve the transparency of regional trade negotiations, including through the provision of information on public websites.

facilitation programmes between developed and developing countries for the period of 2014-20.

- *Japan* is providing training in trade promotion for 1,000 African government officials and launched 'One Stop Border Post' supporting trade across 20 African countries.
- *France* provides €40 million per year to the West African Economic and Monetary Union (UEMOA) and the Economic and Monetary Community of Central Africa (CEMAC) to help regional integration and infrastructure development.
- *Germany* will provide €17.1 million between 2013-15 to the East African Community-Integration Process Programme and is working with the Regional Economic Communities in Africa to reduce technical barriers to trade.
- Through the Trade Africa initiative announced in June 2013, the *United States* is supporting the East African Community's customs modernisation and trade facilitation program. Trade Africa also includes the African Growth and Opportunity Act, which is slated for renewal in 2015, with consultations launched at the August 2013 AGOA Forum in Addis Ababa.

**To support project preparation facilities for African regional infrastructure programmes:**

- *Japan* will provide support for country and regional infrastructure development in at least five regions.
- The *UK* has agreed to provide £75 million in new funding for infrastructure in Africa through the EU-Africa Infrastructure Trust Fund and Infraco Africa.
- The *EU* has committed to support strategic infrastructure development with a focus on Africa.
- *Canada* will provide \$15 million over

four years to the New Partnership for Africa's Development's (NEPAD) Infrastructure Project Preparation Facility.

- *France* is actively involved in the EU-Africa Infrastructure Trust Fund and remains committed to support infrastructure development in Africa.
- The *United States* launched the Power Africa Initiative, committing \$7 billion over the next five years and has attracted over \$13 billion in private sector commitments towards the goal of doubling access to power in sub-Saharan Africa.

The cost of trade per container in Africa is on average **57%** higher than in OECD countries.

The OECD estimates reducing global trade costs by **1%** would increase global income by **\$40bn+**, of which **65%** would benefit developing countries.



**What next?**

The G8 must continue to ensure trade boosts global growth, through supporting open markets and resisting protectionist measures. Following the historic and successful World Trade Organisation Ministerial Conference in Bali, the G8 must work together and with others to implement the commitments agreed, push for the necessary steps that allow the free flow of trade across borders and further strengthen the multilateral trading system. The G8 must also continue to pursue trade liberalisation through bilateral and regional deals. Completing all of our current trade deals and those in the pipeline could boost the income of the whole world by more than \$1 trillion.

All nations benefit from opening trade and resisting protectionism. The G8 will work with African partners to further stimulate intra-African trade, including through continued Aid for Trade and capacity building projects. African partners should also continue to take the necessary steps to move towards a Continental Free Trade Area to boost African trade and ensure that African countries are able to benefit from global trade flows.

## Commitments made

### We will:

- support the Organisation for Economic Cooperation and Development's (OECD) work on Base Erosion and Profit Shifting (BEPS)<sup>1</sup> and commit to take the necessary individual and collective action to update international rules to ensure that these do not allow or encourage multinational enterprises to cut their tax bills by artificially shifting profits to low-tax jurisdictions;
- support the development of a common template for country-by-country reporting to tax authorities by major multinational enterprises as part of the OECD BEPS work, which will improve tax authorities' ability to identify and assess tax risks;
- ask the OECD to develop a single truly global model for multilateral and bilateral automatic exchange of information,<sup>2</sup> accessible to all countries and the Global Forum<sup>3</sup> to monitor and review its implementation; and
- call on all jurisdictions to join the Global Forum on Transparency and Exchange of Information for Tax Purposes and the Multilateral Convention.

## Progress since June

- Following the G8's positive support, the OECD BEPS Action Plan was endorsed by G20 leaders at the St Petersburg Summit on 5-6 September. The OECD, and all G20 members, have started detailed technical discussions. Some G8 members have contributed additional funds to support delivery of the project.
- The OECD has consulted on transfer pricing<sup>4</sup> matters, including the development of a common template for reporting to tax authorities, as part of the BEPS Action Plan.
- G8 members worked closely with the rest of the G20 who endorsed the creation of a new single standard for automatic exchange of tax information between tax authorities. The OECD is working on presenting by mid 2014 the technical elements required for this new standard, including the scope, basis for information exchange and including the necessary IT systems.



G8 countries asked for a common template for country by country reporting to tax authorities by major multinational companies

The G20 endorsed this as part of a wider OECD action plan on tackling profit shifting

OECD public consultation on initial proposals for a reporting template

The template is due to be developed

BEPS Action Plan due for completion

<sup>1</sup> See OECD's Action Plan on Base Erosion and Profit Shifting: [www.oecd.org/ctp/BEPSActionplan.pdf](http://www.oecd.org/ctp/BEPSActionplan.pdf). More information on BEPS is available on the OECD website: [www.oecd.org/ctp/beeps.htm](http://www.oecd.org/ctp/beeps.htm)

<sup>2</sup> More about automatic exchange here: [www.oecd.org/ctp/exchange-of-tax-information/AEOL\\_FINAL\\_with%20cover\\_WEB.pdf](http://www.oecd.org/ctp/exchange-of-tax-information/AEOL_FINAL_with%20cover_WEB.pdf)

<sup>3</sup> Visit the Global Forum's homepage here: [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency)

<sup>4</sup> Transfer pricing is the process of determining prices for transactions between connected companies. The transactions are usually cross-border, and should be the same as those that would have been agreed between independent parties.

- A legislative proposal for a legal basis to implement the global standard on automatic exchange is currently being discussed within the *EU*.
- A group of 41 jurisdictions (including four *G8* members) have agreed to be early adopters of the new standard on information exchange once it is finalised.
- All the UK's Overseas Territories and Crown Dependencies have committed to join the Multilateral Convention. The *UK* has already sent formal requests to the OECD to extend the Convention to the Overseas Territories and the *Isle of Man* (with *Jersey* and *Guernsey* to follow once the necessary domestic processes are complete). Since June, *China*, *Liechtenstein*, *Switzerland*, *San Marino*, *Andorra*, *Chile* and *Hungary* have also joined the Convention.

At Lough Erne, the G8 agreed that 'tax authorities across the world should automatically share information to fight the scourge of tax evasion'.



## What next?

The G8 should ensure that the ambitious timetable set in the Organisation for Economic Cooperation and Development Action Plan for Base Erosion and Profit Shifting is met. By September 2014 the common template for country-by-country reporting will have been developed and by the end of 2015 we expect to have reached consensus on updating the international rules to address Base Erosion and Profit Shifting.

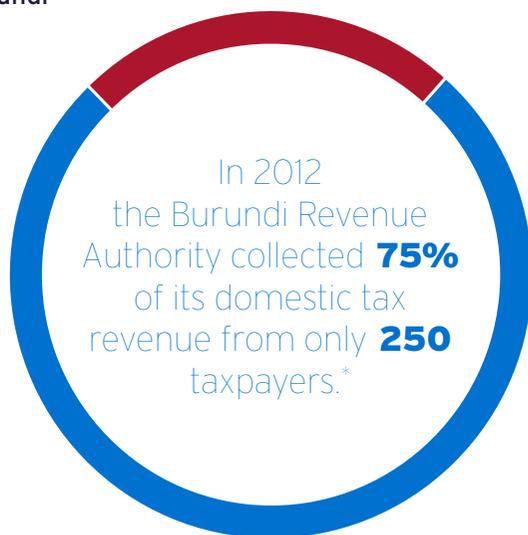
On tax evasion, the Organisation for Economic Cooperation and Development will present the new international standard for automatic exchange of tax information by February 2014, finalising technical considerations by mid-2014. As a result, tax authorities will be able to clamp down on tax evasion and track assets hidden abroad.

## Commitments made

### We will:

- provide practical support to developing countries' efforts to build capacity to collect the taxes owed to them and to benefit from international cooperation, including through long term partnerships;
- call on all jurisdictions to join the Global Forum on Transparency and Exchange of Information for Tax Purposes and the Multilateral Convention;
- take practical steps to support the OECD's Tax Inspectors Without Borders initiative;
- ask the OECD to find ways to address developing country concerns about the information that they need to administer transfer pricing<sup>1</sup> effectively; and
- provide practical support for developing countries seeking to engage in and benefit from new international standards of tax transparency.

### Tax revenues in Burundi



\* Source: Africa Research Institute, 2013

## Progress since June

### G8 members continue to support tax capacity-building projects in developing countries both bilaterally and through international organisations:

- *Canada* will contribute \$18.5 million by 2021 to Benin and \$5 million to Indonesia in 2013 to help increase internal revenues and strengthen public financial management, including through tax capacity-building.
- *France* has agreed new partnerships with the tax administrations of Mali and Mauritania.
- *Germany* continues to support reforms of revenue policy and administration in more than 15 developing countries, and fosters regional cooperation by supporting the African Tax Administration Forum and Inter-American Centre of Tax Administrations.
- *Russia* is providing support for peer learning and knowledge sharing on government revenue management in Eastern Europe and Central Asia through the World Bank, and will continue to run joint seminars with the OECD for its neighbour countries (Belarus, Kazakhstan, and Armenia) on transfer pricing.
- The *UK* has launched a dedicated capacity building unit to assist developing countries increase revenues and will provide £6 million for OECD, Global Forum and World Bank Group projects that will improve revenue collection and help authorities to combat tax evasion and avoidance.
- *Italy* continues to provide national experts from its tax administration in support of OECD initiatives.

<sup>1</sup> Transfer pricing is the process of determining prices for transactions between connected companies. The transactions are usually cross-border, and should be the same as those that would have been agreed between independent parties.

- *Japan* has a dedicated capacity building unit which dispatches staff to training seminars in developing countries and hosts seminars for inward visits.
- The *United States* provides technical assistance for strengthening tax administration capacity in 15 countries, including new programs in 2013 in Burma, the Philippines and Tanzania.
- The *EU* has bolstered support to domestic revenue mobilisation by giving it more emphasis in its budget support operations.
- *Tax Inspectors Without Borders* has been endorsed by the G20 and will be officially launched by the OECD in 2014.
- The *OECD/EU/World Bank* is providing technical assistance to developing countries on transfer pricing. The OECD is exploring how developing countries can improve their access to relevant transfer pricing data.
- The *G20* is committed to help developing countries gain from the progress in tax transparency, including on BEPS and automatic exchange.

The UK plans to post tax advisers to programmes in South Africa, Tanzania, Ethiopia and Pakistan to share best practice and assist with tax collection in 2014.



## What next?

Poorer nations often struggle to collect taxes from businesses and individuals. But a reliable flow of tax revenue is essential for long term economic development. G8 members will continue to support tax capacity building projects, bilaterally and through international organisations. The G8 will also support Tax Inspectors Without Borders.

Developing countries should be encouraged to join the Global Forum and sign up to the multilateral convention.

The G20 will develop a roadmap setting out how developing countries can overcome obstacles to participating in the new automatic exchange of information standard and will identify issues relevant to developing countries within the OECD's work on Base Erosion and Profit Shifting.

# TRANSPARENCY OF COMPANIES and LEGAL ARRANGEMENTS and ANTI MONEY LAUNDERING

## Commitments made

### We will:

- lead by example in our implementation of the Financial Action Task Force (FATF)<sup>1</sup> standards;
- publish national Action Plans setting out concrete steps to ensure companies know who really owns and controls them (beneficial ownership), including ensuring that this information is available in a timely fashion to relevant authorities, for example through central registries;
- launch an inaugural G8 Public-Private Sector Dialogue<sup>2</sup> on anti-money laundering and combating terrorist finance (AML/CTF) in Eastern and Southern Africa; and
- work with our FATF partners to ensure ambitious progress at a global level.

Money laundering constitutes **2-5% of global GDP**, according to the World Bank. That's between \$1.4 and \$3.6 trillion.



## Progress since June

- G8 members have all published national Action Plans to tackle the misuse of companies and legal arrangements based upon common principles agreed at the Lough Erne Summit.
- The *United States* has committed to support central registries at state level.
- On December 11, 2013, *Canada* launched a broad consultation on the Canada Business Corporations Act (CBCA), which includes the issue of corporate transparency and improved access to accurate and timely beneficial ownership information by competent authorities, possibly through the establishment of a central repository of corporations incorporated under the CBCA.
- *Germany* is preparing detailed measures to further enhance transparency of ultimate beneficiaries of companies and legal arrangements, enabling these entities to hold adequate, accurate and current information on their beneficial ownership.
- *Italy* will assess whether beneficial ownership information could be made available through the central registry of companies.
- The *UK* will establish a publicly accessible central registry of company beneficial ownership and is undertaking a wider review of corporate transparency. All the UK's Overseas Territories and Crown Dependencies have published Action Plans and have committed to consult on establishing central registries of company beneficial ownership, or where these exist, assessing their effectiveness.
- *France* supports the creation of a centralised public registry to identify the beneficial owners of legal persons, so that it provides adequate, accurate and current information on their beneficial ownership. France implements legislation and regulation of trusts and other legal arrangements, including foreign trusts, in order to be able to identify tax beneficial owners of trusts of all kind. Trustees are liable to sanctions if they do not comply with these obligations.

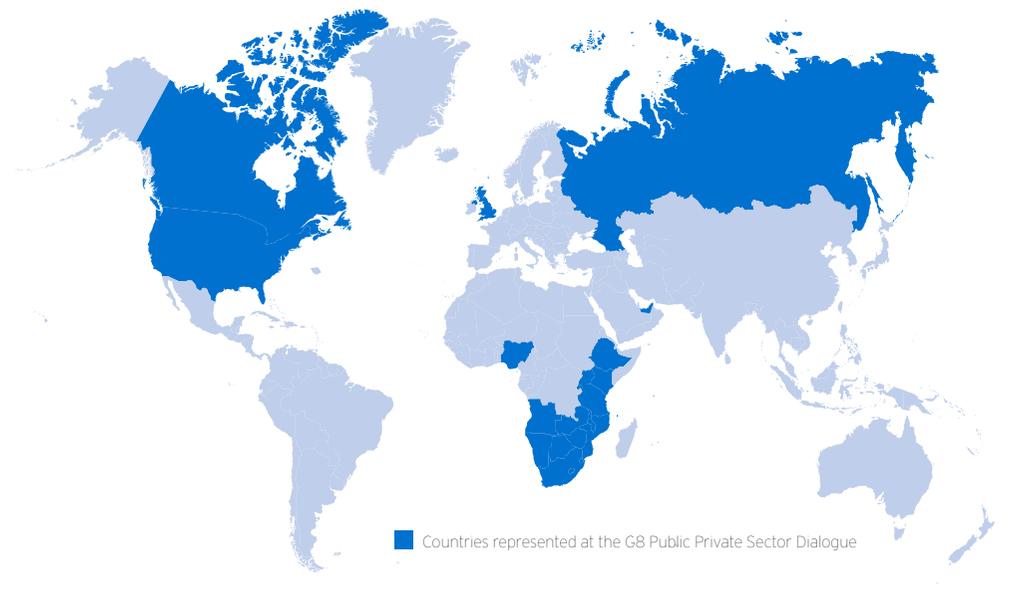
<sup>1</sup> The FATF is an inter-governmental body and promotes effective implementation of legal, regulatory and operational standards to combat money laundering and terrorist financing. Full details can be found here: [www.fatf-gafi.org](http://www.fatf-gafi.org)

<sup>2</sup> The Dialogue aims to bring together the public and private sectors to support the development of robust, effective and proportionate Anti Money Laundering (AML)/Combating Terrorist Finance (CTF) regimes in the region. [www.gov.uk/government/news/g8-public-private-sector-dialogue-on-anti-money-laundering-and-counteracting-terrorist-finance](http://www.gov.uk/government/news/g8-public-private-sector-dialogue-on-anti-money-laundering-and-counteracting-terrorist-finance)

- **Russia** has introduced additional supervisory measures and has passed legislation to establish an obligation on companies to identify their beneficial owners.
- **Japan** has established a national panel on AML which is due to report by the end of 2013 on a framework for dealing with beneficial ownership.
- **G20** leaders have committed to increase transparency of company ownership and control. Finance Ministers will report back on progress at the next G20 leaders' Summit in 2014.
- The **G8** launched the inaugural Public-Private Sector Dialogue on AML/CTF in Namibia in September 2013. This event raised awareness of the importance of robust regimes to tackle illicit finance, establishing new relationships between experts from across the G8 and Eastern and Southern Africa.
- Building on the G8 initiative, the FATF will lead a project on effective supervision and enforcement, drawing on lessons learnt and sharing best practice amongst all members.

### Countries represented at the G8 Public Private Sector Dialogue on Anti-Money Laundering and Combating Terrorist Finance.

- |                   |   |
|-------------------|---|
| Angola            | Russia                                  |
| Botswana          | <i>(attended as the FATF President)</i> |
| Canada            | Rwanda                                  |
| Comoros           | Seychelles                              |
| Equatorial Guinea | South Africa                            |
| Ethiopia          | Swaziland                               |
| Kenya             | Tanzania                                |
| Lesotho           | Uganda                                  |
| Malawi            | Zambia                                  |
| Mauritius         | Zimbabwe                                |
| Mozambique        | UK                                      |
| Namibia           | United Arab Emirates                    |
| Nigeria           | US                                      |



## What next?

Collective global action is essential to tackling international illicit finance. G8 members will continue to implement commitments made in their beneficial ownership Action Plans, ensuring that they meet the G8 common principles on tackling misuse of companies and legal arrangements. We will also work closely with other countries to ensure wide and ambitious implementation of the agreed international standards. A Financial Action Task Force follow-up of the implementation of G8 Action Plans should be presented in 2014. G20 Finance Ministers will report on the steps taken to meet Financial Action Task Force standards on beneficial ownership by the next G20 Summit in November 2014.

The G8 will support continued public and private sector engagement to raise awareness and share expertise on these issues in Eastern and Southern Africa as well as other regions, potentially including through further Dialogues. The G8 will also share lessons learned and best practice with the Financial Action Task Force to drive forward work on enforcement and supervision to ensure that country regimes are not just technically compliant with international standards, but are also effective.

## Commitments made

### We will:

- take action to raise global standards for extractives transparency and make progress towards common global reporting standards;
  - encourage other countries that host major extractive companies to implement equivalent mandatory reporting rules and encourage other countries to sign up to the Extractives Industry Transparency Initiative (EITI).<sup>1</sup>
- These global standards should move towards project-level reporting;
- launch and then develop eight country partnerships with resource rich country governments, the private sector and civil society to strengthen capacity, increase transparency and build accountability in the extractive sector; and
  - continue to support responsible, conflict-free sourcing of minerals.

In 2010, oil exports from one African country exceeded total net aid to sub-Saharan Africa.



3.5 billion people live in resource-rich countries but many do not see the benefits from their natural resources.

## Progress since June

### G8 members have made significant steps in their own countries to raise global standards of extractives transparency:

- *France* has launched an internal consultation to prepare its EITI candidacy and is supporting members of the Francophonie to improve governance and transparency in the extractives sector and join relevant multilateral initiatives such as EITI. France has also contributed \$5 million to the African Development Bank's African Legal Support Facility<sup>2</sup> and \$10 million to the World Bank's Africa Sustainable Extractive Industries trust fund.
- *Germany* has consulted potential pilot regions and is now exploring how to progress its candidature as an EITI implementing country.
- *Italy* has begun consultations with the EITI Secretariat and will seek candidacy status for the new EITI standard as soon as possible.
- *Japan* has organised an event to raise awareness of EITI amongst Japanese companies and will provide an additional \$200,000 to the EITI Multi Donor Trust Fund by April 2014.
- The *UK* held its EITI launch event<sup>3</sup> in July, completed the first EITI Multi-Stakeholder Group meeting in October and will introduce legislation in 2014 to implement the EU Accounting Directive.<sup>4</sup> The UK will contribute up to £2.5 million to the World Bank administered multi-donor Trust Fund for the EITI by March 2014.
- *Russia* has started intergovernmental consultations and discussions with business and academic society over further steps with respect to EITI.
- *Canada* has held nationwide consultations with the extractives sector, civil society, Aboriginal groups and industry organisations on its proposed mandatory reporting requirements that will be aligned with international processes; and will develop a mandatory reporting regime for extractives companies within two years. Canada is supporting Indonesia to achieve compliance with the EITI standard and has programmes with Peru and Tanzania to strengthen their respective EITI implementation.
- The *United States* published its EITI candidacy application, which was approved for submission to the EITI by the multi-stakeholder group in December. The United States continues to work on implementing regulations for Section 1504 of the Dodd Frank Act,<sup>5</sup> which imposes transparency requirements for payments to

<sup>1</sup> More information here on EITI: [www.eiti.org](http://www.eiti.org)

<sup>2</sup> More information on the African Development Bank's African Legal Support Facility: [www.afslf.org](http://www.afslf.org)

<sup>3</sup> [www.gov.uk/extractive-industries-transparency-initiative](http://www.gov.uk/extractive-industries-transparency-initiative)

<sup>4</sup> [www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:182:0019:0076:EN:PDF](http://www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:182:0019:0076:EN:PDF)

<sup>5</sup> [www.sec.gov/about/laws/wallstreetreform-cpa.pdf](http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf)

governments for the commercial development of oil, natural gas, or minerals.

- The *EU G8* countries are working towards quick implementation of the EU Accounting Directive which requires company disclosure of payments to all governments for oil, gas, mining and forestry.

#### Country Partnerships are taking off:

- *Lead G8* partners have held consultations with governments, companies and civil society to finalise country partnership action plans by the end of 2013.
- *Canada-Peru* and *France-Burkina Faso* officially launched their partnerships in November 2013.

#### Outside the G8:

- Two more countries, *Kazakhstan* and *Cameroon*, have become EITI compliant. And *Senegal* and *Ukraine* are candidates, bringing the total countries implementing EITI to 41 by October 2013.
- In St Petersburg *G20* leaders<sup>6</sup> agreed that the Anti-Corruption Working Group would take forward work on extractives.

- The *Open Government Partnership Summit* in October launched an Openness in Extractives Working Group, to share best practice, identify technical assistance and support the aim of common global standards for natural resource transparency.

#### Conflict minerals:

- The Precious Stones Multi-Stakeholder Working Group, which includes the *UK, Canada* and the *United States*, has commissioned a study to determine whether additional due diligence measures should be applied within the precious stones supply chain.

- *Canada* is currently chairing the Multi-Stakeholder Steering Group that serves as the management committee of the joint OECD-ICGLR-UN Group of Experts forum for the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals<sup>7</sup> from Conflict-Affected and High-Risk Areas.
- *The Kimberley Process* (KP)<sup>8</sup> plenary meeting in Johannesburg in November, agreed changes to the KP Core Document for the first time. These raise the minimum requirements for participants and are aimed at strengthening the implementation of the scheme.



\* Extractive Industries Transparency Initiative

## What next?

The G8 will maintain the push for common global standards of reporting and accountability, through legislation, through support for the Extractives Industry Transparency Initiative, and through support for developing countries.

The United States and EU will swiftly adopt and implement Dodd Frank s1504 and the EU Accounting and Transparency Directives. The United States, the UK and France will submit candidacy applications to the Extractives Industry Transparency Initiative during 2014; and Germany and Italy will take steps to prepare their respective approaches to the Extractives Industry Transparency Initiative.

The G8 will maintain a global focus on what companies pay and what governments receive by encouraging more countries to introduce mandatory reporting by companies, and supporting more countries to implement the new Extractives Industry Transparency Initiative standards including through the country partnerships.

All governments should continue to encourage companies to carry out due diligence in line with the Organisation for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

6 [www.g20.org/official\\_resources/library](http://www.g20.org/official_resources/library)

7 [www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-of-minerals-from-conflict-affected-and-high-risk-areas\\_9789264185050-en](http://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-of-minerals-from-conflict-affected-and-high-risk-areas_9789264185050-en)

8 [www.kimberleyprocess.com](http://www.kimberleyprocess.com)

## Commitments made

### We will:

- support greater transparency in land transactions including at early stages, responsible governance of tenure of land, and increase capacity in developing countries; and
- establish partnerships and national development plans with at least seven developing countries and relevant international organisations to accelerate and target support to countries' existing land governance programmes in conjunction with businesses, in particular farmers, and civil society.

75%

of the world's poorest people live in rural areas where land is a fundamental asset. Yet more than a billion of these people lack access to land or a secure stake in the land they till.



## Progress since June

### Country Partnerships are taking off:

- G8 members are working to finalise clear action plans, led by each partner country, which set out what will be delivered, how, and by when, and how the partnership will be accountable at a national level.
- G8 members are exploring opportunities to launch additional country partnerships.
- *Germany*, the *United States*, and the UK launched a further Partnership with *Ethiopia*.
- A new *Global Donor Working Group on Land*<sup>1</sup> has been established to improve global coordination and learning. The group has agreed to support the land partnerships through pro-actively sharing lessons learned, progress, and accountability reports.

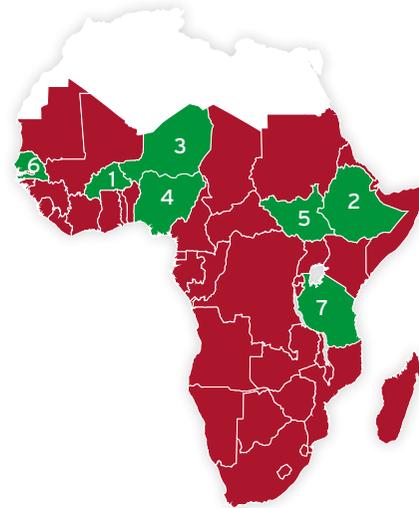
### Beyond the Partnerships:

- A new global donor database of land projects supporting the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)<sup>2</sup> in various countries is being developed and will be launched in January 2014.
- *Italy* is providing €3 million over three years through the Food and Agriculture Organisation (FAO), and *Japan* plans to provide financial contributions through the World Bank, to support implementation of the VGGT in developing countries.
- *Germany* is providing €3 million over three years through the FAO to support implementation of the VGGT in developing countries.

<sup>1</sup> More information here on the Global Donor Working Group on Land, including the Terms of Reference: [www.donorplatform.org/land/global-donor-working-group-on-land.html](http://www.donorplatform.org/land/global-donor-working-group-on-land.html)

<sup>2</sup> More information on the VGGT here: [www.fao.org/nr/tenure/voluntary-guidelines/en/](http://www.fao.org/nr/tenure/voluntary-guidelines/en/)

- The *UK* is scaling up its portfolio of programmes on land transparency and tenure security across sub-Saharan Africa and Asia, to support economic growth and food and nutrition security outcomes. This also includes support to the FAO for the rollout of the VGGT and for the Committee on World Food Security for its global mandate to report on VGGT implementation.
- *G8* members are supporting the development of global principles for Responsible Agricultural Investment (rai),<sup>3</sup> which includes facilitating multi-stakeholder consultations. The rai will be endorsed at the 41<sup>st</sup> session of the Committee on World Food Security in October 2014.
- *France* is implementing bilateral and cross-cutting programmes to support agricultural development and food security including approximately €2.5 million per year allocated to land policies and tenure security issues, including the promotion of the VGGT.
- The *United States* is investing \$170 million beginning in 2013 in new land governance programmes, including new programmes in *Colombia, Cote d'Ivoire, Ethiopia, Guinea* and *Tajikistan*.



This year the G8 launched partnerships with 7 developing countries to improve land and property rights and there are more partnerships coming soon:

- 1 Burkina Faso (United States)
- 2 Ethiopia (UK, United States, Germany)
- 3 Niger (EU)
- 4 Nigeria (UK)
- 5 South Sudan (EU)
- 6 Senegal (France)
- 7 Tanzania (UK)

Providing secure land and property rights to men, women and communities can make a huge difference to the poorest families in terms of education, productivity and income.



**90%**

of the rural land in sub-Saharan Africa is not formally registered

## What next?

Collective global action is essential to improve the transparency of land transactions and thereby attract more responsible investment that will contribute to sustainable economic growth and reduce poverty. The G8 should work collectively and with others to ensure that universal land and property rights are embedded within the international system, including through the principles for Responsible Investment in Agriculture and Africa Union's Land Policy Initiative.

G8 members should work to ensure that the importance of protecting land rights is properly reflected in the post-2015 framework, for example at the World Bank-hosted conference on land and poverty in March 2014.

<sup>3</sup> The rai principles are currently under consultation. For an overview of the process see: [www.donorplatform.org/land/interviews/1076-christina-blank-on-zero-draft-of-principles-for-responsible-agriculture-investment-.html](http://www.donorplatform.org/land/interviews/1076-christina-blank-on-zero-draft-of-principles-for-responsible-agriculture-investment-.html)

## Commitments made

### We agreed and published an Open Data Charter<sup>1</sup> with the following principles:

- Open Data by Default - foster expectations that government data be published openly while continuing to safeguard privacy;
- Quality and Quantity - release quality, timely and well described open data;
- Useable by All - release as much data in as many open formats as possible;
- Releasing Data for Improved Governance - share expertise and be transparent about data collection, standards and publishing processes;
- Releasing Data for Innovation - consult with and empower users; and

- G8 members committed to develop and publish open data action plans by the end of 2013, with a view to implementing the Charter and technical annex by the end of 2015 at the latest. We agreed to encourage others to adopt the Charter.
- G8 members have also agreed to implement the Busan Common Standard on Aid Transparency,<sup>2</sup> including both the Creditor Reporting System of the OECD Development Assistance Committee and the International Aid Transparency Initiative (IATI)<sup>3</sup> by 2015.

### Datasets released on national portals since June 2013



## Progress since June

- *Japan, Russia, Italy, the EU, France* and the *UK* have published their Open Data Action Plans containing commitments to publish the key datasets on national statistics, national maps, national elections, and national budgets. *France, Germany, Italy, Japan, the UK, Canada, and the EU* have published these datasets and will progressively improve the usability and detail quality of the data over the next year. *Russia* will publish its datasets by December 2014.
- The *United States, Germany and Canada* intend to publish their plans by early 2014.
- *Japan* has formulated a new national IT strategy based on the principles within the Open Data Charter.
- *Italy* is launching an electronic platform to allow full transparency of aid budgets and expenditure in real time.

### The G8 member countries who adopted the Charter in June

Country	Population (millions)	Data portal
Canada	34.88	data.gc.ca
EU	508.077	open-data.europa.eu/
France	65.7	data.gouv.fr
Germany	81.89	GovData.de
Italy	60.92	dati.gov.it/
Japan	127.6	data.go.jp *
Russia	143.5	opengovdata.ru/
UK	62.2	data.gov.uk
US	313.9	data.gov

### Other countries who have since adopted the Charter

Ireland	4.6	
Panama	3.8	
Philippines	96.7	

\* Japanese portal will be established by the end of 2013

1 The Open Data Charter and Technical Annex can be found here: [www.gov.uk/government/publications/open-data-charter](http://www.gov.uk/government/publications/open-data-charter)  
 2 More information on the Busan Standard can be found at: [www.oecd.org/dac/effectiveness/busanpartnership.htm](http://www.oecd.org/dac/effectiveness/busanpartnership.htm)  
 3 More information on IATI: [www.aidtransparency.net/](http://www.aidtransparency.net/)

- The *UK* will create a National Information Infrastructure<sup>4</sup> which will contain government data with the broadest and most significant economic and social impact when made available to the public. An outline of the plan and a library of the datasets were published in October 2013.
- *Russia* has focused on increasing the quantity and quality of available data, releasing some 1,000 datasets collected by government bodies, and has released new guidelines on releasing data in an open format. A new national open data portal is being tested before a launch in 2014.
- The *EU* is supporting all 28 EU Member States to implement the G8 open data principles by issuing a set of non-binding guidelines, and is making more datasets available on the EU Open Data Portal.
- *France* has committed to publish more detailed aid project data on a national platform and will consult on access to public data.
- *Germany* has started a consultation and evaluation of the existing National Data Portal and is increasing the number of datasets available.
- *Canada* has launched a new open data portal and Open Government Licence, providing access to government data and information, including all key datasets under the Charter, and granting users unrestricted rights to reuse this data.
- *Canada* is continuing to improve the transparency of its development assistance by publishing more aid data in accordance with the Busan Common Standard on Aid Transparency.

**Beyond the G8:**

- At the Open Government Partnership Summit<sup>5</sup> in October, 37 countries made new commitments including adoption of the Open Data Charter by Ireland, Panama, and the Philippines. The Open Data Working Group, co-chaired by *Canada*, was launched at the Summit.

**What next?**

The G8 should continue to lead the way in providing more open, accountable and responsive government. This means empowering citizens, reducing corruption and engaging with civil society, and will help drive inclusive economic growth. Specifically, G8 members will continue to look to increase the supply of high quality data across key areas of government.

The G8 should also encourage more countries, multinational institutions and organisations to adopt the principles of the Open Data Charter, on the grounds that being open is mutually beneficial to governments, to the economy and to the individual.

**Open data** puts valuable information in the public domain; it helps to cultivate innovation; it increases accountability of governments and businesses alike and can drive economic growth.



<sup>4</sup> More information on the NII: [www.gov.uk/government/publications/national-information-infrastructure](http://www.gov.uk/government/publications/national-information-infrastructure)  
<sup>5</sup> Further information on the OGP can be found here: [www.opengovpartnership.org/](http://www.opengovpartnership.org/)

## Afghanistan

The Afghan National Security Force has recruited 352,000 personnel, consisting of army, police and air force and leads 95% of all operations across the country. In July, the Afghan Parliament agreed essential electoral reforms that were approved by President Karzai. This was the first time the Afghan Parliament debated and approved reforms which previously would have been adopted by decree.

## Asset Recovery related to Arab Countries in Transition

The G8, Arab countries in Transition and other financial centres met in Marrakesh in October for the second Ministerial Arab Forum on Asset Recovery. Financial centres not previously involved in the Arab Forum participated for the first time. The meeting recognised significant progress made over the last year on international cooperation on asset recovery, including the links to beneficial ownership. Three training and capacity-building workshops were held throughout 2013.

## Climate Change

G8 Foreign Ministers agreed that climate change and resource stress could contribute to security risks. Officials from interested G8 countries held a conference on climate and security. They agreed to share knowledge and commission a study, to be delivered in 2015, on the impacts of climate change on fragile states. At the Warsaw climate change conference (UNFCCC COP) in November, all nations agreed to prepare for the new global climate change deal in 2015.

## Counter-Terrorism and Kidnap for Ransom

G8 leaders discussed terrorism in North and West Africa and agreed for the first time unequivocally to reject ransom payments to terrorists. G8 Counter-Terrorism Advisers have since recommended a focus on: how states could collaborate on preventing kidnaps before they take place, through training and sharing travel advice; support for the Global Counter-Terrorism Forum, to coordinate counter-terrorism support in North and West Africa; and, how respective G8 countries' crisis management could improve through knowledge-sharing.

## Deauville Partnership for Arab Countries in Transition

G8 countries reiterated their political and practical support for the Arab countries in Transition at meetings of Foreign and Finance Ministers of the Deauville Partnership in September and October. The G8 Presidency organised three conferences with the aim of promoting inward investment. The European Bank of Reconstruction and Development (EBRD) has extended its operations to several transition countries. On 4 December the World Trade Organisation agreed to admit Yemen as a new member. By the end of this year over \$130 million worth of technical assistance will have been approved under the Deauville Transition Fund. For more details see the Deauville Partnership Progress Report.<sup>1</sup>

## Dementia

At a meeting in London in December, the G8, the World Health Organisation (WHO) and the OECD agreed to coordinate global action to tackle dementia. The UK will appoint a Global Dementia Innovation Envoy to draw together international expertise and coordinate global efforts, including to attract new sources of finance. A series of events will be held throughout 2014, supported by the OECD, WHO, the European Commission, the EU Joint Programme on Neurodegenerative Disease and civil society, to promote and accelerate efforts in social impact investment (*The UK*), new care and prevention models (*Japan*) and public and private partnerships (*Canada and France*).

<sup>1</sup> [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/248907/130925\\_DP\\_progress\\_rpt.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/248907/130925_DP_progress_rpt.pdf)

### Nutrition

Benin, Malawi, Nigeria and Senegal joined the New Alliance for Food Security and Nutrition. The Nutrition for Growth event in London on 8 June endorsed a global compact to prevent millions of infant deaths - and boost the life chances of millions more - by equipping the developing world with the means to beat malnutrition. This was an important step forward in international action and funding to tackle under-nutrition, with commitments made to improve the nutrition of 500 million pregnant women and young children and to reduce stunting of children under the age of five by 20 million. Brazil is developing plans for Nutrition for Growth follow-up events in Brazil next year alongside the World Cup and in 2016 at the Rio Olympics.

### Iran

The E3+3 (France, Germany, the UK, China, Russia and the United States) agreed a Joint Plan of Action in Geneva with Iran over its nuclear programme. The six-month interim agreement suspends 20% enrichment, caps the production and use of all centrifuges, halts progress at Arak and allows increased international visibility of the programme. It eliminates the stockpile of 20% enriched UF<sub>6</sub>, which pushes back the timelines for Iran developing a nuclear weapon capability. In return, the E3+3 will give Iran limited and proportionate sanctions relief. However, most sanctions, including core oil and financial measures, will stay in place until a comprehensive settlement is reached. We expect the Joint Plan of Action to come into force in January 2014.

### North Korea (DPRK)

DPRK continues to develop nuclear and ballistic missile programmes in defiance of UN Security Council Resolutions. We continue to call on the DPRK to abandon its nuclear weapons in a complete, verifiable and irreversible manner. We will continue to use all means, including the G8, to promote the robust implementation of UN sanctions.

### Preventing Sexual Violence in Conflict

137 countries have so far endorsed the Declaration of Commitment to End Sexual Violence in Conflict which was launched by the Foreign Secretary at the UN in September and which builds on the G8 Declaration on Preventing Sexual Violence in Conflict which was adopted by G8 Foreign Ministers at their meeting in April. Both Declarations make clear that rape and other forms of serious sexual violence in armed conflict are war crimes and constitute grave breaches of the Geneva Conventions and their first Protocol and also contain a number of practical commitments to tackling sexual violence in conflict, including supporting the development of a new International Protocol on the documentation and investigation of sexual violence in conflict. The International Protocol will be launched at the international summit on ending sexual violence in conflict that the Foreign Secretary will co-host in London in June 2014.

### Syria

The situation in Syria remains grave. The death toll has risen to 100,000 since June and nearly four million Syrians have been forced to flee their homes. The G8 helped to raise another \$1 billion for the UN Syria Appeal. The UN Security Council agreed a presidential statement on humanitarian access, but this is not being implemented and there remains a significant shortfall against the UN appeal for 2013. The activities of extremist groups have not abated; human rights and international humanitarian laws continue to be violated. The Geneva II conference is now scheduled for January 2014. There has been some progress on destroying Syria's chemical weapon stockpiles following a UN Security Council resolution.

