

DRAFT

2007 Heiligendamm Summit Final O5 Compliance Report

9 June 2007 to 31 May 2008

Prepared by
Miranda Lin, Sarah Yun and Cliff Vanderlinden
G8 Research Group

NOT FOR CITATION OR PUBLICATION

19 June 2008

www.g8.utoronto.ca · www.g8live.org
g8@utoronto.ca



Contents

Preface 2
Executive Summary..... 3
Table A: Heiligendamm Final Compliance Scores 4
Research Team..... 5
1. Cross Border Investment..... 6
2. Climate Change 16
3. Energy 28
4. Development..... 35

Preface

[Insert Preface]

Executive Summary

[Insert Executive Summary]

Table A: Heiligendamm Summit Final O5 Compliance Scores

Commitment	Brazil	China	India	Mexico	South Africa	Average
Cross Border Investment	0	+1	0	+1	+1	+0.60
Climate Change	+1	+1	+1	+1	+1	+1.00
Energy	0	0	0	0	+1	+0.20
Development	0	+1	0	0	+1	+0.40
Country Average	+0.25	+0.75	+0.25	+0.50	+1.00	
				Final Compliance Score		+0.55

Research Team

Professor John Kirton, Director, G8 Research Group
Dr. Ella Kokotsis, Director of Analytical Research, G8 Research Group
Cliff Vanderlinden, Chair, G8 Research Group
Miranda Lin, Co-Director, Civil Society and Expanded Dialogue Unit
Sarah Yun, Co-Director, Civil Society and Expanded Dialogue Unit
Jenilee Guebert, Senior Researcher, G8 Research Group

Lead Analysts

Theodore Anderson
Augustine Kwok

Analysts

Helen Bao
Pierre-Arnaud Barry-Camu
Kyle D'Souza
Stephanie Law
Ariana Lopes Morey
Miyoun Oh
Farah Saleem
Yunjie Shi
Liron Taub

1. Cross Border Investment

Commitment

“We shall work together to promote more favourable conditions in our countries for investment, both domestic and foreign, with the aim of fostering economic growth and sustainable development. This may also include the encouragement of responsible business conduct.”

Background

At the 2007 Heiligendamm Summit, the Outreach 5 (Brazil, China, India, South Africa and Mexico) issued a joint statement that detailed their determination to cooperate in dealing with five issues, one of which was promoting cross-border investment. In their statement, the Outreach 5 reaffirmed their commitment to influence policies that regulate, govern, or facilitate cross-border direct investment and increase corporate governance.

The Outreach 5 recognized that cross-border direct investment is a “major fact [in] shaping the world’s economy” and that it can “make a positive contribution to economic growth and sustainable development.”¹ With this in mind, any legislation that is passed and ratified by the appropriate ministries of each given country and that directly contributes to the attainment of this stated goal will be interpreted as compliance.

Overall, the Outreach 5 compliance with their commitments to the Heiligendamm Process as of the publication of this final report has been acceptable. All five of the O5 countries have either sustained or improved their performance since the interim report and have continued to participate in both bilateral and multilateral discussions with regards to improving the ease of facilitating cross border investment. However, only three countries – China, Mexico and South Africa – have taken state-endorsed legislative steps to cement the work of these discussions.

Lead Analyst: Augustine Kwok

Assessment

	Final Compliance Score		
	Lack of Compliance	Work in Progress	Full Compliance
Country	-1	0	+1
Brazil		0	
China			+1
India		0	
Mexico			+1
South Africa			+1
Average Score			+0.60

Scoring

-1	Heiligendamm Process partner does not make any significant changes to legislation on cross border investment.
0	Heiligendamm Process partner proposes changes to legislation on cross border investment, although said changes are not ratified by state government.
+1	Heiligendamm Process partner enacts legislation promoting cross border investment.

¹ Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the Occasion of the G8 Summit in Heiligendamm, G8 (Heiligendamm), 8 June 2007. Date of Access: 12 January 2008. <http://www.g8.utoronto.ca/summit/2007heiligendamm/g8-2007-joint.html>.

Brazil: 0

Brazil has continued to engage in a variety of bilateral and multilateral conferences that discuss the issue of improving trade and increasing the amount of cross-border investment. The media is filled with reports of visits between Brazil and other countries. None of these discussions, however, have actually cemented themselves in Brazilian domestic policy.

Regionally, Brazil is very dominant in the proceedings of Mercado Comun del Sur, otherwise known as the Southern Common Market (MERCOSUR), and often times acts relatively independently to sign treaties between MERCOSUR and non-regional parties.² For example, the possibility of a MERCOSUR-India-SACU Trilateral Free Trade Agreement (T-FTA) has been in the discussion stages since its theoretical conception in 2006, but as of 17 July 2007, it has still not been successfully implemented.³ There have also been attempts at cooperation between MERCOSUR and the Association of South East Asian Nations (ASEAN).⁴ Most recently, Brazil has signed a new Automotive Agreement with Argentina under the authority of MERCOSUR and there are reports that this agreement might be extended to both Paraguay and Uruguay.⁵

As part of the WTO, and more specifically the WTO Group of 20, Brazil has encouraged the continuation of the Doha Development Agenda so as to reach an agreement to “eliminate trade distortions, especially those limiting access to the developed countries’ markets, including domestic support and other forms of internal support instrumented by the developed countries.”⁶

Analyst: Augustine Kwok

China: +1

China’s compliance with the 2007 Heiligendamm commitments on promoting cross-border investment has accorded them a score of +1. The Central Government has undertaken trade and investment measures over the past year, which reflects a desire to more finely structure the national economy, as well as to deepen sector preferences for investment. In November 2007, Vice-Minister of the National Development and Reform Commission (NDRC) Zhang Mao said China would maintain its Open Policy and promote a “quantity-to-quality transformation in attracting foreign investment.”⁷ On 14 December 2007, Chinese Vice-Premier Wu Yi offered assurances that “China’s door has been and will be resolutely open to the outside world,”⁸ at the 18th Joint Commission on Commerce and Trade in Beijing.

On 1 December 2007, China issued a new set of guidelines governing foreign direct investment. The guidelines, which are detailed in the Catalogue of Industries for Guiding Foreign Investment, were jointly issued by the NDRC and the Ministry of Commerce.⁹ Foreign investors are encouraged to invest in high technology and environmentally friendly projects, and are barred or restricted from entering some resource-intensive and high-polluting sectors. According to Reuters UK, who cites the NDRC’s website, the guidelines “mark a departure from the policy of simply encouraging exports.”¹⁰ The NDRC goes on to state, “Facing an overly large trade surplus and rapid growth

² Mercosur: Back on Track? EconSouth Federal Reserve Bank of Atlanta (Atlanta), Q2 2000. Date of Access: 12 January 2008. <http://www.frbatlanta.org/invoke.cfm?objectid=87B68290-6666-11D5-93390020352A7A95&method=display>.

³ New Delhi Ministerial Communique 2007 of India-Brazil-South Africa (IBSA) Dialogue Forum, Ministry of External Relations (Brasilia), 17 July 2007. Date of Access: 12 January 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=4524.

⁴ MERCOSUR-ASEAN Cooperation, Ministry of External Relations (Brasilia), 22 August 2007. Date of Access: 12 January 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=4647.

⁵ Conclusion of a New Automotive Agreement between Brazil and Argentina, Ministry of External Relations (Brasilia), 30 May 2008. Date of Access: 5 June 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=5516

⁶ New Delhi Ministerial Communique 2007 of India-Brazil-South Africa (IBSA) Dialogue Forum, Ministry of External Relations (Brasilia), 17 July 2007. Date of Access: 12 January 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=4524.

⁷ China to ease restrictions on foreign investments in service sector, Xinhuanet English Online Edition (Beijing), 17 November 2007. Date of Access: 4 January 2008. http://news.xinhuanet.com/english/2007-11/17/content_7095060.htm.

⁸ China sees 13.6% rise in foreign investment in first 11 months, People’s Daily Online Edition (Beijing) 14 December 2007. Date of Access: 6 January 2008. <http://english.people.com.cn/90001/90776/6321325.html>.

⁹ FDI Steered on high-tech, green path, People’s Daily Online Edition (Beijing) 8 November, 2007. Date of Access: 20 December 2007. <http://english.people.com.cn/90001/90776/90884/6298850.html>.

¹⁰ China sets out restrictions, shopping list for FDI, Reuters UK (Beijing) 7 November 2007. Date of Access: 20 December 2007. <http://uk.reuters.com/article/environmentNews/idUKPEK33905220071107?pageNumber=1&virtualBrandChannel=0>.

in foreign exchange reserves, we will no longer employ a policy that gives blanket encouragement to exports."¹¹ This more selective approach to FDI also aims to protect key domestic industries such as mining and manufacturing in addition to boosting the development of various regions in China. Generally, the preferred industries and projects can receive preferential tax, licensing, and other treatments while restricted ones face higher standards of judging for approval.¹² According to the World Bank's International Finance Business Environment Snapshot for China, the three most problematic issues for doing business in China are access to financing, inefficient government bureaucracy, and corruption.¹³

Shortly after the release of the new FDI guidelines, the government also promulgated its desire to steer FDI into the service sector. Quoted in an article by the Xinhua News Agency on 17 November 2007, a senior economic planner in Beijing says, "China will gradually scrap restrictions on the destination, stock ownership and business scope of foreign investment in the service sector."¹⁴ Speaking at a multinational CEO roundtable, Zhang Mao reiterated these investment rules, but also indicated that Chinese authorities would "help to create a sound investment environment by simplifying examination and approval procedures and steadily accelerating the free exchange of the country's currency under the capital account."¹⁵

In addition to these relaxations, China has moved to ease restrictions on foreign investment in other industries, such as the service¹⁶ and securities sectors.¹⁷ Although allowing more foreign companies to access Chinese companies, these investments would be closely monitored and kept below stipulated foreign investment levels as proscribed by Chinese regulatory agencies, such as the China Securities Regulatory Commission (CSRC). A variety of legislation has also been passed that can be interpreted as harmful to prospects for greater CBI.

On 30 August 2007, the Standing Committee of the National People's Council adopted the Anti-Monopoly Law, the first of its kind in China.¹⁸ The President of the European Union Chamber of Commerce in China Joerg Wuttke said, "The European Chamber welcomes a more open economy and a level playing field for business in China. We hope the Anti-Monopoly Law will contribute to this."¹⁹ The law requires formal security reviews of all foreign investors seeking to invest in Chinese companies. It aims to safeguard key, state-dominated sectors in the Chinese economy, primarily petroleum, coal, energy, telecoms, civil aviation, and shipping.²⁰ There are concerns that the emphasis of the legislation may shift too much towards protecting domestic industries rather than enhancing fair competition for both domestic and foreign companies. The Anti-Monopoly Law comes into effect on 1 August 2008.

In addition, revised versions of the Corporate Income Tax Law and Labour Contract Law, both of which came into effect on 1 January 2008, are already showing some impact on the investment landscape. Adopted after a string of "staff-sacking scandals in many companies,"²¹ the Labour Contract Law forces better labour practices including set wage standards for workers on probation and overtime, ultimately increasing the cost of business.²² Similarly, income tax for both foreign and domestic companies is now leveled at 25 per cent, compared to the previous 15 per

¹¹ China sets out restrictions, shopping list for FDI, Reuters UK (Beijing) 7 November 2007. Date of Access: 20 December 2007. <http://uk.reuters.com/article/environmentNews/idUKPEK33905220071107?pageNumber=1&virtualBrandChannel=0>.

¹² China sets out restrictions, shopping list for FDI, Reuters UK (Beijing) 7 November 2007. Date of Access: 20 December 2007. <http://uk.reuters.com/article/environmentNews/idUKPEK33905220071107?pageNumber=1&virtualBrandChannel=0>.

¹³ Business Environment Snapshot for China, International Finance Corporation, World Bank Group (Washington). Date of Access: 7 January 2008. <http://rru.worldbank.org/BESnapshots/China/default.aspx>.

¹⁴ China to ease restrictions on foreign investments in service sector, Xinhuanet English Online Edition (Beijing), 17 November 2007. Date of Access: 4 January 2008. http://news.xinhuanet.com/english/2007-11/17/content_7095060.htm.

¹⁵ China to ease restrictions on foreign investments in service sector, Xinhuanet English Online Edition (Beijing), 17 November 2007. Date of Access: 4 January 2008. http://news.xinhuanet.com/english/2007-11/17/content_7095060.htm.

¹⁶ China to ease restrictions on foreign investments in service sector, Xinhuanet English Online Edition (Beijing), 17 November 2007. Date of Access: 4 January 2008. http://news.xinhuanet.com/english/2007-11/17/content_7095060.htm.

¹⁷ Foreign investment allowed in Chinese securities companies, Xinhua News Agency (Beijing) 29 December 2007. Date of Access: 2 June 2008. http://www.china.org.cn/government/central_government/2007-12/29/content_1237446.htm.

¹⁸ Squire Saunders & Dempsey LLP. China Update: "China's first Anti-Monopoly Law", Squire Saunders & Dempsey LLP November 2007. Date of Access: 2 January 2008. http://www.ssd.com/files/tbl_s29Publications/FileUpload5689/10108/ChinaUpdate1107.pdf.

¹⁹ European Union Chamber of Commerce in China welcomes the promulgation of the Anti-Monopoly Law (Beijing), 30 August 2007. Date of Access: 6 January 2008. <http://www.eurochamber.com.cn/events/news.php?id=428>.

²⁰ Squire Saunders & Dempsey LLP. China Update: "China's first Anti-Monopoly Law", Squire Saunders & Dempsey LLP November 2007. Date of Access: 2 January 2008. http://www.ssd.com/files/tbl_s29Publications/FileUpload5689/10108/ChinaUpdate1107.pdf.

²¹ New labor contract law changes employment landscape, Chinese Government's Official Web Portal, Xinhua News Agency (Beijing) 1 January 2008. Date of Access: 28 May 2008. http://english.gov.cn/2008-01/01/content_848324.htm.

²² New labor contract law changes employment landscape, Chinese Government's Official Web Portal, Xinhua News Agency (Beijing) 1 January 2008. Date of Access: 28 May 2008. http://english.gov.cn/2008-01/01/content_848324.htm.

cent for foreign companies.²³ A number of South Korean-funded companies have shut down their operations in China this year, mainly due to increased income tax for foreign invested companies as well as the increased cost of labour.²⁴ In contrast however, the *Guangdong Daily* reported on 22 March 2008 that US companies are expected to invest another \$17 billion USD over the next three years in south China.²⁵ Harley Seyedin, President of the American Chamber of Commerce in South China, said that US firms are less badly hit by the new labour laws as they mostly recruit technical and managing staffs that receive pay higher than legal minimums.²⁶

On another note, further openings of other Chinese industries to foreign investment are on the horizon, according to the Central Government. For example, on 5 March 2008, although the National People's Congress decided to invest approximately \$42 billion USD into railway construction, they still maintain an opening for future foreign investment. Minister of Railways Liu Zhijun said that foreign investment to the sector would be introduced "at a proper time."²⁷ On 18 April 2008, Xinhua reported that the government intends to encourage both domestic and foreign strategic investors to invest in constructing China's longest high speed railway to link Beijing and Shanghai, set for completion in 2013.²⁸ The Beijing-Shanghai High-Speed Railway Co. Ltd was inaugurated in late December 2007 to lead the construction, and has a registered capital of 115 billion Yuan.²⁹ A Ministry of Railways official told Xinhua that securities offerings would be used to finance the project in order to reduce the proportion of government investment.³⁰

Overall, as a result of these policies, total foreign direct investment utilization in the first quarter of 2008 was up 59.32 per cent from the same period last year, while the number of newly-approved foreign-funded enterprises decreased.³¹ Fiscal and administrative measures to combat excess liquidity, raw materials price increase, and an emphasis on adjusting for geographic disparities in development will likely continue to shape the character and direction of foreign investments in China. The decrease in the number of newly-approved foreign-funded enterprises is due to China becoming more "selective with foreign investment,"³² but this "will not discourage foreign investment."³³ In fact, in a recent survey published by Ernst & Young, China has been ranked the most attractive destination for FDI.³⁴

In the financial services sector, the State Administration of Foreign Exchange (SAFE) announced a tripling of the investment quota for Qualified Foreign Institutional Investors (QFII) in RMB-denominated equity and bond markets from \$10 billion USD to \$30 billion USD.³⁵ The QFII was set up by the state in 2002 as a brokerage program for foreign capital entry into China's financial markets under the current foreign exchange control system. Similarly, the Qualified Domestic Institutional Investors (QDII) quota, an investment scheme under which domestic, government-authorized institutional investors can invest in overseas capital markets, was also raised from USD\$10

²³ Nation still a magnet for foreign investment, People's Daily Online (Beijing) 28 February 2008. Date of Access: 28 May 2008. <http://english.people.com.cn/90001/90776/90884/6362579.html>.

²⁴ Governor: closure of ROK companies no major impact on E China province, ChinaView, Xinhua News Agency (Beijing) 10 March 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-03/10/content_7757870.htm.

²⁵ U.S. firms expected to invest \$17 bln in S China over next three years, ChinaView, Xinhua News Agency (Beijing) 22 March 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-03/22/content_7838868.htm.

²⁶ U.S. firms expected to invest \$17 bln in S China over next three years, ChinaView, Xinhua News Agency (Beijing) 22 March 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-03/22/content_7838868.htm.

²⁷ China to introduce foreign investment in railway construction, Government's Official Web Portal, Xinhua News Agency (Beijing) 5 March 2008. Date of Access: 28 May 2008. http://english.gov.cn/2008-03/05/content_910437.htm.

²⁸ Foreign strategic investors allowed to finance Beijing-Shanghai high-speed railway, Chinese Government's Official Web Portal, Xinhua News Agency (Beijing) 18 April 2008. Date of Access: 28 May 2008. http://english.gov.cn/2008-04/18/content_948625.htm.

²⁹ Foreign strategic investors allowed to finance Beijing-Shanghai high-speed railway, Chinese Government's Official Web Portal, Xinhua News Agency (Beijing) 18 April 2008. Date of Access: 28 May 2008. http://english.gov.cn/2008-04/18/content_948625.htm.

³⁰ Foreign strategic investors allowed to finance Beijing-Shanghai high-speed railway, Chinese Government's Official Web Portal, Xinhua News Agency (Beijing) 18 April 2008. Date of Access: 28 May 2008. http://english.gov.cn/2008-04/18/content_948625.htm.

³¹ China's FDI surges, fewer foreign-funded companies approved, ChinaView, Xinhua News Agency (Beijing) 12 May 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-05/12/content_8154150.htm.

³² Fitch: more selective policy not to keep foreign investment off China, People's Daily Online Edition (Beijing) 5 June 2008. Date of Access: 6 June 2008. <http://english.people.com.cn/90001/90776/90884/6425244.html>.

³³ Fitch: more selective policy not to keep foreign investment off China, People's Daily Online Edition (Beijing) 5 June 2008. Date of Access: 6 June 2008. <http://english.people.com.cn/90001/90776/90884/6425244.html>.

³⁴ Survey ranks China as most attractive destination of FDI, People's Daily Online Edition (Beijing) 5 June 2008. Date of Access: 6 June 2008. <http://english.people.com.cn/90001/90776/90884/6425361.html>.

³⁵ China triples QFII quota ahead of key meetings with U.S. officials, People's Daily Online Edition (Beijing), 10 December 2007. Date of Access: 3 January 2008. <http://english.people.com.cn/90001/90778/6318270.html>.

billion to USD\$30 billion.³⁶ These announcements came just ahead of the 3rd Sino-U.S. Strategic Economic Dialogue during the second week of December 2007, where China agreed to let foreign companies issue RMB-denominated stocks and bonds.³⁷ On the investment outflow side, China will allow mutual funds administered by Chinese banks to invest in the US stock market.³⁸

China and Mexico reached a negotiated agreement to mutually promote and protect each other's investments on 20 May 2008.³⁹ Between 1999 and 2007, China's investment in Mexico totalled \$66 million USD, according to the Mexican Ministry of Economy.⁴⁰ The agreement effectively boosts bilateral economic ties and relations by providing a judicial framework more favourable for foreign investments, said Carlos Arce Macias, Deputy Economy Secretary of Mexico.⁴¹ The agreement could be signed in July 2008 during President Felipe Calderon's visit to China.⁴²

Analyst: Helen Bao

India: 0

The Government of India's efforts to encourage cross-border investments have led to improved conditions for growth and investments for both domestic and foreign investors. However, there has yet to be any enactment of legislation that would be conducive to the promotion of cross-border investment. The Government of India notes that India has posted a continuous growth rate of 9 per cent per annum over the last three years; with its economy demonstrating the capacity for sustained growth including, foreign exchange reserves in excess of \$250 billion USD and foreign direct investment (FDI) of nearly \$30 billion USD last year.⁴³

The Organization for Economic Co-operation and Development (OECD) reports that the rules governing foreign direct investment in India have been markedly eased, notably in the manufacturing sector while the number of industries reserved for very small firms has been significantly reduced, encouraging foreign suppliers to enter the market by a progressive lowering of tariffs to an average of 10 per cent in 2007. Fiscal discipline has also been improved by the passage of fiscal responsibility laws for the Central Government and twenty-five of the twenty-eight state governments.⁴⁴

On a visit to the UK in September 2007, Honourable Minister of State for External Affairs Anand Sharma met with Minister for Trade and Investment Lord Digby Jones to explore the possibility of increasing opportunities in investment and trade in addition to other concerns expressed by industry associations.⁴⁵ A similar discussion occurred on 25 September 2007 when the Outreach 5(O5) countries convened in New York to explore ways of expanding consultation and cooperation amongst themselves and with the G8 in areas of mutual interest.⁴⁶

³⁶ China to float its second batch of QDII, People's Daily Online Edition (Beijing), 22 December 2007. Date of Access: 3 January 2008. <http://english.people.com.cn/90001/90778/90857/90861/6325310.html>.

³⁷ U.S.-China Trade Talks Conclude With Modest Deals and Mutual Warmness, New York Times Online (New York), 14 December 2007. Date of Access: 5 January 2008. http://www.nytimes.com/2007/12/14/business/worldbusiness/14trade.html?_r=1&partner=rssnyt&emc=rss&oref=slogin.

³⁸ China agrees to open up financial service industry to foreign companies, People's Daily Online Edition (Beijing) 13 December 2007. Date of Access: 3 January 2008. <http://english.people.com.cn/90001/90778/6320597.html>.

³⁹ Mexico, China to sign agreement promoting investments, ChinaView, Xinhua News Agency (Mexico City) 21 May 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-05/21/content_8219411.htm.

⁴⁰ Mexico, China to sign agreement promoting investments, ChinaView, Xinhua News Agency (Mexico City) 21 May 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-05/21/content_8219411.htm.

⁴¹ Mexico, China to sign agreement promoting investments, ChinaView, Xinhua News Agency (Mexico City) 21 May 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-05/21/content_8219411.htm.

⁴² Mexico, China to sign agreement promoting investments, ChinaView, Xinhua News Agency (Mexico City) 21 May 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-05/21/content_8219411.htm.

⁴³ Speech by Honourable President of India, Smt. Pratibha Devisingh Patil, at the Valedictory Session and Conferment of the Pravasi Bharatiya Saman Awards at the Sixth Pravasi Bharatiya Divas (New Delhi), 9 January 2008. Date of Access: 12 January 2008. <http://presidentofindia.nic.in/sp090108.html>.

⁴⁴ Economic Survey of India, 2007, Policy Brief, Organization for Economic Co-operation and Development, October 2007. Date of Access: 19 February 2008. <http://www.oecd.org/dataoecd/17/52/39452196.pdf>.

⁴⁵ Visit of Shri Anand Sharma, Minister of State for External Affairs to UK, Ministry of External Affairs (New Delhi), 21 September 2007. Date of Access: 12 January 2008. <http://meaindia.nic.in/pressrelease/2007/09/21pr02.htm>.

⁴⁶ On the visit of the Minister of External Affairs to New York, Minister of State for External Affairs to UK, Ministry of External Affairs (New Delhi), 25 September 2007. Date of Access: 12 January 2008. <http://www.mea.gov.in/pressrelease/2007/09/25pr01.htm>.

DRAFT: NOT FOR CITATION OR PUBLICATION

The United Nations Conference on Trade and Development released the World Investment Report 2007, naming India as the second favourite destination for FDI, due to the fact that Indian private sector companies have been undertaking cross-border mergers and acquisitions abroad to gain access to new technologies, competencies, and to build stronger positions in global markets.⁴⁷ Furthermore, as of November 2007, public corporations such as the Oil and Natural Gas Corporation (ONGC) undertook energy exploration initiatives in Brazil, for example, that led to the fostering of economic growth and collaboration between O5 countries.⁴⁸ The Competition Bill (enacted in 2002) aimed at regulating markets was amended in 2007, giving regulatory powers to the Competition Commission, a government body that deals with market competition policies and laws.⁴⁹

On 8 January 2008, a partnership was announced between the US Securities Commission (SEC) and the Securities and Exchange Board of India (SEBI) – the Indian market regulatory authority.⁵⁰ India anticipates the proposed discussions between both regulators to focus primarily on regulatory and compliance issues related to outsourcing, cross border co-operation, and information sharing in securities enforcement matters.⁵¹

Following the Government of India's Automotive Mission Plan (AMP) launched in early 2007 that aim to assist the domestic automotive industry, further proposals by the Minister for Heavy Industries & Public Enterprises, Sontosh Mohan Deb were announced. Acknowledging more incentives to the domestic automotive industry with joint industry and government efforts, he stated that government incentives are needed for fostering of economic growth and that every country has given protection to its auto sector during its initial growth stage.⁵²

Early on in the first quarter of 2008, the Indian economy witnessed \$4 billion USD of private equity investment.⁵³ In 2008, Indian private firms are looking to expand their business overseas with focused attention on the competition between India and China towards the African continent.⁵⁴

Analyst: Farah Saleem

Mexico: +1

Mexico has registered a score of +1 for full compliance with its commitment to promote cross-border investment (CBI). Within a matter of days after the Heiligendamm Summit, President Felipe Calderón affirmed that it is a priority of his government to make Mexico “one of the best destinations for investment in the world.”⁵⁵ The foremost development in this area was the inauguration of ProMexico on 9 July 2007. ProMexico is an organization designed to coordinate government strategies for the promotion of Mexico abroad, particularly in attracting foreign investment.⁵⁶ For example, in July 2007 ProMexico held a seminar in Shanghai, China, on opportunities for

⁴⁷ 'India 2nd favourite destination for FDI', The Times of India: India Business News (Gurgaon), 17 October 2007. Date of Access: 19 February 2007.

http://timesofindia.indiatimes.com/Business/India_Business/India_2nd_favourite_destination_for_FDI_/rssarticleshow/2464915.cms

⁴⁸ ONGC Videsh Limited wins two exploration blocks in Brazil, Oil and Natural Gas Corporation (ONGC), (Dehradun), 28 November 2007. Date of Access: 07 January 2008. http://www.ongcindia.com/press_release1.asp?fold=press&file=press293.txt.

⁴⁹ Parliament passes Competition Bill, Press Information Bureau, Government of India, (New Delhi), 10 September 2007. Date of Access: 31 May 2008. <http://pib.nic.in/release/release.asp?relid=31145>.

⁵⁰ SEC, SEBI Announce Increased Cooperation and Collaboration of Capacity Building Events in India, Securities and Exchange Commission (Washington), 08 January 2008. Date of Access: 11 January 2008. <http://www.sec.gov/news/press/2008/2008-3.htm>.

⁵¹ SEBI to co-operate with US Securities and Exchange Commission, National Portal of India (New Delhi), 10 January 2008. Date of Access: 12 January 2008. <http://india.gov.in/allimpfrms/bnews/2008/jan/10/16.htm>.

⁵² Government to give more incentives to automobile sector: Sontosh Mohan Deb, National Portal of India, (New Delhi), 10 January 2008. Date of Access: 12 January 2008.

http://india.gov.in/business_outerwin.htm?id=http://india.gov.in/allimpfrms/bnews/2008/jan/10/3.htm.

⁵³ Indian witnesses \$4 bn PE investment in Q1 of 2008: report, The Time of India, (Gurgaon), 22 April 2008. Date of Access: 31 May 2008.

http://economictimes.indiatimes.com/News/Economy/Finance/India_witnesses_4_bn_PE_investment_in_Q1_of_2008_Report/rssarticleshow/2972966.cms.

⁵⁴ Indian Companies Race to catch up to China in Africa, International Herald Tribune, (Hong Kong), 08 May 2008. Date of Access: 31 May 2008. <http://www.iht.com/articles/2008/05/08/business/rupee.php>.

⁵⁵ El Presidente Calderón en la Inauguración de la Expansión de la Planta Petrocel Temex, Productora Terestatalos Altamira, Presidencia de la República (Altamira) 14 June 2007. Date of Access: 26 January 2008. <http://www.presidencia.gob.mx/buscador/?contenido=30621#b1>.

⁵⁶ El Presidente Calderón en la Presentación de PROMÉXICO, Presidencia de la República (Mexico City) 9 July 2007. Date of Access: 12 January 2007. [_http://www.presidencia.gob.mx/en/search/index.php? contenido=30915&pagina=1&palabras=PROMEXICO](http://www.presidencia.gob.mx/en/search/index.php?contenido=30915&pagina=1&palabras=PROMEXICO).

investment,⁵⁷ and the Director General of ProMexico Bruno Ferrari accompanied a commercial delegation to Brazil later that month.⁵⁸ Mexico strengthened ProMexico in 2008 by announcing the integration of a greater number of employees of the Secretariat of Economy, doubling the total number of personnel working on the promotion of Mexican business and products abroad, as well as the attraction of foreign investments, up to 154.⁵⁹

Mexico has continued to introduce measures to make the Mexican economy more attractive to foreign investors throughout the past year. In line with the National Development Plan 2007-2012, the Secretariat of Economy, together with the Secretariat of Property and Public Credit released a Decree on 31 March 2008 altering the regulations of customs and trade in order to facilitate easier business operations. The Decree obliges the government to eliminate non-tariff barriers and other charges that raise costs for businesses, for example by eliminating the requirement for importers in some sectors to enlist in the official registry (except in matters of national health or security).⁶⁰

Further revisions to business protocols will likely follow from Mexico's *Proceso para el Fortalecimiento del Marco Regulatorio para la Competitividad* (Process to Strengthen the Regulatory Framework for Competitiveness) known as *Proceso Marco*. *Proceso Marco* seeks to initiate a critical analysis of the existing regulatory framework facing businesses in Mexico. The Secretary of Economy has secured participation in the initiative of: the Business Coordinating Council; the National Conference of Governors (involving officials at both the state and federal levels);⁶¹ legislators of the Competitiveness Committees of the House of Representatives and Senators;⁶² judicial, academic, and private sector representatives; and the OECD.⁶³ As of 31 March 2008, two High Level Consultative Groups were established under *Proceso Marco*, one to address competitiveness and the other to address regulatory improvement. These Groups will be advised on recommended revisions to existing laws, regulations, and policies in order to eliminate restrictive costs and other obstacles to businesses operating in Mexico and obstacles to future investments.⁶⁴

In order to improve confidence in the stability of the Mexican economy, Mexican Secretary of Finance Agustin Carstens signed the Convention of the Multilateral Investment Guarantee Agency (MIGA) on 22 October 2007, a key step towards Mexico's full membership in the organization. MIGA is a member of the World Bank Group, and Mexico's full membership would protect investments in Mexico as well as Mexican investments abroad from political risks such as expropriation, contract infringement, and war.⁶⁵ Mexico has also pursued bilateral agreements to increase mutual investments between trade partners. Mexico signed an Agreement on the Mutual Promotion and Protection of Investments (*Acuerdo para la Promoción y Protección Recíproca de las Inversiones*, APPRI) with India that came into force 23 February 2008 and concluded negotiations with China for a similar agreement in May.⁶⁶ These add to 24 such agreements that Mexico already holds that offer preferential conditions for

⁵⁷ México ofrece importantes ventajas para la inversión China, Secretaría de Economía (Mexico City) 30 July 2007. Date of Access: 25 January 2008. <http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=848&CveIdioma=1>.

⁵⁸ Encabeza el Secretario de Economía misión empresarial a Brasil, Secretaría de Economía (Mexico City) 20 July 2007. Date of Access: 27 January 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=840&CveIdioma=1>.

⁵⁹ Se fortalece ProMéxico, Secretaría de Economía (Mexico City) 1 April 2008. Date of Access: 30 May 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=1004&CveIdioma=1>.

⁶⁰ Publican facilidades para comercio exterior y aduanas, Secretaría de Economía (Mexico City) March 31, 2008. Date of Access: 16 May 2008. <http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=1002&CveIdioma=1>.

⁶¹ Acuerdo CONAGO participar en Proceso Marco de Competitividad impulsado por SE, Secretaría de Economía (Mexico City) March 16, 2008. Date of Access: 19 May 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=991&CveIdioma=1>.

⁶² Acuerdan legisladores participar en el Proceso Marco de Competitividad impulsado por SE, Secretaría de Economía (Mexico City) 22 February 2008. Date of Access: 19 May 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=982&CveIdioma=1>.

⁶³ Acuerdo CONAGO participar en Proceso Marco de Competitividad impulsado por SE, Secretaría de Economía (Mexico City) March 16, 2008. Date of Access: 19 May 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=991&CveIdioma=1>.

⁶⁴ Inician trabajos del Proceso Marco, Secretaría de Economía (Mexico City) 31 March 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=1003&CveIdioma=1>.

⁶⁵ Mexico Takes Key Step Toward MIGA Membership, MIGA (Washington) 22 October 2007. Date of Access: 24 January 2008.

http://www.miga.org/news/index_sv.cfm?aid=1626.

⁶⁶ Mexico, China to sign agreement promoting investments, ChinaView, Xinhua News Agency (Mexico City) 21 May 2008. Date of Access: 28 May 2008. http://news.xinhuanet.com/english/2008-05/21/content_8219411.htm.

investment.⁶⁷ APPRI's guarantee greater stability in the rules that govern foreign investments,⁶⁸ improving the environment for investment in Mexico and building strategic bilateral relationships.⁶⁹

Mexico has also taken steps to attract domestic investments in infrastructure and under developed areas of the country. On a broad scale, the president released a five-year National Infrastructure Program for 2007-2012 under which a National Infrastructure Fund of up to 270 000 million pesos will be invested in infrastructure projects.⁷⁰ The federal government is also offering incentives for those who choose to invest in less developed areas through an initiative called Program for Job Creation in Marginalized Zones. Incentives include direct and indirect credits, guarantees of access to equipment, support for child-care facilities for staff, scholarships for personnel, and making the investments tax deductible.⁷¹

In May 2008, the Codex Committee on Fresh Fruits and Vegetables, presided by Mexico, also established norms for the exportation of tomato and yucca. In addition to consumer protection, the norms should help to eliminate non-tariff barriers on these products.⁷²

President Calderón met with National Action Party (PAN) legislators from the economic sector on 17 October 2007 to discuss planned government investments in infrastructure and the need to modernize the energy sector to allow for greater investments in that arena.⁷³ Although the developments toward allowing foreign investments in the state-owned oil company Pemex have stalled,⁷⁴ Mexico has taken clear steps to promote both domestic and foreign investment.

In November 2007, Mexico and Ukraine agreed to strengthen mutual investments and economic cooperation in various sectors including agriculture, industry, and energy.⁷⁵ In December, Mexico made agreements to deepen commercial ties with the European Union⁷⁶ and Romania.⁷⁷ As part of the same campaign, President Calderón met with Danish business delegations in June 2007⁷⁸ and Prime Minister of Singapore in September.⁷⁹ Calderón also indicated his interest in developing greater commercial relations with New Zealand⁸⁰ and India.⁸¹

⁶⁷ Firman México y Eslovaquia Acuerdo de Protección y Promoción Recíproca de Inversiones, Secretaría de Economía (Mexico City) 29 October 2007. Date of Access: 27 January 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=905&CveIdioma=1>.

⁶⁸ Concluyen México y China negociación para firma de APPRI, Secretaría de Economía (Mexico City) 20 May 2008. Date of Access: 1 June 2008. <http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=1035&CveIdioma=1>.

⁶⁹ Se busca fortalecer el ambiente de negocios en México, Secretaría de Economía (Mexico City) 13 April 2008. Date of Access: 18 May 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=1020&CveIdioma=1>.

⁷⁰ El Gobierno Federal anuncia el lanzamiento del Fondo Nacional de Infraestructura, Presidencia de la República (Mexico City) 6 February 2008. Date of Access: 16 May 2008. <http://www.presidencia.gob.mx/buscador/?contenido=34615>.

⁷¹ Anuncian instrumentos para promover empleo en zonas marginadas, Secretaría de Economía (Mexico City) 18 March 2008. Date of Access: 28 May 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=994&CveIdioma=1>; Presentan portal para promover inversiones en zonas marginadas, Secretaría de Economía (Mexico City) 18 May 2008. Date of Access: 31 May 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=1030&CveIdioma=1>; Programa para Creación de Empleo en Zonas Marginadas, Subsecretaría para la Pequeña y Mediana Empresa (Mexico City) <http://empleozonasmarginadas.economia.gob.mx/programa/frameeconomia/beneficios2.html>.

⁷² Aprueban norma de estandar internacional para tomate y yuca, Secretaría de Economía (Mexico City) 19 May 2008. Date of Access: 1 June 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=1031&CveIdioma=1>.

⁷³ El Presidente Calderón se reúne con Legisladores del Sector Económico de Acción Nacional, Presidencia de la República (Mexico City) 17 October 2007. Date of Access: 25 January 2008. <http://www.presidencia.gob.mx/buscador/?contenido=32227>.

⁷⁴ Mexico's plans to boost oil refining hit a slick, Financial Times (Tula) 22 May 2008. Date of Access: 1 June 2008. <http://global.factiva.com.myaccess.library.utoronto.ca/ha/default.aspx>;

Pemex: Mexico Energy Reform To Attract Some New Firms, Dow Jones Newswires 29 May 2008. Date of Access: 1 June 2008.

http://www.rigzone.com/NEWS/article.asp?a_id=62454.

⁷⁵ Acuerdan México y Ucrania fortalecer cooperación económica e inversiones, Secretaría de Economía (Mexico City) 14 November 2007. Date of Access: 27 January 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=927&CveIdioma=1>.

⁷⁶ Acuerdan México y Unión Europea profundizar relación bilateral, Secretaría de Economía (Mexico City) 19 December 2007. Date of Access: 27 January 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=963&CveIdioma=1>.

⁷⁷ Acuerdan México y Rumania intensificar relación comercial, Secretaría de Economía (Mexico City) 13 December 2007. Date of Access: 27 January 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=955&CveIdioma=1>.

⁷⁸ El Presidente Calderón sostiene encuentros con Empresarios Daneses, Presidencia de la República (Copenhague) 9 June 2007. Date of Access: 23 January 2008. <http://www.presidencia.gob.mx/buscador/?contenido=30565>.

In addition to this, Mexico and France have created a High Level Group to address strategic and structural issues of their bilateral relationship in order to encourage trade, infrastructural development and ties between businesses and universities.⁸² President Calderón and many notable banking and business sector representatives met with a business delegation from Italy in February 2008.⁸³ In the same month, the Mexican Secretariat of Economy hosted a visit from the Vice Prime Minister and Minister of Economic and Business Affairs of Denmark in February 2008 with the aim of increasing investment and strengthening business relations between the two. To mark the event, Queen Margrethe II of Denmark inaugurated a manufacturing plant of the Danish company Grundfos in the state of San Potosí which represents the greatest investment by Denmark in Mexico to date.⁸⁴

Analyst: Ariana Lopes Morey

South Africa: +1

South Africa registered a score of +1, indicating full compliance with its commitment to promote cross-border investment (CBI). The 2008 national budget, delivered by Finance Minister Trevor Manuel on 20 February 2008, confirms the government's commitment to economic growth and sustainable development. The budget expects a 4 per cent growth rate for 2008, proposes a surplus, and encourages capital investment in social and economic infrastructure.⁸⁵ This expenditure plan injects confidence into the South African market despite a recent downturn in the global economy, high inflation and interest rates, and energy deficiencies in the country. In response, Nedbank chief economist Dennis Dykes said to Financial Times, "They are sending out a message that we're business- and investment-friendly, and that we are still liberalizing the economy and continuing on the path we set out on a few years ago."⁸⁶

As a part of the budget, exchange controls were relaxed for South African institutional investors investing abroad. The relaxation increases the percentage of assets that institutional investors can invest offshore and no longer requires them to obtain approval from the Reserve Bank.⁸⁷ Instead, the system becomes a reporting and monitoring process whereby the Financial Surveillance Department of the Reserve Bank is charged with ensuring that all offshore investments adhere to globally accepted prudential investment guidelines.⁸⁸ At the budget's media conference on 20 February 2008, Minister Manuel described the relaxation as the 'biggest shift to date' in South Africa's exchange control policy.⁸⁹ Exchange controls facilitate capital flows in and out of a country. Allowing companies to diversify their currency exposure helps create economic stability, reduce exchange rate volatility, and deepens domestic financial markets.⁹⁰

At the African-European Union Summit, it was established that most of the African countries participating in the Economic Partnership Agreement (EPA) are confronting serious difficulties in the process. The next phase of

⁷⁹ El Presidente Calderón se reúne con el Primer Ministro de Singapur, Presidencia de la República (Sydney) 7 September 2007. Date of Access: 21 January 2007. <http://www.presidencia.gob.mx/buscador/?contenido=31662>.

⁸⁰ El Presidente Felipe Calderón inicia Visita de Trabajo por Nueva Zelanda, Presidencia de la República (Auckland) 6 September 2007. Date of Access: 23 January 2008. <http://www.presidencia.gob.mx/buscador/?contenido=31653>.

⁸¹ El Presidente Calderón en la Ceremonia Oficial de Bienvenida en Nueva Delhi, India, Presidencia de la República (New Delhi) 10 September 2007. Date of Access: 24 January 2008. <http://www.presidencia.gob.mx/buscador/?contenido=31709>.

⁸² Acuerdan México y Francia Fortalecer relación comercial, Secretaría de Economía (Mexico City) 28 January 2008. Date of Access: 30 May 2008. <http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=968&CveIdioma=1>.

⁸³ El Presidente Calderón se reúne con Empresarios de Italia, Presidencia de la República (Mexico City) 27 February 2008. Date of Access: 29 May 2008. <http://www.presidencia.gob.mx/buscador/?contenido=34051>.

⁸⁴ Visita Vice Primer Ministro de Dinamarca al Secretario de Economía, Secretaría de Economía (Mexico City) 21 February 2008. Date of Access: 29 May 2008.

<http://www.apps1.economia.gob.mx/webportal/boletines/html/BoletinesD.asp?NumBoletin=981&CveIdioma=1>.

⁸⁵ Claire Bisseker, Staying the Course, Financial Mail 22 February 2008. Date of Access: 11 May 2008. <http://free.financialmail.co.za/budget2008/overview/overview6.htm>.

⁸⁶ Claire Bisseker, Staying the Course, Financial Mail 22 February 2008. Date of Access: 11 May 2008. <http://free.financialmail.co.za/budget2008/overview/overview6.htm>.

⁸⁷ Maya Fisher-French, A Blow to Exchange Control, Mail & Guardian (Johannesburg) 22 Feb 2008. Date of Access: 10 May 2008. http://www.mg.co.za/articledirect.aspx?articleid=332998&area=budget2008_insight.

⁸⁸ Maya Fisher-French, A Blow to Exchange Control, Mail & Guardian (Johannesburg) 22 Feb 2008. Date of Access: 10 May 2008. http://www.mg.co.za/articledirect.aspx?articleid=332998&area=budget2008_insight.

⁸⁹ Julius Cobbett and Geoff Candy, "Exchange Controls Relaxed Further, MoneyWeb Undictated 20 Feb 2008. Date of Access: 10 May 2008. <http://www.moneyweb.co.za/mw/view/mw/en/page32837?oid=194754&sn=Detail>.

⁹⁰ Julius Cobbett and Geoff Candy, "Exchange Controls Relaxed Further, MoneyWeb Undictated 20 Feb 2008. Date of Access: 10 May 2008. <http://www.moneyweb.co.za/mw/view/mw/en/page32837?oid=194754&sn=Detail>.

engagement is scheduled for 2008. It is hoped that the EPA will be considered mutually beneficial and viewed as sustainable and legitimate. South Africa is a participant at these proceedings and has issued forth a statement that both expresses its concerns with negotiations as well as its desire to “conclude the negotiations in a manner that both strengthens regional integration in Southern Africa and, at the same time, consolidates the region’s trade relations with the European Union.”⁹¹

In response, the Capital Projects Feasibility Programme was amended on 1 April 2008.⁹² One of the new program goals is “to attract higher levels of domestic and foreign investment.”⁹³ In addition, the program encourages greater alignment with the New Partnership for African Development (NEPAD), which recognizes the importance of regional partnership in Africa to “advance critical infrastructure and capital investment programmes across the African continent.”⁹⁴

The Minister of Trade and Industry Mandisi Mphahla unveiled the National Industrial Policy Framework (NIPF) and Industrial Policy Action Plan (IPAP) to stakeholders on 6 August 2007, aimed at guiding government policy towards its aim to achieve higher levels of economic performance in 2014.⁹⁵ According to the NIPF, which is published on the Department of Trade and Industry website, the government desires to achieve upwards of 6 per cent annual GDP growth after 2010 and recognizes the need to fundamentally restructure the South African economy to achieve this growth spurt.⁹⁶ The vision of the NIPF includes the goal of contributing to industrial development on the African continent.⁹⁷ The policy framework will hopefully provide clarity and transparency to the private sector and economic partners, both domestic and abroad.

On 26 October 2007, the Industrial and Commercial Bank of China announced the purchase of a 20 per cent stake in South Africa’s largest bank, the Standard Bank, for \$5.5 billion USD.⁹⁸ South Africa is now the top destination for Chinese foreign investment, which is evidenced by the fact that the Standard Bank purchase was the largest foreign direct investment by a Chinese company anywhere in the world.⁹⁹ Jacko Maree, the Standard Bank’s Chief Executive said, “This transaction capitalizes on a significant trade flow between the regions and is a vote of confidence in South Africa and Africa.”¹⁰⁰ The deal was initiated on 10 September 2007 and is subject to approval. Both sides confirmed on 15 February 2008 that all the regulatory and stakeholder requirements for the transaction to proceed to have fulfilled. The transaction will be finally implemented on 8 March 2008.¹⁰¹

Analyst: Helen Bao

⁹¹ Statement by the Minister of Trade and Industry, Mr. Mandisi Mphahla on the Economic Partnership Agreement (EPA) Negotiations, Department of Trade and Industry (Pretoria, South Africa), 12 December 2007. Date of Access: 12 Jan 2008. <http://www.thedti.gov.za/article/articleview.asp?current=1&arttypeid=1&artid=1503>.

⁹² Capital Projects Feasibility Programme, Department of Trade and Industry (Pretoria) 14 March 2008. Date of Access: 7 May 2008. <http://www.thedti.gov.za/article/articleview.asp?current=1&arttypeid=1&artid=1541>.

⁹³ Capital Projects Feasibility Programme, Department of Trade and Industry (Pretoria) 14 March 2008. Date of Access: 7 May 2008. <http://www.thedti.gov.za/article/articleview.asp?current=1&arttypeid=1&artid=1541>.

⁹⁴ Capital Projects Feasibility Programme, Department of Trade and Industry (Pretoria) 14 March 2008. Date of Access: 7 May 2008. <http://www.thedti.gov.za/article/articleview.asp?current=1&arttypeid=1&artid=1541>.

⁹⁵ The National Industrial Policy Framework, Department of Trade and Industry (Pretoria), Date of Access: 5 January 2008, http://www.thedti.gov.za/nipf/NIPF_r2.pdf.

⁹⁶ National Industrial Policy Framework, Department of Trade and Industry 2006, Department of Trade and Industry (Pretoria). Date of Access: 5 January 2008. http://www.thedti.gov.za/nipf/NIPF_r2.pdf.

⁹⁷ National Industrial Policy Framework, Department of Trade and Industry 2006, Department of Trade and Industry (Pretoria). Date of Access: 5 January 2008. http://www.thedti.gov.za/nipf/NIPF_r2.pdf.

⁹⁸ The Big Blue Goes Red, Mail & Guardian Online (Johannesburg), 30 October 2007. Date of Access: 23 December 2007. http://www.mg.co.za/articlePage.aspx?articleid=323350&area=/insight/insight__economy__business.

⁹⁹ The Big Blue Goes Red, Mail & Guardian Online (Johannesburg), 30 October 2007. Date of Access: 23 December 2007. http://www.mg.co.za/articlePage.aspx?articleid=323350&area=/insight/insight__economy__business.

¹⁰⁰ The Big Blue Goes Red, Mail & Guardian Online (Johannesburg), 30 October 2007. Date of Access: 23 December 2007. http://www.mg.co.za/articlePage.aspx?articleid=323350&area=/insight/insight__economy__business.

¹⁰¹ Standard Bank, ICBC on Course, The Namibian (Windhoek) 18 February 2008. Date of Access: 18 February 2008. <http://allafrica.com/stories/200802180309.html>.

2. Climate Change

Commitment

“We reaffirm our commitment to the United Nations Framework Convention on Climate Change (UNFCCC) and to its objective through both mitigation and adaptation in accordance with our common but differentiated responsibilities and respective capabilities.”¹⁰²

Background

At the 2007 Heiligendamm Summit, the Outreach 5 countries (Brazil, China, India, South Africa and Mexico) issued a joint statement that detailed their determination to cooperate in dealing with five issues, one of which was the issue of Climate Change. In their statement, the Outreach 5 reaffirmed their commitment to working within the framework of the United Nations Framework Convention on Climate Change (UNFCCC) in order to affect change that is conducive to the goals of the UNFCCC.

This commitment calls for continued adherence to the Convention on Climate Change in promoting and facilitating the international effort to combat climate change. The Outreach 5 “committed to contribute [their] fair share to tackle climate change in order to stabilize green house gas concentrations at a level that would prevent dangerous anthropogenic interference with the climate system.”¹⁰³

The UNFCCC entered into force on 21 March 1994, and currently has near universal membership with 191 countries having ratified the convention.¹⁰⁴ Those who have signed recognized that the climate system is an unstable resource that is both easily affected by industrial developments and transcends international borders as an issue. Under the Convention, governments:

- Gather and share information on greenhouse gas emissions, national policies, and best practices;
- Launch national strategies for addressing greenhouse gas emissions and adapting to expected impacts, including the provision of financial and technological support to developing countries; and
- Cooperate in preparing for adaptation to the impacts of climate change.

All countries have registered a high degree of compliance due to the large volume of government action taken by each country and their respective ministries with respect to climate change.

Lead Analyst: Augustine Kwok

¹⁰² Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the Occasion of the G8 Summit in Heiligendamm, G8 (Heiligendamm) 8 June 2007. Date of Access: 12 January 2008. <http://www.g8.utoronto.ca/summit/2007heiligendamm/g8-2007-joint.html>.

¹⁰³ Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the Occasion of the G8 Summit in Heiligendamm, G8 (Heiligendamm) 8 June 2007. Date of Access: 12 January 2008. <http://www.g8.utoronto.ca/summit/2007heiligendamm/g8-2007-joint.html>.

¹⁰⁴ The United Nations Framework Convention on Climate Change, (Bonn). Date of Access: 12 January 2008. http://unfccc.int/essential_background/convention/items/2627.php.

Assessment

	Final Compliance Score		
	Lack of Compliance	Work in Progress	Full Compliance
Country	-1	0	+1
Brazil			+1
China			+1
India			+1
Mexico			+1
South Africa			+1
Average Score			+1.00

Scoring

-1	Heiligendamm Process partner withdraws from the UN framework or enacts policy in direct violation of the framework.
0	Heiligendamm Process partner engages in some UN forums but also pursues bilateral or multilateral agreements outside the United Nations framework.
+1	Heiligendamm Process partner actively participates in the United Nations framework and enacts policies in accordance with the conventions of the framework.

Brazil: +1

Brazil has registered a score of +1, indicating full compliance with its commitments made at the 2007 Heiligendamm Summit. They have been highly active within the UN Framework and have also enacted policies in accordance with the conventions of the Framework. In addition to this, the country has participated in a wide variety of meetings and discussions outside of the auspices of the UNFCCC with regards to climate change.

Brazil was a participant at the UN High-Level Event on Climate Change, which was convened in New York on 24-26 September 2007.¹⁰⁵ At the meeting, Brazil restated its commitment to the Kyoto Protocol. Minister of Environment Marina Silva reaffirmed that “the country is committed to developing its national plan to face the changes of climate.”¹⁰⁶ He went on to present the fact that over the past two years, Brazil has managed to cut back on about 500 million tonnes of carbon dioxide production, equivalent to between 14 and 20 per cent of what should be reduced by developing countries.^{107,108}

Brazil has repeatedly demonstrated a willingness to work within and is unquestioningly loyal to the UNFCCC when it comes to dealing with climate change. “We want to be pro-active. We don’t want the right to commit the same mistakes [as developed countries], we want the right to the means to achieve a new model for development that is sustainable.”¹⁰⁹ At the September 2007 UN High-Level Event in New York, Marina Silva once again put forth Brazil’s proposal for “positive incentives for developing countries that reduce their emissions arising from deforestation.”¹¹⁰

Brazil is also one of few developing countries that has willingly undertaken voluntary contributions to the Kyoto Protocol, even though they are technically not required to do so by the terms of the Protocol itself. Although Brazil did attend a High-Level Meeting called by U.S. President George W. Bush in Washington on 26 September 2007 to

¹⁰⁵ UN debate on climate change from Monday, Ministry de Meio Ambiente (Brasilia), 21 September 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3631>.

¹⁰⁶ UN debate on climate change from Monday, Ministry de Meio Ambiente (Brasilia), 21 September 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3631>.

¹⁰⁷ UN debate on climate change from Monday, Ministry de Meio Ambiente (Brasilia), 21 September 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3631>.

¹⁰⁸ Meeting of the Ministerial segment begins in Bali, Ministry de Meio Ambiente (Brasilia), 10 December 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3801>.

¹⁰⁹ UN debate on climate change from Monday, Ministry de Meio Ambiente (Brasilia), 21 September 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3631>.

¹¹⁰ Marina Silva defends the UN global effort to address climate change, Ministry de Meio Ambiente (Brasilia), 24 September 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3635>.

discuss climate change, it did so with reservation and argued that “this discussion is [already] given in the framework of the United Nations.”¹¹¹ Any new cooperative effort to tackle the effects of climate change should not “undermine the UNFCCC and its Kyoto Protocol, but rather complement these instruments.”¹¹²

On 30 October 2007, the Secretary of Climate Change and Environmental Quality of the Ministry of Environment reaffirmed Brazil’s compliance with their goal of eliminating the usage of chlorofluorocarbons (CFCs) within the country as set out by the Montreal Protocol on Substances That Deplete the Ozone Layer.¹¹³

At the 13th Conference of the Parties of the Convention of the United Nations Framework on Climate Change (COP-13) in Bali, Indonesia, Brazil presented the Fund for the Protection and Conservation of the Brazilian Amazon.¹¹⁴ The goal of the initiative is to “transform the reduction of emissions by deforestation into a system of financing the conservation and sustainable use of forests.”¹¹⁵ Thus, Brazil hopes to demonstrate that their proposed system of providing positive incentives for forest conservation and the reduction of emissions from deforestation is technically feasible.¹¹⁶

Stemming from COP-13, Brazil has also moved on to engage in multilateral climate change discussions at the Major Economics Meeting on Energy Security and Climate Change from 29-31 January 2008.¹¹⁷ Brazil has also co-chaired the VI Informal Meeting on Future Action to Combat Climate Change during 14-15 February 2008.¹¹⁸ At the International Forum of Climate Change, President Lula da Silva put forth a challenge to the countries of the G8 to “meet the targets of the Kyoto protocol.”^{119,120}

As an individual nation, Brazil is also proving capable of launching national strategies for addressing climate change. Apart from hosting meetings such as the Brazilian Forum of Climate Change (FBMC)¹²¹ and the National Conference on the Environment (CNMA),^{122,123} they have also managed to establish an Interministerial Committee on Climate Change (CIM).¹²⁴ The CIM is an amalgamation of 16 ministries and the Brazilian Forum of Climate Change.¹²⁵ The goals of the committee would be to develop and implement a National Policy and National Action Plan on Climate Change.¹²⁶ This Plan would essentially be “a summary of the efforts already made to date and provide the guidelines so that the country can contribute to global efforts to mitigate the change, and adopt measures to adapt to the impacts that Brazil will suffer with global warming.”¹²⁷ The Committee is functional and working

¹¹¹ In Washington, Brazil presents its initiatives to tackle climate change, Ministry de Meio Ambiente (Brasilia), 26 September 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3640>.

¹¹² New Delhi Ministerial Communiqué 2007 of India-Brazil-South Africa (IBSA) Dialogue Forum, Ministry of External Relations Press Office (Brasilia), 17 July 2007. Date of Access: 12 January 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=4524.

¹¹³ By 2010, Brazil will totally eliminate the use of CFCs, Ministry de Meio Ambiente (Brasilia, Brazil), 30 October 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3719>.

¹¹⁴ Brazil presents Fund for the Protection and Conservation of the Amazon, Ministry de Meio Ambiente (Brasilia), 13 December 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3810>.

¹¹⁵ Brazil presents Fund for the Protection and Conservation of the Amazon, Ministry de Meio Ambiente (Brasilia), 13 December 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3810>.

¹¹⁶ Brazil presents Fund for the Protection and Conservation of the Amazon, Ministry de Meio Ambiente (Brasilia), 13 December 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3810>.

¹¹⁷ Climate change under discussion in Hawaii, Ministry de Meio Ambiente (Brasilia), 22 January 2008. Date of Access: 6 June 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3866>.

¹¹⁸ Brazil participates in Japan for meeting on climate change, Ministry de Meio Ambiente (Brasilia), 12 February 2008. Date of Access: 6 June 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3895>.

¹¹⁹ Lula e Marina pedem a parlamentares do G8+5 apoio ao Fundo da Amazônia, Ministry de Meio Ambiente (Brasilia), 21 February 2008. Date of Access: 6 June 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3910>.

¹²⁰ Brazil: Lula Calls on Rich Countries to Fulfill Kyoto Promises, G8 Live (Toronto), 25 February 2008. Date of Access: 6 June 2008. <http://g8live.org/2008/02/25/brazil-lula-calls-on-rich-countries-to-fulfill-kyoto-promises>.

¹²¹ President Lula signs decree for the National Plan on Climate Change, Ministry de Meio Ambiente (Brasilia), 11 November 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3764>.

¹²² Climate change will be discussed at CNMA, Ministry de Meio Ambiente (Brasilia), 11 January 2008. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3853>.

¹²³ Minister highlights importance of CNMA III to the Climate Change Plan, Ministry de Meio Ambiente (Brasilia), 10 May 2008. Date of Access: 6 June 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=4083>.

¹²⁴ Government installs Interministerial Committee on Climate Change, Ministry de Meio Ambiente (Brasilia), 16 January 2008. Date of Access: 19 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3860>.

¹²⁵ Government installs Interministerial Committee on Climate Change, Ministry de Meio Ambiente (Brasilia), 16 January 2008. Date of Access: 19 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3860>.

¹²⁶ Government installs Interministerial Committee on Climate Change, Ministry de Meio Ambiente (Brasilia), 16 January 2008. Date of Access: 19 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3860>.

¹²⁷ President Lula signs decree for the National Plan on Climate Change, Ministry de Meio Ambiente (Brasilia), 11 November 2007. Date of Access: 12 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3764>.

towards its goal of creating a National Policy¹²⁸ and “represents an effort toward articulating governmental actions relating to Global Climate Change.”¹²⁹

In view of increasing cooperation with regards to developing environmentally-friendly technology, Brazil’s Ministry of Environment (MMA) has entered into tentative discussions with other countries, such as Singapore and Israel, about possible environmental partnerships.¹³⁰

Analyst: Augustine Kwok

China: +1

China has registered a score of +1, indicating full compliance with its commitment to the UNFCCC and to its objective made at the 2007 Heiligendamm Summit. China has been an active participant within the UN framework and has also enacted policies in accordance with the conventions of the framework.

China participated in the 13th Session of the Conference of Parties to the UN Convention on Climate Change (UNFCCC) in Bali from 3-15 December 2007. Along with the Group of 77, China objected to an item in the Conference’s draft decision that called for “measurable, reportable, and verifiable nationally appropriate mitigation actions” by developing countries to curb greenhouse gas emissions.¹³¹ In addition, the deputy head of the Chinese delegation to the Conference, Su Wei, reiterated that “China is making efforts domestically to cut energy consumption per unit of GDP by 20 percent from 2006 to 2010.”¹³²

As Su noted in his statement at Bali conference, China has recently set ambitious domestic goals to combat climate change.¹³³ China hopes “to make achievements in controlling greenhouse gas (GHG) emissions, to enhance adaptation capacity, to make new progress in advancing science and technology R&D, to remarkably raise public awareness, and to further strengthen institutions and mechanisms.”¹³⁴ To control GHG emissions by 2010, China also plans to increase the share of renewable energy to 10 per cent, reduce and stabilize nitrous oxide emissions from industrial processes at 2005 levels, control the growth of methane emissions, increase the forest coverage rate to 20 per cent, and increase carbon sinks by 50 million tonnes over its 2005 level.¹³⁵

China has shown willingness to collaborate with other countries to tackle climate change, especially by borrowing technology from more energy-efficient nations. In the week of 9 January 2008, U.S. Commerce Assistant Secretary David Bohigian led the Second Clean-Energy Trade Mission to China.¹³⁶ The mission consisted of 17 American companies, each specializing in their own advanced technologies, covering a wide range of energy sources, such as solar power and clean coal.¹³⁷ At the U.S.-China Clean-Energy Dialogue, the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME), the National Development and Reform Commission (NDRC), and the Ministry of Commerce opened dialogue on clean energy and energy efficiency with the U.S.¹³⁸

¹²⁸ Committee begins to define Policy on Climate Change, Ministry de Meio Ambiente (Brasilia), 17 January 2008. Date of Access: 19 January 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3861>.

¹²⁹ Interministerial Committee on Climate Change, Ministerio da Ciencia e Tecnologia (Brasilia), Date of Access: 19 January 2008. <http://200.130.9.7/Clima/ingles/cimgc.htm>.

¹³⁰ Singapore and Israel seek environmental partnership with MMA, Ministry de Meio Ambiente (Brasilia), 24 August 2007. Date of Access: 12 Jan 2008. <http://www.mma.gov.br/ascom/ultimas/indexsm.cfm?id=3565>.

¹³¹ Chinese delegation questions Bali climate conference procedure, Xinhua; China Daily (Beijing) 15 December 2007. Date of Access: 18 December 2007. http://www.chinadaily.com.cn/china/2007-12/15/content_6324080.htm.

¹³² China pledges active approach, China Daily (Beijing) 17 December 2007. Date of Access: 23 December 2007. http://www.chinadaily.com.cn/china/2007-12/17/content_6324783.htm.

¹³³ Statement by Su Wei, Director-General at the Office of National Leading Group on Climate Change, China Climate Change Info-Net (China), 21 December 2007. Date of Access: 4 January 2007. <http://www.ccchina.gov.cn/WebSite/CCChina/UpFile/File225.pdf>.

¹³⁴ Statement by Su Wei, Director-General at the Office of National Leading Group on Climate Change, China Climate Change Info-Net (China), 21 December 2007. Date of Access: 4 January 2007. <http://www.ccchina.gov.cn/WebSite/CCChina/UpFile/File225.pdf>.

¹³⁵ Statement by Su Wei, Director-General at the Office of National Leading Group on Climate Change, China Climate Change Info-Net (China), 21 December 2007. Date of Access: 4 January 2007. <http://www.ccchina.gov.cn/WebSite/CCChina/UpFile/File225.pdf>.

¹³⁶ China, US benefit from clean energy, China Daily (Beijing), 10 January 2008. Date of Access: 11 January 2008. http://www.chinadaily.com.cn/cndy/2008-01/10/content_6383086.htm.

¹³⁷ China, US benefit from clean energy, China Daily (Beijing), 10 January 2008. Date of Access: 11 January 2008. http://www.chinadaily.com.cn/cndy/2008-01/10/content_6383086.htm.

¹³⁸ China, US benefit from clean energy, China Daily (Beijing), 10 January 2008. Date of Access: 11 January 2008. http://www.chinadaily.com.cn/cndy/2008-01/10/content_6383086.htm.

The Chinese government has been implementing initiatives in order to adapt to the impacts of climate change. On 11 January 2008, Zheng Guoguang, head of the China Meteorological Administration warned, “China will witness more extreme weather conditions this year as a result of global warming.”¹³⁹ As detailed in the administration’s work plan 2008, he said that “drills to deal with emergencies caused by weather disasters will be organized.”¹⁴⁰ According to Zheng, the administration will also take steps to help provincial-level meteorological administrations study the impact of climate change. The nationwide meteorological system is scheduled to begin impact assessments of key projects, agriculture, water, energy, transportation, the ecosystem, human health, urbanization and industrialization, as well as conduct an investigation of the country’s wind power and solar energy resources.¹⁴¹

Since the December 2007 conference in Bali, China has continued to partake in climate change conferences and meetings organized by the UNFCCC. On 25 January 2008, Li Ganjie, Vice Minister of the State Environmental Protection Administration (SEPA), met with visiting UN Undersecretary-General Sha Zukang.¹⁴² In exchanging their views on international environmental issues including climate change, Li said that the Chinese government takes climate change seriously, “had made substantial contributions to emission reduction,” and reaffirmed that “China will continue its efforts in addressing climate change with more positive attitude and effective measures.”¹⁴³ On behalf of SEPA, Li stated that China hopes that “the United Nations will play a larger role in promoting international exchanges and cooperation in related technologies and finance for emission reduction,” which would lead to increased capacity to combat climate change in all states.¹⁴⁴

On 20-22 February 2008, Li Ganjie led a Chinese delegation to attend the 10th UN Special Session of the Governing Council and Global Ministerial Environment Forum held in Monaco, which adopted discussion of raising funds to meet the challenge of climate change.¹⁴⁵

On 30 January 2008, during the closing session of the second Major Economies Meeting on Energy Security and Climate Change in Honolulu, Xie Zhenhua, Vice Chairman of China’s National Development and Reform Commission (NDRC), urged countries of all developmental phases to implement practical actions in order to cut down their effects on climate change in accordance with both the UNFCCC and Kyoto Protocol.¹⁴⁶ He also spoke highly of the various measures and achievements scored by the developing nations in combating climate change, noting that “China, India and other developing countries have cut more emissions of greenhouse gases than they pledged in the Tokyo Protocol.”¹⁴⁷

China participated in the G8+5 Climate Change Dialogue forum held in Brasilia, Brazil from 20-21 February 2008. Cao Bochun, Vice Director of the Environment and Resources Protection Committee of the Chinese National People’s Congress, called on the international community to abide by the principles and framework set by the Kyoto

¹³⁹ More extreme weather forecast, China Daily (Beijing), 12 January 2008. Date of Access: 17 April 2008. http://www.chinadaily.com.cn/cndy/2008-01/12/content_6388794.htm.

¹⁴⁰ More extreme weather forecast, China Daily (Beijing), 12 January 2008. Date of Access: 17 April 2008. http://www.chinadaily.com.cn/cndy/2008-01/12/content_6388794.htm.

¹⁴¹ More extreme weather forecast, China Daily (Beijing), 12 January 2008. Date of Access: 17 April 2008. http://www.chinadaily.com.cn/cndy/2008-01/12/content_6388794.htm.

¹⁴² Vice Minister Li Ganjie Meets with UN Under-Secretary-General, Ministry of Environmental Protection, The People’s Republic of China (Beijing), 29 January 2008. Date of Access: 20 May 2008. http://english.sepa.gov.cn/Ministers/Activities/200803/t20080306_119049.htm.

¹⁴³ Vice Minister Li Ganjie Meets with UN Under-Secretary-General, Ministry of Environmental Protection, The People’s Republic of China (Beijing), 29 January 2008. Date of Access: 20 May 2008. http://english.sepa.gov.cn/Ministers/Activities/200803/t20080306_119049.htm.

¹⁴⁴ Vice Minister Li Ganjie Meets with UN Under-Secretary-General, Ministry of Environmental Protection The People’s Republic of China (Beijing) 29 January 2008. Date of Access: 20 May 2008. http://english.sepa.gov.cn/Ministers/Activities/200803/t20080306_119049.htm.

¹⁴⁵ 10th Special Session of the Governing Council of UN and Global Ministerial Environment Forum: Developing Green Economy to Address Climate Change, Ministry of Environmental Protection The People’s Republic of China (Beijing) 22 February 2008. Date of Access: 20 May 2008. http://english.sepa.gov.cn/Ministers/Activities/200803/t20080306_119049.htm.

¹⁴⁶ China urges practical action to slow down climate change, Chinese Government’s Official Web Portal (Beijing) 1 February 2008. Date of Access: 30 May 2008. http://www.gov.cn/misc/2008-02/01/content_877263.htm.

¹⁴⁷ China urges practical action to slow down climate change, Chinese Government’s Official Web Portal (Beijing) 1 February 2008. Date of Access: 30 May 2008. http://www.gov.cn/misc/2008-02/01/content_877263.htm.

Protocol and the UNFCCC.¹⁴⁸ He promised that China will do its "best to boost its capability" to fight climate change based on China's reality.¹⁴⁹ Among other things, Cao said that the Chinese government will continue to close mini-thermal power plants, an initiative that led to a decrease in energy consumption of approximately 14.3 million kilowatts in 2007.¹⁵⁰

China has implemented institutional reforms that will facilitate the addressing of environmental problems, including but not limited to climate change. On 11 March 2008, Hua Jianmin, Secretary-General of the State Council, announced that the government will elevate the status of SEPAs to a ministry, making it one of the 27 major ministries and commissions of the Cabinet.¹⁵¹ The new ministry, to be called the Ministry of Environmental Protection, will be responsible for "drafting and implementing programs, policies and standards concerning environmental protection, working out environmental functions in different regions...and tackling major environmental issues."¹⁵²

On 15-16 March 2008, along with other G20 nations, China attended the fourth Ministerial meeting of the Gleneagles Dialogue on Climate Change, Clean Energy and Sustainable Development in Chiba, Japan.¹⁵³ At the meeting, Xie Zhenhua implored developed nations to allocate some of their Official Development Assistance (ODA) to "set up a fund facilitating the distribution of high-end technologies," indicating that developing nations should enjoy free or low-cost access to such environment-friendly technologies.¹⁵⁴ He remarked that China supports "the proposal of establishing the Multilateral Technology Access Fund which could bring more technologies into the box of 'public goods.'"¹⁵⁵ While recognizing the meeting as a functional forum of idea exchanges, Xie cautioned against "transforming it into a new dialogue mechanism which could disturb UN-led negotiation process for Conventions and Protocols."¹⁵⁶

Finally, on 25 April 2008, the NDRC reported that China closed 83 small coal-fired generators with an aggregate capacity of 4.7 million kilowatts during the first three and half months of 2008.¹⁵⁷ According to Zhao Yinong, an official within the State Energy Administration under the NDRC, the generators account for 36 percent of the 13 million kilowatt target set this year to save energy and reduce GHG emissions.¹⁵⁸ These will be replaced by larger and more efficient plants, thereby helping China save 7.1 million tons of coal and reduce carbon dioxide emissions by 14.2 million tons each year.¹⁵⁹

¹⁴⁸ China Calls for Adherence to Kyoto Protocol, Ministry of Environmental Protection The People's Republic of China (Beijing) 21 February 2008. Date of Access: 30 May 2008.

¹⁴⁹ China Calls for Adherence to Kyoto Protocol, Ministry of Environmental Protection The People's Republic of China (Beijing) 21 February 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200802/t20080221_118485.htm.

¹⁵⁰ China Calls for Adherence to Kyoto Protocol, Ministry of Environmental Protection The People's Republic of China (Beijing) 21 February 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200802/t20080221_118485.htm.

¹⁵¹ Environmental Body Gets Ministerial Status, Ministry of Environmental Protection The People's Republic of China (Beijing) 12 March 2008. Date of Access: 30 May 2008. http://english.sepa.gov.cn/News_service/media_news/200803/t20080312_119230.htm.

¹⁵² Environmental Body Gets Ministerial Status, Ministry of Environmental Protection The People's Republic of China (Beijing) 12 March 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200803/t20080312_119230.htm.s

¹⁵³ G20 Climate-change Meeting Concludes without Agreement, Ministry of Environmental Protection The People's Republic of China (Beijing) 17 March 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200803/t20080317_119406.htm.

¹⁵⁴ G20 Climate-change Meeting Concludes without Agreement, Ministry of Environmental Protection The People's Republic of China (Beijing) 17 March 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200803/t20080317_119406.htm.

¹⁵⁵ G20 Climate-change Meeting Concludes without Agreement, Ministry of Environmental Protection The People's Republic of China (Beijing) 17 March 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200803/t20080317_119406.htm.

¹⁵⁶ G20 Climate-change Meeting Concludes without Agreement, Ministry of Environmental Protection The People's Republic of China (Beijing) 17 March 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200803/t20080317_119406.htm.

¹⁵⁷ China shuts 83 small coal-fired power plants so far in 2008, Ministry of Environmental Protection The People's Republic of China (Beijing) 28 April 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200804/t20080428_121709.htm.s

¹⁵⁸ China shuts 83 small coal-fired power plants so far in 2008, Ministry of Environmental Protection The People's Republic of China (Beijing) 28 April 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200804/t20080428_121709.htm.

¹⁵⁹ China shuts 83 small coal-fired power plants so far in 2008, Ministry of Environmental Protection The People's Republic of China (Beijing) 28 April 2008. Date of Access: 30 May 2008.

http://english.sepa.gov.cn/News_service/media_news/200804/t20080428_121709.htm.

India: +1

Since the G8 Summit in Heiligendamm, India has affirmed its commitment to the United Nations Framework Convention on Climate Change (UNFCCC) as the core mechanism for addressing climate change at the global level. As the second most populous nation and the largest democracy in the world, India looks at climate change in the context of the principle of “common but differentiated responsibilities” enshrined within the UNFCCC.¹⁶⁰ In India’s view, as a result of the high-level of emissions of developed countries, developing countries bear an inordinate share of the burden of climate change.¹⁶¹ India feels this burden is exacerbated by the vulnerabilities, inadequate means, and limited capacities to adapt to the effects of climate change.¹⁶²

India urges developing countries to, therefore, significantly augment their capacity to cope with and adapt to climate change, without diverting funds meant for development. Adaptation to a changing climate has been integral to India’s development process. At the High level event on Climate Change, convened by the United Nations Secretary General on 24 September 2007 in New York, India’s Finance Minister, Mr. P. Chidambaram stated that India spends over 2 percent of its Gross Domestic Product (GDP) every year for adapting to the expected impact of climate change by implementing programs such as cyclone warning and protection, coastal protection, flood control, drought relief, and food security.¹⁶³ Moreover, Mr. Chidambaram highlighted a number of national strategies India has undertaken supportive of sustainability and clean development including the use of compressed natural gas for public transport, the introduction of metro rail in many cities, and the commencing of a major bio-diesel program including mandatory blending of ethanol in petrol.¹⁶⁴ India has also launched the Green India project that will be the world’s largest afforestation project covering six million hectares of degraded forest land and costing more than \$1.5 billion USD.¹⁶⁵

On 21 November 2007 at the Third East Asia Summit in Singapore, as a member country of the Association of Southeast Asian Nations (ASEAN), India signed the Singapore Declaration on Climate Change, Energy, and the Environment.¹⁶⁶ Under the Singapore Declaration, ASEAN members renewed their commitment to the UNFCCC and reaffirmed the need to take an effective approach to the interrelated challenges of climate change, energy security, and other environmental and health issues, in the context of sustainable development. They also renewed their commitment that in the pursuit of climate change and energy security policies, they must avoid introducing barriers to trade, investment, and socio-economic development.¹⁶⁷

¹⁶⁰ India: Addressing Energy Security and Climate Change, Ministry of Environment and Forests, Ministry of Power, Bureau of Energy Efficiency (New Delhi) October 2007. Date of Access: 2 January 2008. http://www.envfor.nic.in/divisions/ccd/Addressing_CC_09-10-07.pdf.

¹⁶¹ India: Addressing Energy Security and Climate Change, Ministry of Environment and Forests, Ministry of Power, Bureau of Energy Efficiency (New Delhi) October 2007. Date of Access: 2 January 2008. http://www.envfor.nic.in/divisions/ccd/Addressing_CC_09-10-07.pdf.

¹⁶² India: Addressing Energy Security and Climate Change, Ministry of Environment and Forests, Ministry of Power, Bureau of Energy Efficiency (New Delhi) October 2007. Date of Access: 2 January 2008. http://www.envfor.nic.in/divisions/ccd/Addressing_CC_09-10-07.pdf.

¹⁶³ Statement by Mr. P. Chidambaram, Finance Minister and Special Envoy of the Prime Minister during the High-level event on Climate Change convened by the Secretary General: “The Future in our Hands: Addressing the Leadership challenge of Climate Change” at the Thematic Plenary on “The challenge of adaptation-from vulnerability to resilience”, Ministry of External Affairs, (New York) 24 September 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/09/24ss01.htm>.

¹⁶⁴ Statement by Mr. P. Chidambaram, Finance Minister and Special Envoy of the Prime Minister during the High-level event on Climate Change convened by the Secretary General: “The Future in our Hands: Addressing the Leadership challenge of Climate Change” at the Thematic Plenary on “The challenge of adaptation-from vulnerability to resilience”, Ministry of External Affairs, (New York) 24 September 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/09/24ss01.htm>.

¹⁶⁵ Statement by Mr. P. Chidambaram, Finance Minister and Special Envoy of the Prime Minister during the High-level event on Climate Change convened by the Secretary General: “The Future in our Hands: Addressing the Leadership challenge of Climate Change” at the Thematic Plenary on “The challenge of adaptation-from vulnerability to resilience”, Ministry of External Affairs, (New York) 24 September 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/09/24ss01.htm>.

¹⁶⁶ Singapore Declaration on Climate Change, Energy and the Environment, Ministry of External Affairs (Singapore) 21 November 2007. Date of Access: 2 January 2008. <http://mea.gov.in/speech/2007/11/29ss02.htm>.

¹⁶⁷ Singapore Declaration on Climate Change, Energy and the Environment, Ministry of External Affairs (Singapore) 21 November 2007. Date of Access: 2 January 2008. <http://mea.gov.in/speech/2007/11/29ss02.htm>.

On 7 December 2007 at the 29th meeting of the South Asian Association for Regional Cooperation (SAARC) Council of Ministers, India adopted the SAARC Declaration on Climate Change.¹⁶⁸ Under the SAARC Declaration on Climate Change, India commits to providing adequate resources to tackle climate change without detracting from development funds, ensure effective access to and funding assistance for the transfer of environment-friendly technologies and for adaptation to climate change, commits to green house gases emission reduction commitments, and agrees to equitable burden-sharing in regards to climate change.¹⁶⁹

At the Sustainability Summit: Asia held in Australia on 11 December 2007, Indian External Affairs Minister Shri Pranab Mukherjee reiterated Prime Minister Singh's commitment at Heiligendamm that India's per capita green house gas emissions would at no stage exceed the per capita green house gas emissions of developed countries even as India pursues economic development.¹⁷⁰

At the UNFCCC Conference in Bali, Indonesia, Indian Minister of Science and Technology and Earth Sciences, Mr. Kapil Sibal announced the inauguration of the Council on Climate Change chaired by the Indian Prime Minister to co-ordinate national action on climate change.¹⁷¹ Mr. Sibal believes that India requires advanced technological solutions and increased financial resources to cope with and adapt to the inevitability of increased global warming in the coming decades.¹⁷² Mr. Sibal also called for quantified, time bound, and substantial green house gas reductions by developed countries by 2009 and reiterated India's commitment to pragmatic and practical solutions in accordance with the principles of common but differentiated responsibilities.¹⁷³

In Washington DC, on 14 April 2008 at a World Bank meeting entitled "Taking the Bali Process Forward" Indian Finance Minister Chidambaram proposed a set of steps including "climate proofing" of public infrastructure investments, food security and water resources that the developing countries can adopt to combat climate change.¹⁷⁴ According to Minister Chidambaram, "Governments can start working on key vulnerabilities like 'climate proofing' of public infrastructure investments, food security, water resources and pursue policies to provide incentives for private actions toward energy efficiencies." Mr. Chidambaram stated that India has plans to establish a permanent institutional mechanism to play a coordination role to explore and implement ideas on climate change and to take on the important responsibility of advocacy.¹⁷⁵

Furthermore, on 28 April 2008, the Special Envoy of the Indian Prime Minister, Shri Shyam Saran, stated that India's position on international climate change negotiations is based on the principle - "the polluter pays."¹⁷⁶ In relation to India's principle of collective but differentiated responsibilities on cutting down global greenhouse gas emissions, Mr. Saran stated, an important distinction between "survival emissions" and "lifestyle emissions" must be maintained when discussing carbon emissions in India.¹⁷⁷ According to Mr. Saran, "Reducing emissions that

¹⁶⁸ Inaugural Address by External Affairs Minister Shri Pranab Mukherjee at the Sustainability Summit: Asia 2007, Ministry of External Affairs (Australia) 11 December 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/12/11ss01.htm>.

¹⁶⁹ Inaugural Address by External Affairs Minister Shri Pranab Mukherjee at the Sustainability Summit: Asia 2007, Ministry of External Affairs (Australia) 11 December 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/12/11ss01.htm>.

¹⁷⁰ Inaugural Address by External Affairs Minister Shri Pranab Mukherjee at the Sustainability Summit: Asia 2007, Ministry of External Affairs (Australia) 11 December 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/12/11ss01.htm>.

¹⁷¹ Address by Mr. Kapil Sibal, Minister of Science and Technology and Earth Sciences, at the 13th Conferences of the Parties of the United Nations Framework Convention on Climate Change, Ministry of External Affairs (Bali) 12 December 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/12/12ss01.htm>.

¹⁷² Address by Mr. Kapil Sibal, Minister of Science and Technology and Earth Sciences, at the 13th Conferences of the Parties of the United Nations Framework Convention on Climate Change, Ministry of External Affairs (Bali) 12 December 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/12/12ss01.htm>.

¹⁷³ Address by Mr. Kapil Sibal, Minister of Science and Technology and Earth Sciences, at the 13th Conferences of the Parties of the United Nations Framework Convention on Climate Change, Ministry of External Affairs (Bali) 12 December 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/12/12ss01.htm>.

¹⁷⁴ Address by Mr. Kapil Sibal, Minister of Science and Technology and Earth Sciences, at the 13th Conferences of the Parties of the United Nations Framework Convention on Climate Change, Ministry of External Affairs (Bali) 12 December 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/12/12ss01.htm>.

¹⁷⁵ Address by Mr. Kapil Sibal, Minister of Science and Technology and Earth Sciences, at the 13th Conferences of the Parties of the United Nations Framework Convention on Climate Change, Ministry of External Affairs (Bali) 12 December 2007. Date of Access: 2 January 2008. <http://www.mea.gov.in/speech/2007/12/12ss01.htm>.

¹⁷⁶ Talk by Special Envoy of Prime Minister, Shri Shyam Saran in Mumbai on Climate Change, Ministry of External Affairs (Mumbai) 21 April 2008. Date of Access: 12 May 2008. <http://www.mea.gov.in/speech/2008/04/23ss01.htm>.

¹⁷⁷ Talk by Special Envoy of Prime Minister, Shri Shyam Saran in Mumbai on Climate Change, Ministry of External Affairs (Mumbai) 21 April 2008. Date of Access: 12 May 2008. <http://www.mea.gov.in/speech/2008/04/23ss01.htm>.

require an adjustment in affluent lifestyles and reduction of waste, for example, cannot be equated with reducing emissions which may impact on the already low levels of livelihood of people in developing countries. Capping or reducing emission levels in India may mean that 600 million Indians who do not have access to electricity today, must be permanently denied this very basic energy service.”¹⁷⁸

Analyst: Kyle D'Souza

Mexico: +1

Following the Heiligendamm Summit, Mexico has maintained a high level of commitment to the United Nations Framework Convention on Climate Change (UNFCCC). Mexico is concerned with the progression of climate change and stresses the need to strengthen existing instruments to mitigate its adverse effects.¹⁷⁹

On 19 September 2007, Marcelo Ebrard, the new mayor of Mexico City, signed a commitment to partner with Centro de Transporte Sustentable de Mexico (CTS-Mexico), the World Resources Institute (WRI), and EMBARQ - the WRI Center for Sustainable Transport to reduce transport-related air pollution and greenhouse gas emissions; improve the quality and cost-effectiveness of urban transport; improve accessibility, traffic safety and public security; and improve the quality of public spaces in Mexico City.¹⁸⁰

Mexican government authorities and policy decision-makers continue to aggressively promote the commitments established under the UNFCCC. During the UNFCCC in Bali from 3-15 December 2007, policy group Germanwatch ranked Mexico fourth on the Climate Change Performance Index that measures each country's greenhouse gas emissions and climate change policy.¹⁸¹ Germanwatch attributed Mexico's jump from No. 16 in last year's rankings up to No. 4 this year to “constructive international and national climate policy and its relatively favorable emissions trends.”¹⁸²

At the Bali Conference, Secretary of the Environment and National Resources Juan Rafael Elvira Quesada proposed a global fund that would help developing countries take steps to avoid global warming.¹⁸³ According to Quesada, facing up to global climate change is a shared responsibility that demands immediate action. He went on to state that the lack of inaction on the part of some countries cannot serve as an excuse for impeding Mexico's efforts.¹⁸⁴

Mr. Quesada also believes that addressing climate change now is economically and technologically feasible, so as to avoid greater costs in the future.¹⁸⁵ According to him, regardless of the global attitude towards climate change, Mexico will continue to place high importance to the challenge of climate change, and is working towards implementing a National Strategy on Climate Change by the end of 2008.¹⁸⁶ Quesada highlighted examples of

¹⁷⁸ Talk by Special Envoy of Prime Minister, Shri Shyam Saran in Mumbai on Climate Change, Ministry of External Affairs (Mumbai) 21 April 2008. Date of Access: 12 May 2008. <http://www.mea.gov.in/speech/2008/04/23ss01.htm>.

¹⁷⁹ Climate Change in Mexico, National Institute of Ecology (Mexico City, Mexico), 28 June 2005. Date of Access: 3 January 2008. http://cambio_climatico.ine.gob.mx/ccygob/ccygingles.html.

¹⁸⁰ Mayor, Nonprofits Announce Partnership to Green Mexico City Transport. World Resources Institute (Mexico City, Mexico), 19 September 2007. Date of Access: 3 January 2008. <http://www.wri.org/press/2007/10/mayor-nonprofits-announce-partnership-green-mexico-city-transport#>.

¹⁸¹ Comunicado de prensa No. 02/08, El esfuerzo de Mexico en la lucha contra el Cambio Climático se ve reflejado en informar informaciones, Ministry of Environment and National Resources (Mexico City, Mexico), 2 January 2008. Date of Access: 3 January 2008. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/boletin07-202.aspx>.

¹⁸² Comunicado de prensa No. 02/08, El esfuerzo de Mexico en la lucha contra el Cambio Climático se ve reflejado en informar informaciones, Ministry of Environment and National Resources (Mexico City, Mexico), 2 January 2008. Date of Access: 3 January 2008. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/boletin07-202.aspx>.

¹⁸³ Comunicado de prensa conjunto, Hacer Frente El Cambio Climático, Es Una Tarea Compartida Que Exige Acciones Inmediatas Afirma Mexico En La Conferencia de Bali, Secretary of Environment and Natural Resources (Mexico), 12 December 2007. Date of Access: 27 December 2007. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/bol07-192.aspx>.

¹⁸⁴ Comunicado de prensa conjunto, Hacer Frente El Cambio Climático, Es Una Tarea Compartida Que Exige Acciones Inmediatas Afirma Mexico En La Conferencia de Bali, Secretary of Environment and Natural Resources (Mexico), 12 December 2007. Date of Access: 27 December 2007. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/bol07-192.aspx>.

¹⁸⁵ Hacer Frente El Cambio Climático, Es Una Tarea Compartida Que Exige Acciones Inmediatas Afirma Mexico En La Conferencia de Bali, Secretary of Environment and Natural Resources, (Bali) 12 December 2007. Date of Access 27 December 2007. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/bol07-192.aspx>.

¹⁸⁶ Hacer Frente El Cambio Climático, Es Una Tarea Compartida Que Exige Acciones Inmediatas Afirma Mexico En La Conferencia de Bali, Secretary of Environment and Natural Resources, (Bali) 12 December 2007. Date of Access 27 December 2007. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/bol07-192.aspx>.

Mexico's commitment to climate change which include the planting of 250 million trees in 2007, the creation of new protected natural areas, and campaigns for energy saving.¹⁸⁷

Analyst: Kyle D'Souza

South Africa: +1

South Africa has registered a score of +1, indicating full compliance with its commitment to the UNFCCC as per the results of the 2007 Heiligendamm Summit. South Africa has been an active participant within the UN framework and has also enacted policies in accordance with the conventions of the framework.

On 22 November 2007, the South African government released the South African Carbon Disclosure Report.¹⁸⁸ Under this initiative, the government will increasingly assess, monitor, and regulate greenhouse gas emissions from businesses.¹⁸⁹ According to Minister of Environmental Affairs and Tourism Marthinus van Schalkwyk, there will be a much stricter regulatory framework in the future, and businesses are expected to "plan, strategize and reposition [themselves] in a pro-active manner to reduce economic and other risks related to climate change."¹⁹⁰ He also called on South Africa's industry to build its competitiveness on climate-friendly technology rather than cheap electricity, and emphasized the importance of investment in greater energy efficiency and new technology development for companies whose core business lies in emissions-intensive sectors.¹⁹¹

In December 2007, South Africa's governing party, the African National Congress (ANC), adopted a resolution on climate change.¹⁹² According to Van Schalkwyk, the elements of this resolution could find application in South Africa's government policy.¹⁹³ They include the continued effort to proactively build South Africa's capacity to adapt to the inevitable impacts of climate change and to further integrate climate change considerations with existing policies such as sustainable development strategies and the science and technology agenda.¹⁹⁴ The government also plans to set a target for the reduction of greenhouse gas emissions as part of the country's responsibility to participate in sharing the burden with the global community under a common framework of action.¹⁹⁵

South Africa took part in the UN Climate Change Conference in Bali from 3-15 December 2007. In his statement delivered on behalf of South Africa, Van Schalkwyk affirmed that "South Africa will contribute its fair share towards our common responsibility for the future," and that South Africa's "actions will be measurable, reportable and verifiable."¹⁹⁶ He also reminded other nations at the conference that, "given the urgency indicated by science, there is no longer a plausible excuse for inaction by any country."¹⁹⁷

¹⁸⁷ Hacer Frente El Cambio Climático, Es Una Tarea Compartida Que Exige Acciones Inmediatas Afirma Mexico En La Conferencia de Bali, Secretary of Environment and Natural Resources, (Bali) 12 December 2007. Date of Access 27 December 2007. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/bol07-192.aspx>.

¹⁸⁸ Launch of the South African Carbon Disclosure Report, South African Government Department of Environmental Affairs and Tourism (Pretoria), 22 November 2007, Date of Access: 6 January 2008. <http://www.environment.gov.za/Docs/DocumentHomepage.aspx?type=D&id=3253>.

¹⁸⁹ Speech by Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk, at the launch of the South African Carbon Disclosure Report, South African Government Department of Environmental Affairs and Tourism (Pretoria), 22 November 2007. Date of Access: 6 January 2008. <http://www.environment.gov.za/docs/DocumentHomepage.aspx?type=D&id=3253>.

¹⁹⁰ Speech by Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk, at the launch of the South African Carbon Disclosure Report, South African Government Department of Environmental Affairs and Tourism (Pretoria), 22 November 2007. Date of Access: 6 January 2008. <http://www.environment.gov.za/docs/DocumentHomepage.aspx?type=D&id=3253>.

¹⁹¹ Speech by Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk, at the launch of the South African Carbon Disclosure Report, South African Government Department of Environmental Affairs and Tourism (Pretoria), 22 November 2007. Date of Access: 6 January 2008. <http://www.environment.gov.za/docs/DocumentHomepage.aspx?type=D&id=3253>.

¹⁹² Van Schalkwyk hails climate-change resolution, Mail and Guardian (Johannesburg), 23 December 2007. Date of Access: 27 December 2007. http://www.mg.co.za/articlePage.aspx?articleid=328460&area=/breaking_news/breaking_news__national.

¹⁹³ Van Schalkwyk hails climate-change resolution, Mail and Guardian (Johannesburg), 23 December 2007. Date of Access: 27 December 2007. http://www.mg.co.za/articlePage.aspx?articleid=328460&area=/breaking_news/breaking_news__national.

¹⁹⁴ Van Schalkwyk hails climate-change resolution, Mail and Guardian (Johannesburg), 23 December 2007. Date of Access: 27 December 2007. http://www.mg.co.za/articlePage.aspx?articleid=328460&area=/breaking_news/breaking_news__national.

¹⁹⁵ Van Schalkwyk hails climate-change resolution, Mail and Guardian (Johannesburg), 23 December 2007. Date of Access: 27 December 2007. http://www.mg.co.za/articlePage.aspx?articleid=328460&area=/breaking_news/breaking_news__national.

¹⁹⁶ Statement by Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk, at the UN Climate Change Conference in Bali, South African Government Department of Environmental Affairs and Tourism (Pretoria), 12 December 2007. Date of Access: 4 January 2008. <http://www.environment.gov.za/docs/DocumentHomepage.aspx?type=D&id=3320>.

¹⁹⁷ Statement by Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk, at the UN Climate Change Conference in Bali, South African Government Department of Environmental Affairs and Tourism (Pretoria), 12 December 2007. Date of Access: 4 January 2008. <http://www.environment.gov.za/docs/DocumentHomepage.aspx?type=D&id=3320>.

On 15 February 2008, the Premier of the Western Cape, Ebrahim Rasool, addressed climate change in his State of the Province Address.¹⁹⁸ Rasool stated that the Government of the Western Cape met with mayors, Eskom and the Energy Risk Management Committee earlier that week, in response to a call from President Thabo Mbeki.¹⁹⁹ As a result of the meeting, an agreement was reached that the Western Cape was responsible for meeting a target of saving 500 megawatts. Rasool brought to attention the fact that his government is “aggressively promoting the use of [r]enewable [e]nergy...as it is...a critical priority within [the] Climate Change Strategy and Action Plan.”²⁰⁰

On 16 March 2008, South Africa, along with other G20 nations, backed the United Nations-led effort to forge a global pact to combat climate change.²⁰¹ Van Schalkwyk commented that it was crucial for developing countries to have a greater involvement in the management of clean technology funds, particularly with the “recently announced funds to be managed by the World Bank with money from Japan, the United States and Britain.”²⁰² However, South Africa, along with India and Brazil, objected to Japan's proposal for sectoral caps on polluting industries, because, “on a per-capita basis, their[the average South African] carbon emissions were a fraction of the roughly 24 tonnes of carbon dioxide equivalent produced by the average American.”²⁰³

From 9-11 April 2008, South Africa hosted the World Parks Congress (WPC) in Cape Town. This was a review meeting aimed at reflecting on progress made and the challenges faced by protected areas since the last WPC in 2003.²⁰⁴ Addressing those gathered, Minister Van Schalkwyk said that South Africa was currently assessing “how the planning, management and expansion of [its] national parks can build resilience to climate change.”²⁰⁵ He noted that South Africa is expanding two of its original national parks, a project that “will provide a greater variety of habitats and thus reduce the risks to endemic species posed by climate change trends” by increasing altitudinal variation, which in turn builds resilience.²⁰⁶

On 11 May 2008, at the Fifth Meeting of the Trilateral Commission of the India-Brazil-South Africa (IBSA) Dialogue Forum, Minister of Foreign Affairs of South Africa, Nkosazana Dlamini Zuma, met with the Minister of External Affairs of India, Pranab Mukherjee and the Minister of External Relations of Brazil, Celso Amorim.²⁰⁷ Affirming that IBSA provides a unique framework for trilateral coordination on international issues and cooperation in several sectoral areas, the Ministers discussed climate change, among other topics of global concern. Together, they noted that climate change is a multidimensional global challenge as reconfirmed by the 4th Assessment Report of the IPCC, which highlights that the risks of climate change are more severe, possibly leading to a disastrous impact on developing countries.²⁰⁸ The Ministers further noted that, “an effective international response to this

¹⁹⁸ State of the Province Address of the Premier of the Western Cape, Ebrahim Rasool, South African Government Information (Pretoria) 15 February 2008. Date of Access: 29 May 2008. <http://www.info.gov.za/speeches/2008/08021814451001.htm>.

¹⁹⁹ State of the Province Address of the Premier of the Western Cape, Ebrahim Rasool, South African Government Information (Pretoria) 15 February 2008. Date of Access: 29 May 2008. <http://www.info.gov.za/speeches/2008/08021814451001.htm>.

²⁰⁰ State of the Province Address of the Premier of the Western Cape, Ebrahim Rasool, South African Government Information (Pretoria) 15 February 2008. Date of Access: 29 May 2008. <http://www.info.gov.za/speeches/2008/08021814451001.htm>.

²⁰¹ G20 backs climate fight, argues over industry caps, Mail and Guardian (Johannesburg) 16 March 2008. Date of Access: 12 May 2008.

http://www.mg.co.za/articlePage.aspx?articleid=328460&area=/breaking_news/breaking_news__national.

²⁰² G20 backs climate fight, argues over industry caps, Mail and Guardian (Johannesburg) 16 March 2008. Date of Access: 12 May 2008.

http://www.mg.co.za/articlePage.aspx?articleid=328460&area=/breaking_news/breaking_news__national.

²⁰³ G20 backs climate fight, argues over industry caps, Mail and Guardian (Johannesburg) 16 March 2008. Date of Access: 12 May 2008.

http://www.mg.co.za/articlePage.aspx?articleid=328460&area=/breaking_news/breaking_news__national.

²⁰⁴ “Parks for Life” – The World reviews the 2003 World Parks Congress and its contribution to sustainable development, South African Government Information (Pretoria) 9 April 2008. Date of Access: 20 May 2008. <http://www.info.gov.za/speeches/2008/08041009151004.htm>.

²⁰⁵ “Parks for Life” – The World reviews the 2003 World Parks Congress and its contribution to sustainable development, South African Government Information (Pretoria) 9 April 2008. Date of Access: 20 May 2008. <http://www.info.gov.za/speeches/2008/08041009151004.htm>.

²⁰⁶ Keynote address by Marthinus van Schalkwyk, Minister of Environmental Affairs and Tourism, at the opening of the World Parks Conference, Somerset West, Cape Town, South African Government Information (Pretoria) 9 April 2008. Date of Access: 20 May 2008. <http://www.info.gov.za/speeches/2008/08040914151001.htm>.

²⁰⁷ Somerset West Ministerial Communiqué, India – Brazil – South Africa (IBSA) Dialogue Forum, 11 May 2008, Department of Foreign Affairs (Pretoria) 12 May 2008, Date of Access: 29 May 2008. <http://www.dfa.gov.za/docs/2008/ibsa0512.html>.

²⁰⁸ Somerset West Ministerial Communiqué, India – Brazil – South Africa (IBSA) Dialogue Forum, 11 May 2008, Department of Foreign Affairs (Pretoria) 12 May 2008, Date of Access: 29 May 2008.

global challenge demands a coherent and an intensified global effort within the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol.”²⁰⁹ In addition, the Ministers reaffirmed their commitment to the Bali Action Plan in developing. They once again indicated their support for clear, credible, and long-term multilateral commitments and actions “in accordance with the principle of common but differentiated responsibilities and respective capabilities, focusing on mitigation, adaptation, financing, and technology.”²¹⁰ They emphasized “deployment, diffusion and transfer of technology for mitigation and adaptation, as well as investment in long-term research and development” as the key enabling conditions for developing countries to contribute to the collective effort related to climate change.²¹¹

On 20 May 2008, in his budget vote speech in the National Assembly, Van Schalkwyk announced the details of the Cabinet-mandated Long Term Mitigation Scenario (LTMS) study, which “will set the pathway for [South Africa’s] long-term climate policy” and eventually impact the country’s policy at a mandatory level.²¹² Van Schalkwyk appealed for “a consolidated approach to a low-carbon economy” rather than partial solutions or ad hoc interventions, noting that “[South Africa’s] emissions need to peak plateau and decline sooner rather than later.”²¹³ Furthermore, he announced that the LTMS will culminate in a National Climate Summit and Science Conference in early 2009, during which the government will “formally launch the policy process that will translate the LTMS into fiscal, regulatory and legislative packages as well as sectoral implementation plans.”²¹⁴ In this manner, the LTMS has laid a firm foundation for a progressive national policy on climate change.²¹⁵

Analyst: Yunjie Shi

<http://www.dfa.gov.za/docs/2008/ibsa0512.html>.

²⁰⁹ Somerset West Ministerial Communiqué, India – Brazil – South Africa (IBSA) Dialogue Forum, 11 May 2008, Department of Foreign Affairs (Pretoria) 12 May 2008, Date of Access: 29 May 2008. <http://www.dfa.gov.za/docs/2008/ibsa0512.html>.

²¹⁰ Somerset West Ministerial Communiqué, India – Brazil – South Africa (IBSA) Dialogue Forum, 11 May 2008, Department of Foreign Affairs (Pretoria) 12 May 2008, Date of Access: 29 May 2008. <http://www.dfa.gov.za/docs/2008/ibsa0512.html>.

²¹¹ Somerset West Ministerial Communiqué, India – Brazil – South Africa (IBSA) Dialogue Forum, 11 May 2008, Department of Foreign Affairs (Pretoria) 12 May 2008, Date of Access: 29 May 2008. <http://www.dfa.gov.za/docs/2008/ibsa0512.html>.

²¹² Budget Vote speech by Marthinus van Schalkwyk, Minister of Environmental Affairs and Tourism, National Assembly, South African Government Information (Pretoria) 20 May 2008. Date of Access: 29 May 2008. <http://www.info.gov.za/speeches/2008/08052016151001.html>.

²¹³ Budget Vote speech by Marthinus van Schalkwyk, Minister of Environmental Affairs and Tourism, National Assembly, South African Government Information (Pretoria) 20 May 2008. Date of Access: 29 May 2008. <http://www.info.gov.za/speeches/2008/08052016151001.html>.

²¹⁴ Budget Vote speech by Marthinus van Schalkwyk, Minister of Environmental Affairs and Tourism, National Assembly, South African Government Information (Pretoria) 20 May 2008. Date of Access: 29 May 2008. <http://www.info.gov.za/speeches/2008/08052016151001.html>.

²¹⁵ Budget Vote speech by Marthinus van Schalkwyk, Minister of Environmental Affairs and Tourism, National Assembly, South African Government Information (Pretoria) 20 May 2008. Date of Access: 29 May 2008. <http://www.info.gov.za/speeches/2008/08052016151001.html>.

3. Energy

Commitment

“We confirm our commitment to promote energy efficiency, through cost-effective solutions, to advance the effective use of fossil fuels, such as the clean coal technology, and to increase the use of cleaner and renewable energy sources, such as biofuels and biomass, as an important step towards secure, stable, and competitive energy supplies for achieving sustainable development.”²¹⁶

Background

On 24 March 1994, the United Nations Framework Convention on Climate Change (UNFCCC) took effect, committing 191 countries to fighting the effects of climate change. In June 2007, members of the Group of Eight and Outreach 5 reaffirmed their will to work cooperatively against global warming. Related to these commitments, the Outreach 5 countries also agreed to focus on efforts to promote energy efficiency and increase the use of cleaner and renewable energy sources. Particular emphasis was placed on clean coal technology and the development and implementation of sustainable alternative energy sources such as biofuels and biomass.

All five countries have engaged in some degree of compliance; however, the degree of policy implementation and true scope of their respective projects remain in question.

Lead Analyst: Theodore Anderson

Assessment

	Final Compliance Score		
	Lack of Compliance	Work in Progress	Full Compliance
Country	-1	0	+1
Brazil		0	
China		0	
India		0	
Mexico		0	
South Africa			+1
Average Score			+0.20

Scoring

-1	Heiligendamm Process partner implements no new policies directed towards energy efficiency.
0	Heiligendamm Process partner implements few new policies directed towards energy efficiency. State concentrates exclusively on encouraging energy efficiency among consumer or industry, but not both.
+1	Heiligendamm Process partner implements widespread new policies to encourage energy efficiency, including clean coal technology and the development and implementation of energy sources such as biofuels and biomass.

²¹⁶ Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the Occasion of the G8 Summit in Heiligendamm, Official G8 Website of the Federal Government of Germany, (Heiligendamm, Germany), 8 June 2007. Date of Access: 12 January 2008. <http://www.g8.utoronto.ca/summit/2007heiligendamm/g8-2007-joint.html>.

Brazil: 0

Brazil has earned a score of 0 for complying with their commitment to explore new energy technologies and develop bioenergy project; however, it has done little to curtail demand.

On 10 January 2008, Delson Luiz Martini, President of the Companhia Estadual de Energia Eletrica (CEEE), Brazil's electricity trade chamber, issued a statement outlining the need for a national energy efficiency campaign.²¹⁷

The Brazilian government plans to invest in clean technology, including developing extensive bioenergy programs.²¹⁸ The government of the southeastern state of Minas Gerais has allocated \$100 million USD to the creation of a bioenergy centre, and has considered seeking cross-border investment to further finance the project.²¹⁹ The proposed bioenergy platforms would produce ethanol and bio-diesel with one platform running using vegetable coal.²²⁰ The Financing Agency for Studies and Projects (FINEP), one of the federal government's primary research funding agencies, has set aside \$1.95 million USD to support a palm oil project that is expected to produce 2,200 tonnes of bio-diesel per year by 2012.²²¹ State financial authority SEFAZ also authorized a bio-diesel plant in the municipality of Sapezal to begin operations.²²²

Brazil has also supported research development, fulfilling their "commitment to promote energy efficiency."²²³ On 30 January 2008, Brazilian National Social and Economic Development Bank (BNDES) approved a loan of \$1.15 million USD for the construction of a reference centre for ethanol and sugar technologies.²²⁴ The government is also engaged in talks with industry association ABEEolica to expand the country's wind energy projects.²²⁵ Private companies have also been persuaded to invest in bio-diesel research, including Brazilian aircraft manufacturer Empresa Brasileira de Aeronautica (Embraer) in bio-kerosene.²²⁶

Brazil has signed bilateral agreements on cooperation in science and technology research, with many of the priority areas of research related to better energy practices. They include the "Brazil-Spain Action Plan on Science and Technology," signed 2 February 2008, which will focus on sustainable energy and technology, nano-level research, and communications,²²⁷ and the "Brazil-UK [United Kingdom] Partnership in Science and Innovation", signed 12 March 2008, which has among its priority areas agriculture, health, and sustainable energy.²²⁸

Analyst: Theodore Anderson and Miyoun Oh

China: 0

China receives a score of 0, indicating that it has introduced a significant number of new energy initiatives. However, certain factors impede complete adherence to the Heiligendamm commitments.

²¹⁷ CEEE CALLS FOR BRAZIL ENERGY EFFICIENCY CAMPAIGN, Agencia Estado Brazil, (Brasilia), 10 January 2008. Date of Access: 1 February 2008. <http://global.factiva.com/ha/default.aspx>.

²¹⁸ RENEWABLES - Brazil Biodiesel & Ethanol News Review (Jan 14-18, 2008), Latin America News Digest, 18 January 2008. Date of Access: 1 February 2008. <http://global.factiva.com/aa/default.aspx>.

²¹⁹ DJ Brazil Minas Gerais Govt Seeks \$100M for Bioenergy Center, Dow Jones Commodity News, (New York), 9 January 2008. Date of Access: 1 February 2008.

<http://www.zibb.com/article/2471859/DJ+Brazil+Minas+Gerais+Govt+Seeks+100M+For+Bioenergy+Center>.

²²⁰ RENEWABLES - Brazil Biodiesel & Ethanol News Review (Jan 14-18, 2008), Latin America News Digest, 18 January 2008. Date of Access: 1 February 2008. <http://global.factiva.com/aa/default.aspx>.

²²¹ RENEWABLES - Brazil Biodiesel & Ethanol News Review (Jan 14-18, 2008), Latin America News Digest, 18 January 2008. Date of Access: 1 February 2008. <http://global.factiva.com/aa/default.aspx>.

²²² RENEWABLES - Brazil Biodiesel & Ethanol News Review (Jan 28-Feb 1, 2008), Latin America News Digest, 1 February 2008. Date of Access: 1 February 2008. <http://global.factiva.com/aa/default.aspx>.

²²³ Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the Occasion of the G8 Summit in Heiligendamm

²²⁴ RENEWABLES - Brazil Biodiesel & Ethanol News Review (Jan 28-Feb 1, 2008), Latin America News Digest, 1 February 2008. Date of Access: 1 February 2008. <http://global.factiva.com/ha/default.aspx>.

²²⁵ RENEWABLES - Brazil Biodiesel & Ethanol News Review (Jan 28-Feb 1, 2008), Latin America News Digest, 1 February 2008. Date of Access: 1 February 2008. <http://global.factiva.com/ha/default.aspx>.

²²⁶ RENEWABLES - Brazil Biodiesel & Ethanol News Review (Jan 28-Feb 1, 2008), Latin America News Digest, 1 February 2008. Date of Access: 1 February 2008. <http://global.factiva.com/ha/default.aspx>.

²²⁷ Signing of the Brazil-Spain Action Plan on Science and Technology, Ministry of External Relations (Brasilia), 06 February 2008. Date of Access: 1 June 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=5184.

²²⁸ Brazil-United Kingdom Partnership in Science and Innovation, Ministry of External Relations, (Brasilia), 12 March 2008. Date of Access: 1 June 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=5234.

In December 2007, Chinese authorities released the country's first energy white paper, pledging "to promote hydroelectric, nuclear, solar, and wind energy to meet growing economic needs and cut emissions."²²⁹ Chinese Vice-Premier Zeng Peiyan declared that China would address energy concerns mainly through conservation and emissions reduction policies and stressed that to do so requires efforts both at the individual and industrial level.²³⁰ Zeng stated that China aims to increase renewable energy consumption from the current 8 percent level to 15 percent in 2020.²³¹

On 4 December 2007, China launched eight biomass plants. According to Cui Mengshan, manager in charge of planning and business development at the National Bio Energy Company, "These biomass projects are expected to cut carbon dioxide emissions by 800,000 tons annually" compared to previous coal-fired plants.²³²

On 18 March 2008, the National Development and Reform Commission announced that renewable energies would constitute 10 percent of China's consumption by 2010, up by 2.5 percent from its current level.²³³

The industrial sector has begun to follow along with the government's initiatives. China Huaneng Group, China's largest power producer, is increasing its production of renewable energies. Huaneng President Li Xiaopeng declared that the company's development of wind power has grown in the provinces of Guangdong, Jilin, Shandong, Inner Mongolia, and Hainan, and now has a capacity of 1,347 megawatts (MW).²³⁴ He added that Huaneng was "also developing solar power projects in the Northwest and biomass power projects in Jilin province in Northeast China."²³⁵

In terms of energy efficiency, the province of Guangdong is planning the construction of China's biggest offshore wind farm that should produce 1.25 million kilowatts (kW) per year.²³⁶ But energy efficiency can be furthered. Robert Blohm, an economist from Keen Resources Asia Ltd, uses the example of Guizhou Province and cites that "with an improved transportation network and natural pipeline system, [the province's] resources can be exploited and transmitted to other needy provinces more quickly and more cheaply."²³⁷

In terms of consumer energy efficiency, China announced at the end of April 2008 a "subsidy program to promote the use of energy-efficient bulbs."²³⁸ The government is committed to reimburse consumers and producers who purchase some of the 50 million bulbs to be sold at a discounted price.

Nonetheless, China has to take additional steps to ensure the commitments undertaken at the 2007 Heiligendamm Summit are fully realized. The *New York Times* reported that the "manufacturing bottleneck" and bureaucratic obstacles in China have impeded the full development of alternative energies.²³⁹ For example, the difficulty pipelines from gas fields in western China and short supply of transportable liquefied natural gas have made attempts to transfer from coal to natural gas power costly and unviable.²⁴⁰ And since the premium for producing

²²⁹ Forum Circulates Ideas On Clean, Sustainable Power, China Daily, (Beijing), 29 February 2008. Date of Access: 14 May 2008. http://www.chinadaily.com.cn/bizchina/2008-02/29/content_6497103.htm

²³⁰ Vice Premier Stresses Energy Saving, Emission Reduction, State Environmental Protection Administration, (Beijing), 6 June 2007. Date of Access: 1 February 2008. http://english.zhb.gov.cn/zwxx/hjyw/200706/t20070606_104641.htm.

²³¹ China to Vigorously Promote Energy Conservation, Xinhua News, (Beijing), 11 September 2007. Date of Access: 18 December 2007. <http://au.china-embassy.org/eng/xw/t361578.htm>.

²³² China Turns to Clean Biomass Solution for Emission Cuts, Xinhua News, (Beijing), 4 December 2007. Date of Access: 18 December 2007. <http://au.china-embassy.org/eng/zt/GlobeClimateChange/t387395.htm>.

²³³ Clean energy poised to take bigger share, China Daily, (Beijing), 19 March 2008. Date of access: 14 May 2008. http://www.chinadaily.com.cn/cndy/2008-03/19/content_6547576.htm

²³⁴ Huaneng to boost renewable energy, China Daily, (Beijing), 26 March 2008. Date of access: 14 May 2008.

http://www.chinadaily.com.cn/bizchina/2008-03/26/content_6566023.htm

²³⁵ Huaneng to boost renewable energy, China Daily, (Beijing), 26 March 2008. Date of access: 14 May 2008.

http://www.chinadaily.com.cn/bizchina/2008-03/26/content_6566023.htm

²³⁶ Green Proposals, China Daily, (Beijing), 10 March 2008. Date of Access: 14 May 2008. http://www.chinadaily.com.cn/bw/2008-03/10/content_6521047.htm

²³⁷ Forum circulates ideas on clean, sustainable power, China Daily, (Beijing), 29 February 2008. Date of access: 14 May 2008. http://www.chinadaily.com.cn/bizchina/2008-02/29/content_6497103.htm

²³⁸ Timely Green Move, China Daily, (Beijing), 24 April 2008. Date of access: 16 May 2008.

http://www.chinadaily.com.cn/cndy/2008-04/24/content_6639800.htm

²³⁹ China's Green Energy Gap, New York Times, (New York), 24 October 2007. Date of Access: 8 January 2008. <http://query.nytimes.com/gst/fullpage.html?res=9F02EFD81039F937A15753C1A9619C8B63&sec=&spon=&pagewanted=1>.

²⁴⁰ China's Green Energy Gap, New York Times (New York), 24 October 2007. Date of access: 8 January 2008. <http://query.nytimes.com/gst/fullpage.html?res=9F02EFD81039F937A15753C1A9619C8B63&sec=&spon=&pagewanted=2>.

wind energy instead of coal is currently so little, only one-third of one per cent of the wind projects approved since 2004 were actually built, and none of the projects approved between 2005 and 2007 were constructed as of October 2007.²⁴¹

Analyst: Pierre-Arnaud Barry-Camu

India: 0

India has registered a score of 0, as it has shown itself willing to integrate alternative energy sources, such as wind and solar power, into its overall power generation strategy but has done little to reduce the demand for electricity.

On 8 September 2007, the government-owned National Thermal Power Corporation (NTPC) announced plans to diversify energy sources by increasing its reliance on renewable forms of energy. In addition to other hydroelectric and biomass projects, the NTPC expressed interest in developing wind power resources.²⁴² The current Five-Year economic plan (FYP) hopes to develop a strategy that will increase energy efficiency by 20 percent by the years 2016 or 2017.²⁴³ The plan will also receive \$2.45 billion USD for the development of new and renewable energy from the Ministry of New and Renewable Energy.²⁴⁴ Research and Development is one of the top priorities with \$351.45 million USD proposed for the plan²⁴⁵ and \$140.5 million USD allocated in March 2008 with emphasis placed on the solar energy sector.²⁴⁶

On 23 November 2007, the Ministry of New and Renewable Energy announced that a National Biogas and Manure Management Program (NBMMP), which caters to family-style biogas plants, would be implemented in all states and union territories across the country.²⁴⁷ A Ministry-sponsored "Biomass Resource Atlas" is also being prepared to examine the potential utility of agro-residues as an alternative energy source.²⁴⁸ Other Ministry policies to encourage the use of renewable energy sources include concession policies such as fiscal and financial assistance²⁴⁹ and incentives, capital and interest subsidy, accelerated depreciation, excise and customs duties and profits earned from sale of renewable power are exempt from Income Tax for any 10 years out of the first 15 years of the project's operation.²⁵⁰ The Government has also offered financial incentives to the private sector specifically for the generation of solar energy.²⁵¹

A 'National Policy on Bio-Fuels' by the Ministry is currently under development for both bio-ethanol and bio-diesel sectors.²⁵² In co-operation with the Ministry, a National Biofuel Development Board is also underway.²⁵³

²⁴¹ China's Green Energy Gap, New York Times (New York), 24 October 2007. Date of access: 8 January 2008.

<http://query.nytimes.com/gst/fullpage.html?res=9F02EFD81039F937A15753C1A9619C8B63&sec=&spon=&pagewanted=2>

²⁴² NTPC Mulls 650-MW Wind Power Unit, The Times of India: Business, (Gurgaon), 8 September 2007. Date of Access: 10 February 2008.

http://timesofindia.indiatimes.com/Business/India_Business/NTPC_mulls_650_mw_windpower_unit/rssarticleshow/2349143.cms.

²⁴³ Climate Panel to Plan Strategy Before Bali Meet, Times of India, (Gurgaon), 02 November 2007. Date of Access: 10 February 2008. http://timesofindia.indiatimes.com/India/Climate_panel_to_plan_strategy_before_Bali_meet/articleshow/2510374.cms

²⁴⁴ Development of New and Renewable Energy to get Rs. 10,460 crore for Eleventh Plan Period, Ministry of New and Renewable Energy, (New Delhi), 24 November 2007. Date of Access: 01 June 2008. <http://mnes.nic.in/press-releases/press-release-24112007.pdf>

²⁴⁵ More than Rs. 72 crore on R&D in New Renewable Energy, Ministry of New and Renewable Energy, (New Delhi), 07 December 2007. Date of Access: 30 May 2008. <http://mnes.nic.in/press-releases/press-release-07122007-1.pdf>

²⁴⁶ Rs. 600 crore allocation for Research, Design and Development for the 11th Five-Year Plan and New Schemes to Encourage Use of Solar Energy on Large Scale, Ministry of New and Renewable Energy, 28 March 2008. Date of Access: 30 May 2008. <http://mnes.nic.in/press-releases/press-release-28032008.pdf>

²⁴⁷ Family Type Bio-Gas Plants Crosses 39.70 Lakh, Ministry of New and Renewable Energy, (New Delhi), 23 November 2007. Date of Access: 10 February 2008. <http://mnes.nic.in/press-releases/press-release-23112007-2.pdf>.

²⁴⁸ Biomass Atlas to Assess Renewable Energy Potential from Agro Residues, Ministry of New and Renewable Energy, (New Delhi), 25 November 2007. Date of Access: 10 February 2008. <http://mnes.nic.in/press-releases/press-release-25112007.pdf>.

²⁴⁹ Scheme for Expansion of Renewable Energy, Ministry of New and Renewable Energy, (New Delhi), 03 December 2007. Date of Access: 01 June 2008. <http://mnes.nic.in/press-releases/press-release-0312007-5.pdf>

²⁵⁰ Policy for Non-conventional Energy Sources, Ministry of New and Renewable Energy, (New Delhi), 03 December 2007. Date of Access: 01 June 2008. <http://mnes.nic.in/press-releases/press-release-0312007-6.pdf>

²⁵¹ Government plans financial sops for solar power units, Hindu Business Line, (New Delhi), 03 January 2008. Date of Access: 30 May 2008. <http://www.blonnet.com/2008/01/03/stories/2008010352421000.htm>

²⁵² National Policy on Bio-fuels likely by March, Hindu Business Line, (New Delhi), 02 February 2008. Date of Access: 30 May 2008. <http://www.blonnet.com/2008/02/02/stories/2008020252361000.htm>

²⁵³ Setting Up of National Biofuel Development Board, Ministry of New and Renewable Energy, (New Delhi), 01 April 2008. Date of Access: 01 June 2008. <http://mnes.nic.in/press-releases/press-release-01042008-1.pdf>

The 2008 Budget is said to offer incentives to industry for cleaner technology along with carrying out the mandates placed in the current Five-Year plans for the Ministries of Oil, Coal and Power.²⁵⁴

Analyst: Farah Saleem

Mexico: 0

Mexico has earned a score of 0, indicating that while its government has publicly acknowledged the importance of identifying alternative energy sources and has launched certain corresponding measures, it must undertake steps to ensure energy efficiency in order to fully comply with its Heiligendamm commitments.

In his first State of the Union Address on 2 September 2007, Mexican President Felipe Calderón Hinojosa reiterated the importance of his government's national strategy of climate change, "which identifies possibilities to reduce greenhouse gas emissions and includes plans for energy based on alternative sources to fossil fuels, such as water, wind, solar, or biomass."²⁵⁵ On 16 October 2007, the Secretary of the Environment and Natural Resources, Juan Rafael Elvira Quesada, declared that Mexico would promote cleaner energies.²⁵⁶ According to the Minister, 100 million tons of carbon dioxide could be offset every year by an equivalent output from "wind, solar and mini-hydraulic energy, through the use of biogases and biomass, by the co-generation, saving and efficient use of the energy, and by capturing and geologic storing of the carbon."²⁵⁷

On 17 July 2007, Senator Carlos Lozano de la Torre explained that one of the objectives of the fiscal reform of the PEMEX (Petróleos Mexicanos, the state-owned Mexican petroleum company) was to encourage the development of renewable energetic sources, such as wind and solar energy as well as bioenergetics.²⁵⁸ Twenty-five percent of the revenues incurred by this directive will be channelled towards the "investigation and development projects of alternative energy sources for hydrocarbons."²⁵⁹

On 1 February 2008, the Law for the Promotion and Development of Bioenergetics (Ley de Promoción y Desarrollo de Bioenergéticos) became operational. It seeks to establish the bases for "the production, commercialization and efficient use of bioenergetics," and to help with "the reduction of emissions contaminating the atmosphere and of greenhouse gases."²⁶⁰

On 7 May 2008, the Secretary of Agriculture, Alberto Cárdenas Jiménez, announced the Program of Viable Production of Consumption for Bioenergetics (Programa de Producción Sustentable de Insumos para los Bioenergéticos). It expects that by 2010 Mexico will produce three million tons of biomass which would generate 200 million liters of ethanol.²⁶¹

Analyst: Pierre-Arnaud Barry-Camu

²⁵⁴ Incentives on Cards for Going Green, Time of India, (Gurgaon), 29 February 2008. Date of Access: 30 May 2008. http://timesofindia.indiatimes.com/Incentives_on_cards_for_going_green/articleshow/2824307.cms

²⁵⁵ Message to the Union from President Felipe Calderón Hinojosa, State of the Union Address, (Mexico City), 2 September 2007. Date of Access: 12 January 2008. <http://www.presidencia.gob.mx/en/search/index.php?contenido=31601&pagina=1&palabras=biomass>.

²⁵⁶ Address by the Secretary of the Environment and Natural Resources Juan Rafael Elvira Quesada, 15th International Environmental Congress, (Mexico City), 16 October 2007. Date of Access: 12 January 2008. <http://www.semarnat.gob.mx/saladeprensa/discursoyentrevistas/Pages/plt071016.aspx>.

²⁵⁷ Address by the Secretary of the Environment and Natural Resources Juan Rafael Elvira Quesada, 15th International Environmental Congress, (Mexico City), 16 October 2007. Date of Access: 12 January 2008. <http://www.semarnat.gob.mx/saladeprensa/discursoyentrevistas/Pages/plt071016.aspx>.

²⁵⁸ Initiatives of the Legislating Citizens (Iniciativas de Ciudadanos Legisladores), Senator Carlos Lozano de la Torre, Senate of the Republic (Mexico City) 17 July 2007. Date of Access: 12 January 2008. <http://www.senado.gob.mx/gace.php?sesion=2007/07/17/1&documento=18>

²⁵⁹ Initiatives of the Legislating Citizens (Iniciativas de Ciudadanos Legisladores), Senator Carlos Lozano de la Torre, Senate of the Republic (Mexico City) 17 July 2007. Date of Access: 12 January 2008. <http://www.senado.gob.mx/gace.php?sesion=2007/07/17/1&documento=18>

²⁶⁰ Law of the Promotion and Development of Bioenergetics (Ley De Promocion Y Desarrollo De Los Bioenergeticos), House of Representatives of the H. Congress of the Union (Cámara de Diputados del H. Congreso de la Unión), 1 February 2008. Date of Access: 1 June 2008. <http://www.diputados.gob.mx/LeyesBiblio/pdf/LPDB.pdf>

²⁶¹ Mexico Converts Itself In An Important Producer of Bioenergy: ACJ (México se convertirá en importante productor de bioenergía: ACJ), Press Room of the Federal Government, 7 May 2008. Date of Access: 15 May 2008. <http://www.presidencia.gob.mx/prensa/?contenido=35476>

South Africa: +1

The Republic of South Africa has achieved a score of +1 for full compliance with its commitment to promote energy efficiency and increase the use of cleaner and renewable energy sources. In the wake of a national energy emergency, it has proactively put forth a sustainable energy policy that targets supply and demand management as a means of curtailing the current situation.

In December 2007, the Department of Minerals and Energy produced the “Biofuels Industrial Strategy of the Republic of South Africa.”²⁶² It departed from the previous draft strategy by adopting a short-term five-year pilot project to achieve a two per cent penetration level of biofuels in the liquid fuel supply, or 400 million litres per annum.²⁶³ The target level had initially been set at 4.5 per cent in the draft strategy document, but was later revised due to food security concerns.²⁶⁴ The exclusion of certain crops and plants, such as maize and *Jatropha*, was also attributed to food security issues.²⁶⁵

Once the biofuels strategy is approved, the exemption on the bio-diesel levy is also expected to rise from 40 per cent to 50 per cent, beginning in the 2008/2009 financial year. Thereafter, the absolute value of government support will increase proportionate to the fuel levy, even though the exemption percentage will remain the same.²⁶⁶

A one hundred per cent fuel tax exemption is being considered for bio-ethanol since it is used in markets outside of petrol. For example, ethanol gel must compete against illuminating paraffin, a product that carries no levies.²⁶⁷ The producer support mechanism would be used to balance the difference in fuel tax support to bio-ethanol and bio-diesel by setting a fixed price margin. A 100 per cent petrol tax exemption would amount to an effective support of \$0.16 USD per litre, whereas a 50 per cent diesel fuel levy exemption would amount to an effective support of \$0.07 USD per litre.²⁶⁸

In the recent budget a new levy was introduced on the sale of electricity generated from non-renewable sources, at a rate of 2 cents per kilowatt-hour (kWh).²⁶⁹ It was also announced that the government is setting aside \$250 million USD over the next three years to support programs aimed at encouraging more efficient use of electricity, generation from renewable sources, installation of electricity-saving devices and co-generation projects.²⁷⁰

The National Electricity Emergency Programme calls for reducing consumption by 10 percent, banning the manufacture and use of incandescent lights, subsidizing solar heaters by 20 percent, switching to other fuel sources like light petroleum gas, and converting traffic and public lights to battery-backed solar power. It also encourages the hospitality sector to be more efficient and to convert to water heating and solar power as well as set up public awareness campaigns and regulations that will be enforced.

²⁶² Biofuels Industrial Strategy of the Republic of South Africa, Department of Minerals and Energy, (Pretoria), December 2007. Date of Access: 1 February 2008. http://www.fanrpan.org/documents/d00472/Biofuels_industry_RSA_Dec2007.pdf.

²⁶³ Biofuels Industrial Strategy of the Republic of South Africa, Department of Minerals and Energy, (Pretoria), December 2007. Date of Access: 1 February 2008. http://www.fanrpan.org/documents/d00472/Biofuels_industry_RSA_Dec2007.pdf.

²⁶⁴ Biofuels Industrial Strategy of the Republic of South Africa, Department of Minerals and Energy, (Pretoria), December 2007. Date of Access: 1 February 2008. http://www.fanrpan.org/documents/d00472/Biofuels_industry_RSA_Dec2007.pdf.

²⁶⁵ Biofuels Industrial Strategy of the Republic of South Africa, Department of Minerals and Energy, (Pretoria), December 2007. Date of Access: 1 February 2008. http://www.fanrpan.org/documents/d00472/Biofuels_industry_RSA_Dec2007.pdf.

²⁶⁶ Biofuels Industrial Strategy of the Republic of South Africa, Department of Minerals and Energy, (Pretoria), December 2007. Date of Access: 1 February 2008. http://www.fanrpan.org/documents/d00472/Biofuels_industry_RSA_Dec2007.pdf.

²⁶⁷ Biofuels Industrial Strategy of the Republic of South Africa, Department of Minerals and Energy, (Pretoria), December 2007. Date of Access: 1 February 2008. http://www.fanrpan.org/documents/d00472/Biofuels_industry_RSA_Dec2007.pdf.

²⁶⁸ Biofuels Industrial Strategy of the Republic of South Africa, Department of Minerals and Energy, (Pretoria), December 2007. Date of Access: 1 February 2008. http://www.fanrpan.org/documents/d00472/Biofuels_industry_RSA_Dec2007.pdf.

²⁶⁹ Budget Speech 2008, Minister of Finance Trevor A. Manuel 20 February 2008, Date of Access 28 May 2008 http://www.pwc.com/za/eng/pdf/pwc_budget2008.pdf

²⁷⁰ Budget Speech 2008, Minister of Finance Trevor A. Manuel 20 February 2008, Date of Access 28 May 2008 http://www.pwc.com/za/eng/pdf/pwc_budget2008.pdf

DRAFT: NOT FOR CITATION OR PUBLICATION

South Africa is also finalising a regulatory framework to ensure that its Power Conservation Programme (PCP) is enforced. This is expected to be finalized by the end of June 2008. The Power Conservation Programme seeks to ensure that electricity consumption is reduced by at least 3,000 MW over the next three years.²⁷¹

Analyst: Theodore Anderson

²⁷¹Speech by Ms Buyelwa Sonjica, MP, Minister of Minerals and Energy, introducing the debate on the Minerals and Energy Budget Vote 6 June 2008, Date of Access June 6 2008 <http://www.info.gov.za/speeches/2008/08060610151002.htm>

4. Development

Commitment

“We reiterate our commitment to the Millennium Development Goals (MDGs), the eradication of poverty and sustainable global development.”²⁷²

Background

At the 2007 Heiligendamm Summit, the Outreach 5 countries (Brazil, China, India, South Africa and Mexico) issued a joint statement that detailed their determination to cooperate on African development within the framework of the Millennium Development Goals (MDGs). The MDGs were first introduced in New York at the United Nations Millennium Summit in September 2000. The UN Summit, involving the participation of 189 country leaders, was the largest summit of world leaders ever held. Participants committed to eight broad goals to be reached by 2015: eradicate of extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat against HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and develop a global partnership for development.²⁷³

Lead Analyst: Theodore Anderson

Assessment

	Final Compliance Score		
	Lack of Compliance	Work in Progress	Full Compliance
Country	-1	0	+1
Brazil		0	
China			+1
India		0	
Mexico		0	
South Africa			+1
Average Score			+0.60

Scoring

-1	Heiligendamm Process partner offers no new assistance in support of the Millennium Development Goals.
0	Heiligendamm Process partner offers negligible or insignificant new assistance in support of the Millennium Development Goals.
+1	Heiligendamm Process partner offers substantial new assistance in support of the Millennium Development Goals.

²⁷² Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the Occasion of the G8 Summit in Heiligendamm, G8 (Heiligendamm, Germany), 8 June 2007. Date of Access: 121 January 2008.

<http://www.g8.utoronto.ca/summit/2007heiligendamm/g8-2007-joint.html>.

²⁷³ UN Millennium Development Goals, United Nations, (New York), 2005. Date of Access: 11 January 2006. <http://www.un.org/millenniumgoals>.

Brazil: 0

Brazil has registered a score of 0, indicating that although it has continued with its extensive anti-poverty initiatives, it has taken few new steps in support of the Millennium Development Goals (MDGs).

Brazil has signed bilateral agreements on cooperation in science and technology research, with many of the priority areas of research related to sustainable development issues. They include the “Brazil-Spain Action Plan on Science and Technology,” signed 2 February 2008, which will focus on sustainable energy and technology, nano-level research, and communications;²⁷⁴ and the “Brazil-UK [United Kingdom] Partnership in Science and Innovation,” signed 12 March 2008, which has among its priority areas agriculture, health, and sustainable energy.²⁷⁵ Brazil and Chile signed a Three-Year Work Plan on 30 April 2008 to intensify research cooperation in, among other areas, aquaculture, biotechnology, nanotechnology, and fishing.²⁷⁶

Brazil announced financial support for new basic sanitation in rural and indigenous areas programs in Paraguay on 16 May 2008. The programs will be executed by the Mercosur Structural Convergence Fund, which aims to reduce economic asymmetries in the Mercosur economic region. The new program will cost \$39.4 million USD.²⁷⁷

Brazil sent \$200,000 USD worth of food aid to Haiti through the World Food Program on 10 April 2008.²⁷⁸

Brazil’s existing anti-poverty initiatives include Zero Hunger, which is an extensive program including income-redistribution, providing employment for youth, the building of wells, promotion of family farming, literacy initiatives, and several other initiatives.²⁷⁹

Analyst: Liron Taub

China: +1

China has earned a score of +1 because it has registered full compliance towards the commitment to reach the Millennium Development Goals (MDG).

On 26 September 2007, in accordance with the Forum on China-Africa Cooperation (FOCAC) Beijing Action Plan (2007-2009) the first political consultation was held in New York between China and the representatives of 48 African countries.²⁸⁰ On 21 June 2007 China hosted 32 government officials from 18 different African nations for 15 days of poverty reduction training.²⁸¹ On 4 January 2008 China sent 5,000 tons of food aid to Zimbabwe, which is the first aid shipment promised in the 2006 Beijing Action Plan.²⁸²

China has taken steps to address social inequalities and the poverty gap. On 2 April 2008, Chinese Premier Wen Jiabao pledged that the Chinese government will increase its support to poor areas inhabited by the ethnic minority, and announced the cabinet will increase rural spending by \$3.5 billion USD, giving priority to public education in

²⁷⁴ Signing of the Brazil-Spain Action Plan on Science and Technology, Ministry of External Relations (Brasilia) 06 February 2008. Date of Access: 1 June 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=5184

²⁷⁵ Brazil-United Kingdom Partnership in Science and Innovation, Ministry of External Relations (Brasilia) 12 March 2008. Date of Access: 1 June 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=5234

²⁷⁶ 1st Meeting of the Brazil-Chile Work Group on scientific cooperation, Contribution to the World Food Program for Haiti, Ministry of External Relations (Brasilia) 30 April 2008. Date of Access: 1 June 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=5371

²⁷⁷ Approval of Projects from Paraguay on Mercosur Structural Convergence Fund (FOCEM), Ministry of External Relations (Brasilia) 16 March 2008. Date of Access: 1 June 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=5461

²⁷⁸ Contribution to the World Food Program for Haiti, Ministry of External Relations (Brasilia) 10 April 2008. Date of Access: 1 June 2008. http://www.mre.gov.br/ingles/imprensa/nota_detalhe3.asp?ID_RELEASE=5321

²⁷⁹ Zero Hunger, Presidency of the Republic (Brasilia) 2005. Date of Access: 1 June 2008. http://www.presidencia.gov.br/ingles/main_programs/

²⁸⁰ Full text of joint communiqué of Sino-African ministerial political consultations, Ministry of Commerce of the People’s Republic of China (Beijing) 27 September 2007. Date of Access: 12 January 2008. <http://xyf2.mofcom.gov.cn/aarticle/workaffair/200709/20070905138383.html>

²⁸¹ China provides poverty reduction training for African officials (Beijing) 21 June 2007. Date of Access: 12 January 2008. http://www.gov.cn/misc/2007-06/21/content_657230.htm

²⁸² China ships food aid to Zimbabwe, BBC News UK Edition (London) 3 January 2008. Date of Access: 12 January 2008. <http://news.bbc.co.uk/2/hi/africa/7170374.stm>

poor areas.²⁸³ On 5 March 2008, China announced its “plans to earmark [\$951 million USD] in its 2008 budget to build low-rent houses for urban poor,” which is an increase of \$238 million USD from 2007.²⁸⁴ The Ministry of Finance announced on 29 February 2008 that China’s central government has earmarked \$1.9 billion USD “to support rural compulsory education.”²⁸⁵ On 25 March 2008, China “launched a project to make 100,000 college graduates over five years to work in villages,” in order to address the social and health needs of the rural areas.²⁸⁶

China has remained committed to its goal to ensure environmental sustainability. On 18 March 2008, China’s National Development and Reform Commission released the renewable energy development plan for 2006-2010, which stated that China’s consumption of renewable energy will account for 10 per cent of its total annual energy consumption.²⁸⁷ At the September 2007 Asia Pacific Economic Cooperation (APEC) Summit held in Sydney, Australia, China agreed to the Sydney Declaration on Climate Change, Energy Security and Clean Development.²⁸⁸

China has also strived to work towards the health-related MDGs. On 28 March 2008, China “launched a three year nationwide AIDS prevention and care program in Beijing,” which aims to reduce the impact of HIV in the country.²⁸⁹ On 18 February 2008, China’s Ministry of Health (MOH) signed a project plan with BioMerieux to improve the country’s hospital infection prevention system, in concordance with the MDGs.²⁹⁰

Analyst: Stephanie Law

India: 0

India has registered a score of 0, indicating that it has made a few new concrete steps towards achieving the Millennium Development Goals (MDGs).

India has announced a plan to bring the North Eastern region of India to the same levels of prosperity as the national average by 2020, through investments in infrastructure, education, health, and productivity, thus stimulating growth in the region at an average of 10 per cent per annum. No budget for this initiative is provided.²⁹¹

The budget of India’s Ministry of External Affairs for 2007-2008 allocates \$25.9 million USD to loans to foreign governments of developing countries, an increase of nearly three times over the previous year’s USD8.7 million.²⁹² Technical and economic cooperation activities with developing countries will account for \$411.4 million USD, and increase from \$360.4 million USD.²⁹³ There is a general increase in other forms of aid, as well: \$12.4 million USD out of the total \$437.3 million USD aid budget will go to African countries, up from \$4 million USD in 2006-2007.²⁹⁴ These sums reflect the implementation of pre-existing policies, however, instead of the development of new initiatives.

²⁸³ Premier Wen pledges more support to poor minority areas, Xinhua News Agency (Beijing) 2 April 2008. Date of Access: 29 May 2008. http://english.gov.cn/2008-04/02/content_935629.htm.

²⁸⁴ China plans multibillion yuan budget for low-rent housing program, Xinhua News Agency (Beijing) 5 March 2008. Date of Access: 29 May 2008. http://english.gov.cn/2008-03/05/content_909973.htm.

²⁸⁵ China allocates another 13.5 bln yuan for rural compulsory education, Xinhua News Agency (Beijing) 1 March 2008. Date of Access: 29 May 2008. http://english.gov.cn/2008-03/01/content_906473.htm.

²⁸⁶ CPC plans to hire 100,000 college graduates to work in villages, Xinhua News Agency (Beijing) 25 March 2008. Date of Access: 29 May 2008. http://english.gov.cn/2008-03/25/content_927728.htm.

²⁸⁷ China unveils renewable energy development plan for 2006-2010, Xinhua News Agency (Beijing) 18 March 2008. Date of Access: 29 May 2008. http://english.gov.cn/2008-03/28/content_931683.htm.

²⁸⁸ APEC Leaders Set Measurable Energy Efficiency Goal, Environment News Service (Washington D.C.) 8 September 2007. Date of Access: 12 January 2008. <http://www.ens-newswire.com/ens/sep2007/2007-09-08-01.asp>.

²⁸⁹ China launches nationwide AIDS prevention, care program, Xinhua News Agency (Beijing) 28 March 2008. Date of Access: 28 May 2008. http://english.gov.cn/2008-03/28/content_931683.htm.

²⁹⁰ China to work with BioMerieux in upgrading anti-infectio network, Xinhua News Agency (Beijing) 18 February 2008. Date of Access: 29 May 2008. http://english.gov.cn/chinatoday/2008-02/18/content_892578.htm

²⁹¹ North Eastern Region Vision 2020, Vol. I & II, Ministry of Development of North Eastern Region, Government of India (New Delhi) 23 May 2008. Date of Access: June 1, 2008. <http://mdoner.gov.in/newsdetails.asp?nid=148>

²⁹² Outcome Budget 2007-2008, Ministry of External Affairs, Government of India (New Delhi). Date of Access: 11 January 2008. <http://mea.gov.in/outcomebudget.htm>.

²⁹³ Outcome Budget 2007-2008, Ministry of External Affairs, Government of India (New Delhi). Date of Access: 11 January 2008. <http://mea.gov.in/outcomebudget.htm>.

²⁹⁴ Outcome Budget 2007-2008, Ministry of External Affairs, Government of India (New Delhi). Date of Access: 11 January 2008. <http://mea.gov.in/outcomebudget.htm>.

On 21 January 2008, India and the United Kingdom announced bilateral cooperation on several development issues, including leveraging United Kingdom expertise in areas of infrastructure, higher education, research, and a Partnership to Achieve the MDGs Globally through reform of international institutions, working with other countries.²⁹⁵

India continues to implement various existing development policies, with separate policies for urban development and rural development, such as a rural roads connectivity project, and women's and children's development.²⁹⁶

Analyst: Liron Taub

Mexico: 0

Mexico registered a 0 with its commitment to the Millennium Development Goals (MDGs) as it has made several notable improvements on the national front, but taken very little action internationally and directly towards the MDGs.

On 28 November 2007, the Mexican government announced that the budget for combating HIV/AIDS will increase by \$23 million USD, and another \$4 million USD will be contributed to the organization of the Tenth International Conference on HIV/AIDS, which will be hosted in Mexico in 2008.²⁹⁷ On 30 September 2007 Mexico announced that it will provide \$3million USD worth of funding to 114 projects, which are to be developed by non-governmental organizations for the prevention of HIV/AIDS.²⁹⁸ On 12 July 2007, Secretary of Health José Ángel Córdova Villalobos announced that that nearly \$4.6 million USD will be used to build 51 Ambulatory Centers for the Prevention and Attention of HIV/AIDS and STDs and to provide free treatment to over 20 patients.²⁹⁹

To reach its sustainable development goals, Juan Rafael Elvira Quezada, the Secretary of the Mexico Office for Environment and Natural Resources, signed agreements with the governors of Sinaloa and Aguascalientes on 7 August 2007 to secure \$6.1 billion USD to fund environmental projects for reforestation and development of potable water and sewage systems.³⁰⁰

Mexico has made significant progress in working towards the health-related MDGs. On 9 May 2008, Mexico saw the implementation of the Health Pregnancy Program which guarantees medical services to pregnant women during the gestation stage and after childbirth.³⁰¹ On 28 March 2008, Mexico launched its National Campaign to Eradicate German Measles and inaugurated the Planta Productora de Vacuna Antipoliomielítica, which will produce 25 million doses of vaccines against polio. As part of the campaign, "20 million German measles and measles shots" will be given to youth ages 10 to 29 and all pregnant women over a six week period.³⁰²

Mexico has also taken actions to achieve MDGs regarding poverty and women's rights. On 25 May 2008, Mexico "announced a series of actions to support families' economies," which includes implementation of the "Living

²⁹⁵ Joint Statement Issues After India-UK Summit, Ministry of External Affairs, Government of India (New Delhi) 21 January 2008. Date of Access: June 1, 2008. <http://www.mea.gov.in/pressrelease/2008/01/21js01.htm>

²⁹⁶ Ministry of Housing and Urban Development, Government of India (New Delhi). Date of Access: June 1, 2008. <http://india.gov.in/outerwin.htm?id=http://goirectory.nic.in/> - Departments of Ministry of Rural Development, Ministry of Rural Development, Government of India (New Delhi). Date of Access: June 1, 2008. <http://rural.nic.in/g1.htm>

²⁹⁷ Comunicado de Prensa No. 406: No se bajara la guardia en la lucha contra el VIH/SIDA, Secretaria de Salud (Mexico City) 28 November 2007. Date of Access: 12 January 2008. http://portal.salud.gob.mx/redirector?tipo=0&n_seccion=Boletines&seccion=2007-11-28_3178.html.

²⁹⁸ Comunicado de Prensa No. 331: Para atender problemas del VIH/SIDA, Secretaria de Salud (Mexico City) 30 September 2007. Date of Access: 12 January 2008. http://portal.salud.gob.mx/redirector?tipo=0&n_seccion=Boletines&seccion=2007-09-30_3100.html.

²⁹⁹ Comunicado de Prensa No. 236: Destina Salud 1.5% de su presupuesto a atencion de VIH/SIDA, Secretaria de Salud (Mexico City) 12 July 2007. Date of Access: 12 January 2008. http://portal.salud.gob.mx/redirector?tipo=0&n_seccion=Boletines&seccion=2007-07-12_2996.html.

³⁰⁰ Comunicado de Prensa No. 117/07: Avanza Mexico en el cumplimiento de la meta para plantar 250 millones de arboles durante el 2007, Secretaria de Medio Ambiente y Recursos Naturales (Mexico City) 7 August 2007. Date of Access: 12 January 2008. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/bol-117.aspx>.

³⁰¹ Discurso: El Presidente Calderón en la Inauguración del Hospital Materno Infantil de Reynosa y Ampliación del Programa de Seguro Médico para una Nueva Generación, Embarazo Saludable (Reynosa) 9 Mayo 2008. Date of Access: 29 May 2008. <http://www.presidencia.gob.mx/prensa/discursos/?contenido=35484>.

³⁰² Discurso: El Presidente Calderón en la Reapertura de la Planta Productora de Vacuna Antipoliomielítica y Arranque de la Campaña de Eliminación de la Rubeola y Síndrome de Rubeola Congénita (Mexico City) 28 March 2008. Date of Access: 29 June 2008. <http://www.presidencia.gob.mx/prensa/discursos/?contenido=34545>.

Better” food support program to help the 5.3 million families living in extreme poverty.³⁰³ On 10 March 2008, Mexico signed the Regulations for the General Law of Women’s Access to a Life Free of Violence, with the goal to legally defend and promote women’s rights.³⁰⁴

Mexico continues to strive for sustainable development. On 28 May 2008, Mexico introduced the ‘Green Fund’ proposal at the Climate Change and Environment Summit, Central America and the Caribbean and “urged developed nations to actively cooperate in combating climate change and finding joint solutions to complying with the Kyoto Protocol 2012.”³⁰⁵ On 8 September 2007 at the APEC Summit held in Sydney, Australia, the Mexican delegation, Juan Rafael Elvira Quesada,³⁰⁶ agreed to the Sydney Declaration on Climate Change, Energy Security and Clean Development.

Analyst: Stephanie Law

South Africa: +1

South Africa has registered a score of +1, indicating that it has taken several strides in support of the Millennium Development Goals (MDGs).

South Africa has made speeches and demonstrated a positive attitude towards the eradication of AIDS/HIV and other diseases; however, very few new steps have been made. On 22 August 2007 the cabinet reiterated the government's commitment to implementing the National Strategic Plan (NSP) on HIV/AIDS and other Sexually Transmitted Infections (STIs).³⁰⁷ South Africa showed positive attitudes towards fighting AIDS in several conferences as well, such as at the conference of young South African Women in Dialogue,³⁰⁸ the Meeting of the Treatment Action Campaign (TAC), and National Association of People Living with AIDS.³⁰⁹ The South African Council approved that 5 per cent of member states' annual contributions to the South African Development Community (SADC) would be allocated to the HIV/AIDS Fund.³¹⁰ South Africa also announced that it aims to reduce tuberculosis (TB) defaulter rates from 10 per cent to 7 per cent during the course of this year as well as train over 3,000 health personnel in the management of this disease and ensure that all multi-drug resistant and extreme drug resistant TB patients receive treatment.³¹¹

In regards to poverty alleviation, on 29 November 2007 the National Department of Social Development (NDSD) made available a total of \$11.5 million USD to provinces to help individuals and families who are living in extreme poverty.³¹² On 16 December 2007 the government announced that it will assist the government of the Democratic Republic of Congo embark on structural reform processes including sustainable development by means of sharing of

³⁰³ Comunicado de Prensa CGCS-109: Anuncia el Presidente Calderón Acciones en Apoyo a la Economía Familiar (Mexico City) 25 May 2008. Date of Access: 29 May 2008. <http://www.presidencia.gob.mx/prensa/comunicados/?contenido=35795>.

³⁰⁴ Discurso: El Presidente Calderon en la Conmemoración del Día Internacional de la Mujer (Morelos) 10 March 2008. Date of Access: 29 May 2008. <http://quetzalcoatl.presidencia.gob.mx/prensa/discursos/?contenido=34259>.

³⁰⁵ Comunicado de Prensa No. 150/08: Participa Canciller Patricia Espinosa en reunion sobre cambio climático y medio ambiente, Centroamérica y el Caribe (Mexico City) 28 May 2008. Date of Access: 29 May 2008. <http://www.presidencia.gob.mx/prensa/comunicados/?contenido=35870>.

³⁰⁶ Comunicado de Prensa No. 138/07: Aprueban Países de la APEC, de claracion sobre cambio climatico, seguridad energetica y desarrollo limpio (Mexico City) 11 September 2007. Date of Access: 12 January 2008. <http://www.semarnat.gob.mx/saladeprensa/boletindeprensa/Pages/bol07-138.aspx>.

³⁰⁷ Cabinet Statement, Government Communications (GCIS) (Pretoria) 23 August 2007. Date of Access: 23 January 2008. <http://www.gcis.gov.za/media/cabinet/070823b.html>.

³⁰⁸ "Take charge of your lives" Deputy President urges youth, South African Government Information, (Government Communications (GCIS) (Pretoria) 13 December 2007. Date of Access: 23 January 2008. <http://www.info.gov.za/speeches/2007/07122412151002.htm>.

³⁰⁹ Statement on the meeting of the Treatment Action Campaign (TAC) and National Association of People Living with AIDS, The Presidency, Republic of South Africa (Napwa) 13 August 2007. Date of Access: 23 January 2008. <http://www.thepresidency.gov.za/main.asp?include=deputy/pr/2007/pr08131649.htm>.

³¹⁰ Notes following International Relations, Peace and Security (IRPS) Cluster media briefing, Department of Foreign Affairs (Cape Town) 29 August 2007. Date of Access: 25 January 2008. <http://www.info.gov.za/speeches/2007/07083016151001.htm>.

³¹¹ State of the Nation Address of the President of South Africa, Thabo Mbeki: Joint Sitting of Parliament , The Presidency, Republic of South Africa (Pretoria) 8 February 2008 <http://www.info.gov.za/speeches/2008/08020811021001.htm>

³¹² Money to help people in distress, Department of Social Development (Pretoria) 29 November 2007. Date of Access: 23 January 2008. <http://www.info.gov.za/speeches/2007/07113009151003.htm>.

DRAFT: NOT FOR CITATION OR PUBLICATION

skills and experiences.³¹³ On Friday, 7 March 2008, South Africa sent a consignment of relief to Kenya through the National Disaster Management Centre at a total cost of \$513,000 USD.³¹⁴

South Africa has also taken steps towards ensuring universal primary education. In the 2008 budget speech, it was announced that early childhood education will be expanded to approximately 600,000 more children, putting basic pre-school education within reach of even the poorest of households. In addition, the school nutrition program is scheduled to increase by over 30 per cent over the next year.³¹⁵

Also in the recent budget, South Africa has budgeted over \$166.7 million USD over the next three years to support development and the attainment of the MDGs. This money will be mainly channelled through the African Renaissance Fund.³¹⁶ South Africa has also pledged \$35 million USD to the International Development Association of the World Bank and the African Development Fund over the next three years.³¹⁷

Finally, on April 18 2008 South Africa announced that it would forgive \$119.2 million USD worth of debt owed to it by Cuba.³¹⁸

Analyst: Theodore Anderson

³¹³South Africa to support National Reconciliation in the DRC, Department of Foreign Affairs (Pretoria) 16 December 2007, Date of Access: 23 January 2008. <http://www.dfa.gov.za/docs/2007/drc1210.htm>.

³¹⁴South Africa responds to Kenya's Appeal for Emergency Relief Support for its Internally displaced Persons, Department of Foreign Affairs (Pretoria) 6 March 2008. Date of Access 28 May 2008 <http://www.dfa.gov.za/docs/2008/keny0307.html>

³¹⁵ Budget Speech 2008, Minister of Finance Trevor A. Manuel 20 February 2008, Date of Access 28 May 2008 http://www.pwc.com/za/eng/pdf/pwc_budget2008.pdf

³¹⁶ Budget Speech 2008, Minister of Finance Trevor A. Manuel 20 February 2008, Date of Access 28 May 2008 http://www.pwc.com/za/eng/pdf/pwc_budget2008.pdf

³¹⁷ Budget Speech 2008, Minister of Finance Trevor A. Manuel 20 February 2008, Date of Access 28 May 2008 http://www.pwc.com/za/eng/pdf/pwc_budget2008.pdf

³¹⁸ South Africa: Country Writes Off Cuba's Debt of R926m , All Africa(Cape Town) 19 April 2008. Date of Access 29 May 2008 <http://allafrica.com/stories/200804180088.html>