



## **BASELINE ASSESSMENT- REPORTING FRAMEWORK<sup>1</sup>**

Discussion at the July 19 meeting of the G30 Monitoring Committee demonstrated that progress is being made on the 20 G30 recommendations, but that much of it is evolutionary rather than revolutionary. Slow and steady progress is difficult to monitor and even more difficult to articulate to interested parties. What is more, many of the recommendations are multi-faceted and quite detailed, and it is important that monitoring address these underlying details; for example, the 'Next Steps' identified on pages 61-64 of the G30 report.

As one non-controversial example, regional reporting suggested that stock lending is no longer an issue, and it must certainly be true that stock lending is possible in the top 14 markets that are the initial focus of G30 attention. But the recommendation calls for adoption of legal, accounting and tax-neutral frameworks that are fully supportive of stock lending and it is hard to believe that these have been accomplished in all markets in just 18 months.

In order to ensure a consistent focus on a level of detail sufficient to demonstrate progress against the 20 recommendations, it has been agreed to pursue a 'base case analysis' of each recommendation for the 14 target countries. The goal is to produce a matrix showing current status for the detailed components of each recommendation; e.g., 32

'Next Steps' by 14 markets and PricewaterhouseCoopers has agreed to prepare an initial draft. Regional committees, monitoring organizations and industry experts will then be asked to participate in an objective assessment in each area of recommendation, and subsequent monitoring will be undertaken against this firm base line.

Measuring progress against such a baseline will ensure that the Monitoring Committee is in a position to document progress with confidence. This assessment would be for internal use of the Committee and there is no suggestion of publicizing the results of this initial benchmarking exercise.

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<sup>1</sup> Baseline assessment PwC.MS.doc