






























**G20 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS MEETING  
NOVEMBER 2009**





**MEMBERS OF THE G20, AND ADDITIONAL ATTENDEES**







	<b>Finance Ministers</b>	<b>Central Bankers</b>
<b>Argentina</b>	Amado Boudou 	Martin Redrado 
<b>Australia</b>	Wayne Swann 	Glenn Stevens 
<b>Brazil</b>	Guido Mantega 	Henrique Meirelles 
<b>Canada</b>	Jim Flaherty 	Mark Carney 
<b>China</b>	Xie Xuren 	Zhou Xiaochuan 

France	Christine Lagarde 	Christian Noyer 
Germany	Not confirmed	Axel Weber 
India	Pranab Mukherjee 	Subbarao Duvvuri 
Indonesia	Sri Mulyani Indrawati 	Darmin Nasution 
Italy	Giulio Tremonti 	Mario Draghi 
Japan	Yoshihiko Noda 	Masaaki Shirakawa 
Mexico	Alejandro Werner 	Guillermo Ortiz 

Russia	<p>Alexey Kudrin</p> 	<p>Sergei Ignatiev</p> 
Saudi Arabia	<p>Ibrahim Al-Assaf</p> 	<p>Muhammad Al-Jasser</p> 
South Africa	<p>Pravin Gordhan</p> 	<p>Renosi Mokate</p> 
South Korea	<p>Yoon Jeung-Hyun</p> 	<p>Lee Seong-tae</p> 
Turkey	<p>Ali Babacan</p> 	<p>Durmus Yilmaz</p> 
UK	<p>Alistair Darling</p> 	<p>Mervyn King</p> 

USA	Timothy Geithner 	Ben Bernanke 
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Other attendees		
Institutions		
Netherlands	Wouter Bos 	
Spain	Elena Salgado 	
EC	Joaquin Almunia 	
ECB	Jean-Claude Trichet 	

<p><b>EU Presidency (Sweden)</b></p>	<p><b>Anders Borg</b></p> 	
<p><b>IMF</b></p>	<p><b>Dominique Strauss-Kahn</b></p> 	
<p><b>IMFC</b></p>	<p><b>Youssef Boutros Ghali</b></p> 	
<p><b>World Bank</b></p>	<p><b>Bob Zoellick</b></p> 	
<p><b>Development Committee</b></p>	<p><b>Kiyoshi Koderu</b></p> 	
<p><b>African Union Commission</b></p>	<p><b>Jean Ping</b></p> 	

1. We, the G20 Finance Ministers and Central Bank Governors, met at a critical point in the recovery from the crisis to deliver the work remitted to us at Pittsburgh.
2. Economic and financial conditions have improved following our coordinated response to the crisis. However, the recovery is uneven and remains dependent on policy support, and high unemployment is a major concern. To restore the global economy and financial system to health, we agreed to maintain support for the recovery until it is assured.
3. [We committed to take action to tackle the threat of climate change and work towards an ambitious outcome in Copenhagen, within the objective, provisions and principles of the United Nations Framework Convention on Climate Change (UNFCCC). We discussed climate change financing options and recognised the need to increase significantly and urgently the scale and predictability of finance to implement an ambitious international agreement. Substantial additional and predictable public finance from developed countries is essential, and should serve as a foundation for private finance, carbon markets and domestic public resources of developing countries to contribute to climate action. Increasing the scope of carbon markets would depend on policy frameworks of developed and developing countries and on the depth of emission reductions on the part of developed countries. Public finance can also leverage significant private investment. To deliver this financing, coordinated equitable, transparent and effective institutional arrangements will be needed. Coordination of support for country-led plans and reporting of this support should be ensured across all financing channels, multilateral, regional and bilateral. Existing mechanisms, including the *Global Environment Facility* and international institutions with a role in financing, should be reformed and strengthened. In addition, serious consideration should be given to the creation of a new fund, as a complement to existing mechanisms, to support projects, programmes and policies, possibly with multiple windows, to support adaptation and mitigation, technology cooperation and capacity building in developing countries. It should have balanced representation and operate under the policy guidance of, and be accountable to, the Conference of the Parties, with its operation possibly entrusted to an existing international financial institution.]
4. To underscore our new approach to economic cooperation, we launched the *G20 Framework for Strong, Sustainable and Balanced Growth*, adopted a detailed timetable and initiated a new consultative mutual assessment process to evaluate whether our policies will collectively deliver our agreed objectives. We will be assisted in our assessment by IMF and World Bank analyses and the input of other international organisations as appropriate, including the FSB, OECD, MDBs, ILO, WTO and UNCTAD. We agreed a compact:
  - to set out our national and regional policy frameworks, programmes and projections by the end of January 2010;
  - to conduct the initial phase of our cooperative mutual assessment process, supported by IMF and World Bank analyses, of the collective consistency of our national and regional policies with our shared objectives, taking into account our institutional arrangements, in April 2010;
  - to develop a basket of policy options to deliver those objectives, for Leaders to consider at their next Summit in June 2010; and,
  - to refine our mutual assessment and develop more specific policy recommendations for Leaders at their Summit in November 2010.
5. Our first challenge in using the Framework will be the transition from crisis response to stronger, more sustainable and balanced growth, consistent with our goals of sustainable public finances; price stability; stable, efficient and resilient financial systems; employment creation; and poverty reduction. While we will continue to provide support for the economy until the recovery is secured, we also commit to further develop strategies for managing the withdrawal from our extraordinary macroeconomic and financial support measures. We agreed to cooperate and coordinate, taking into account any spillovers caused by our strategies, and consulting and sharing information where possible. To ensure credibility, our plans will be based on prudent assumptions and communicated promptly and transparently. We agreed to implement our plans flexibly, taking full account of variations in the pace of economic recovery and market conditions across countries and regions, and the complex interactions between different policy areas. The IMF and FSB will continue to assist us in

reviewing strategies and implementation, identifying areas where coordination is particularly important and providing assessments of their collective impact on the global economy and the financial system. We welcome the work of the IMF and FSB to develop principles for exit.

6. The International Financial Institutions (IFIs) will play an important role in supporting our work to secure sustainable growth, stability, development and poverty reduction. It is therefore critical that we continue to increase their relevance, responsiveness, effectiveness and legitimacy. To this end, we reaffirmed our commitment to deliver the representation and governance reforms agreed in Pittsburgh and reiterated the deadlines of the 2010 Spring Meetings for the World Bank and January 2011 for the IMF; complete the 2008 quota and voice reforms; complete the review of World Bank and RDB capital to ensure they have sufficient resources conditional on reforms to ensure effectiveness, by the first half of 2010; make progress on reviewing the mandate of the IMF; and, strengthen their capability to prevent and manage future crises. We look forward to the ambitious replenishment of IDA, and the work on exploring the benefits of an IDA crisis facility, and the work on the Stolen Assets Recovery Programme. We call on the IEA, OPEC, OECD and World Bank to produce a joint report for our next meeting on energy subsidies, and working with our Energy Ministers, we will prepare at that meeting implementation strategies and timeframes, based on our national circumstances, for rationalising and phasing out inefficient fossil fuel subsidies that encourage wasteful consumption, and for providing targeted assistance programmes. We call on the relevant institutions to finalise their work on ways to avoid excessive commodity price volatility and reaffirm our commitment to publish national data.

7. To continue strengthening the global financial system we agreed to work with the Financial Stability Board (FSB) to maintain the momentum of our programme of reforms, and ensure their full, timely and consistent implementation and a level playing field, in particular:

- to strengthen prudential regulation, we emphasised the need for the Basel Committee to develop stronger standards by end-2010 to be phased in as financial conditions improve and the economic recovery is assured, with the aim of implementation by end-2012. We call on supervisors to ensure that banks retain, as needed, a greater proportion of their profits to build capital to support lending;
- to ensure that compensation policies and practices support financial stability and align with long-term value creation, we commit to incorporate urgently within our national frameworks the FSB standards, and call on firms to implement these sound compensation practices immediately. The FSB will start assessing implementation without delay and report back with further proposals, as required, by March 2010;
- we welcome the new IMF/BIS/FSB report on assessing the systemic importance of financial institutions, markets and instruments, and the FSB's work to reduce the moral hazard posed by systemically important institutions. We call for the rapid development of internationally consistent, firm-specific recovery and resolution plans and tools by end-2010. We look forward to discussing at our next meeting the IMF's review of options on how the financial sector could contribute to paying for burdens associated with government interventions to repair the banking system; and,
- we welcome progress by the Global Forum on tax transparency and exchange of information, and the possible use of a multilateral instrument. To continue tackling non-cooperative jurisdictions (NCJs), we welcome progress made and call on the Global Forum, FSB and FATF to complete their peer review processes, and to assess adherence to international standards. We call on the relevant international institutions to further develop incentives and countermeasures as appropriate, in line with the timescales agreed in Pittsburgh, including through publishing lists of NCJs, and review capacity-building mechanisms to support the efforts of developing countries.

## Climate Finance

\* Draft set of proposals - Communiqué

Paris Agreement

/ agreement with 2 purposes

- Political guidance on new legal framework - Practical, results oriented.

- ① Reduction targets for industrial countries
- ② Dev commitments
- ③ Adaptation mitigation linc
- ④ Reporting

Success =

- ① New Multilateral fund + governance
- ② How coordinate funding through Multilateral, reg + bilateral channels
- ③ Scale and distribution of finance - Multiple sources

Address issues ahead of Copenhagen.

Wayne Swan →

- More agreement than think. Need find public way of communicating
- Fund this must have something concrete to say on financing!
  - Significant scale-up
  - End under auspices of UNFCCC

Sri Mulyani

- Committed to be concrete
- Takes behaviour for us to set track, don't want same in climate



## Xie Kuwen

- Primary pos of UNFCCC - Common + diff - Madate Bali
  - G20/FM implement UNFCCC - Specific proposal + prog
  - Immediate task - developed countries demonstrate political will → Provide to dev countries
  - G77 + China - Public free primary forces
  - Besides ODA → Proportion of GDP in CF
  - Carbon / Price can be beneficial but not primary
  - Financing mechanism through UNFCCC - Guaranteed funding
  - under LOB
- ↳ Replenish GF, SCCF + LDF → + necessary funds to improve efficiency.

## Anders Borg

→ Try to find ways of raising more tax - (Spore no effort)

## Moda

- Domestic situation - use of private sector → support from IFI

## Makeyee

- usual stuff → Common, but differentiated
- Predictable levels of mitigation/adaptation
- Carbon pricing not the silver bullet.
- Additionality

## African Union

- Take out bankers - impact on Africa, France for FMS
- Porture pays pesticide
- Have to open up your safes
- Straight for ice berg

Mexico

- New fund - economy construction
- All Commit
- Governance balance

US - Gershner

President's optimistic have basic elements in place in US in next year.

Nobody has mandate for specific numbers

Basic trust architecture for financing only things need to do

Saudi

Repeat of what China

Canada

Jim Flaherty →

Options can be different - concentrate on that, rather than quantitative debate.

\* Second half para 3

World Bank

Financing about making resources additional

Chang first leverage 10 to 1 → need to connect with other operations

Try avoiding de-facto on the ground

- Balance of governance

- Seems to be a lot of convergence

- Scaling up
- Fund, under CoB

work with any model you choose

- Leaders called Sovereign at of this meeting

Germany - Schuette  
3 = fair compromise

Yellolands

by con't agree - Need a higher level trust.

2 or 3 = bus building stamp.

Pravin Gorkhan

Need for trust.

- Quantifying money
- New money in add to ODA
- Are options
- New fund needs to be elaborated
- No decisions live for UNFCCC

Christie Lagarde

- Task group to look at parameters of fund
- Don't delete as India asked
- G20 prior in relation to Carbon Markets
- Message a' trois

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Chx 2 Encapsulate options for structures of governance  
→ dev countries need to contribute

Just one <sup>1500</sup> ~~part~~ <sup>part</sup> to work to address (1)

- Our leaders agreed - I think that the critical challenge to all of us is to correct the imbalance that led to current crisis.
- I'm not sure if any mechanism has been put in to do that. What at all has been done
- I note that we are already able to anticipate a reduction in Chinese current a/c surplus both in absolute dollar terms as well as relative to China's own GDP.
- But I'm not sure what mechanism has actually been put in place to ensure that this re-balance so I am encouraged by the framework for construction. Strong, sustainable and shared growth as drafted.
- The surplus countries do not want to be in a position to continue to add to their surplus

(9)

But we have no choice. I can assure you that the emerging Asian economies want a balance away from over-reliance on export <sup>with us</sup> as anybody - we feel the IFI's have a major role to play in this - as a conduit to channel our reserves back in to our own domestic economy to ensure greater expansion or illustrated this consumption. Currency imbalance ~~should~~ need also be avoided.

- On the meantime, I agree with Chua that ~~that~~ free & fair trade must be guaranteed and that fiscal stimulus and monetary policy must be maintained in order to allow gradual and sustainable re-balance to occur. Quick reversal would be extremely dangerous to the emerging economies.



Articles of Agreement of the International Monetary Fund

## Article I - Purposes

The purposes of the International Monetary Fund are:

- (i) To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.
- (ii) To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.
- (iii) To promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation.
- (iv) To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.
- (v) To give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.
- (vi) In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.

The Fund shall be guided in all its policies and decisions by the purposes set forth in this Article.

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We committed to take action to tackle the threat of climate change and work towards a successful outcomes in Copenhagen. In accordance with the Pittsburg G20 Leaders' Statement, we reaffirmed the objective, provisions and principles of the United Nations Framework Convention on Climate Change (UNFCCC), including common but differentiated responsibilities. We discussed climate change financing options and recognised the need to increase significantly new, additional, adequate and predictable funding from public finance of developed countries in line with the UNFCCC, Kyoto Protocol and Bali Action Plan to address climate change. Private and carbon market finance could play a complementary role. To deliver this financing, a coordinated equitable and effective institutional framework will be needed. Existing mechanisms should be strengthened and reformed, and multilateral development banks could play an important role. In addition, a new fund could be established provided the committed durable financial resources from the developed countries. The strengthened and reformed financial mechanism, including the new fund if established, should support projects, programmes and policies, with multiple windows to support adaptation, mitigation, technology transfer and capacity building for and in developing countries. The governance of the financial mechanism should have balanced representation, and the financial mechanism should operate under the policy guidance of, and be accountable to, the Conference of the Parties; and its operation should be entrusted to one or more existing international entities. All of the above suggestions will be subject to the decisions of the UNFCCC.

Steven,

We need the  
names of the  
institutions, please  
(OECD, IEA, OPEC + WB)  
to really work  
together & was in  
the communiqué.

~~Author~~



don't you think?  
was excellent.

7 REACTED

AR !! ]

We seem to have a  
red badge wearer  
sitting on Josh's left.  
Who is he?



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*We call on relevant institutions  
to finish their work on --  
and ask*