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## Chair's Summary

### G20 Finance and Central Bank Governors Meeting

Washington, D.C., USA, 20-21 April 2017

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G20 Finance Ministers and Central Bank Governors (FM&CBG) met on 20-21 April 2017 in Washington, D.C. in the margins of the International Monetary Fund (IMF)-World Bank Group (WBG) Spring Meetings.

#### 1. Global Economy and Framework for Growth

##### *Global Economy*

FM&CBG discussed the state of the world economy and the prospects for the upcoming years. They concurred that data released since the last meeting in Baden-Baden in March by and large confirmed that the global economy continues on its path of gradual firming. The upturn in economic activity appears also rather broad-based across regions. Downward risks to this outlook remain, however, in particular with respect to political developments. The Presidency therefore stressed the need to strengthen resilience, not only in an economic and financial sense but also in a social sense. FM&CBG agreed to strengthen efforts to achieve strong, sustainable, balanced and inclusive growth.

##### *Framework for Growth*

FM&CBG agreed to continue the work programme of the G20 Framework Working Group (FWG) on inclusive growth as detailed in the FWG Co-Chairs' Progress Report. They reinforced their commitment to structural reforms and welcomed the "OECD Technical Report on Progress on Structural Reform Under the Enhanced G-20 Structural Reform Agenda". FM&CBG also agreed to task the IMF to produce a pilot report for their meeting in October 2017 to help G20 members identify the policies that are the most effective to fostering strong, sustainable and balanced growth, with inputs from the OECD on structural reforms, taking into account members' individual circumstances. They agreed with the approach to the 2017 update of the Growth Strategies and enhanced peer review process. FM&CBG asked the International Organisations (IOs), notably the IMF, OECD and WBG, to update the assessment of the implementation of key commitments in the Growth Strategies, as well as of progress towards the collective growth ambition as defined in Brisbane in 2014, and report back by the Leaders Summit in July 2017.

## 2. International Financial Architecture & Global Financial Governance

### *Multilateral Development Banks in the International Financial Architecture*

There was broad agreement among FM&CBG that mobilising private capital will be crucial for the future development agenda. FM&CBG supported the “Joint Principles on Crowding-in Private Finance” prepared by the Multilateral Development Banks (MDBs) and welcomed the draft “Ambitions on Crowding-in Private Finance”. They encouraged MDBs to include quantification of mobilised private capital in past years, provide further concrete action-orientated steps towards increasing crowding-in private finance, and finalise the Ambitions by the Leaders Summit in July 2017. G20 members also called for enhancing the efficiency and efficacy of the work stream by better connecting and synergising ongoing initiatives, including balance sheet optimisation, which would contribute to making the systems of MDBs as a whole greater than the sum of its parts, thereby increasing MDBs’ impact.

### *Capital markets and the Global Financial Safety Net*

FM&CBG welcomed ongoing work on the role of macroprudential measures in addressing systemic financial risks stemming from capital flows, encouraged International Financial Institutions (IFIs) to continue exploring those measures, and pledged to continue closing data gaps. They supported further strengthening of local currency capital markets to maximise their supporting role for growth, development and financial stability, as well as engaging in further analysis on state contingent debt instruments. FM&CBG reiterated their pledge to continue strengthening the global financial safety net, including considerations on new IMF instruments and the completion of the IMF 15th General Review of Quotas by the IMF-WBG Spring Meetings of 2019 and no later than the IMF-WBG Annual Meetings of 2019.

### *Global Financial Governance*

FM&CBG agreed to establish an Eminent Persons Group on Global Financial Governance under the chairmanship of Deputy Prime Minister of Singapore, Tharman Shanmugaratnam. The Group shall consist of a small number of eminent persons with deep knowledge and experience of the international monetary system and financial governance. The Group’s task is to review the current state of global financial governance, in particular the roles of the IFIs and the G20 as well as their interplay, and to propose practical reform options to FM&CBG. They asked the Group to present an outline of their work at their meeting in the margins of the IMF-WBG Annual Meetings 2017, with the final report to be delivered at the Annual Meetings 2018. G20 members were invited to share their comments on the draft Terms of Reference.

## 3. Compact with Africa

FM&CBG welcomed the progress achieved with the investment compacts by Cote d’Ivoire, Morocco, Rwanda, Senegal and Tunisia that are being developed with the African Development Bank, the IMF and the WBG. Some G20 members have indicated

their intention to become bilateral partners for one or more compact countries. FM&CBG agreed to encourage private investors at home to consider investing in the compact countries. The Africa conference in Berlin on 12-13 June was welcomed as an opportunity to showcase the compacts, express an interest in bilateral partnerships and engage with private investors. Further interested African countries are invited to engage in a structural dialogue on the compact with the three IOs before expressing their interest to the G20 Presidency in the finance track. FM&CBG also agreed to have continuity in the initiative with the first meeting of the responsible Investment Finance Group in the margins of the IMF-WBG Annual Meetings 2017.

#### 4. Financial Sector Development and Regulation and Other Issues

##### *Implementing and further improving financial sector reform*

FM&CBG reiterated their commitment to a timely, full and consistent implementation and finalisation of the agreed G20 financial sector reform agenda, anticipating significant further progress by the Leaders Summit in July 2017. They welcomed the report on repo market functioning of the Committee on the Global Financial System.

Moreover, they welcomed the ongoing public consultation of the Financial Stability Board's (FSB) framework for the post-implementation evaluation of the G20 financial regulatory reforms and are looking forward to the framework being submitted by the Leaders Summit in July 2017.

##### *Green Finance*

FM&CBG reaffirmed the relevance of the work on green finance and its continuation. They thanked the G20 Green Finance Study Group (GFSG) for its work and generally endorsed the Executive Summary of the group's 2017 Synthesis Report. Its main findings include voluntary options for encouraging environmental risk analysis in the financial sector and for improving the availability and relevance of publicly available environmental data for financial analysis. FM&CBG look forward to the GFSG's final 2017 Synthesis Report by the Leaders Summit in July 2017. FM&CBG also thanked the industry-led Task Force on Climate-related Financial Disclosures (TCFD) for its substantial work. They generally agreed with its draft recommendations on voluntary disclosures by corporates of climate-related financial risks, including the changes envisaged as a result of the public consultation process. They encouraged large listed companies to consider their recommendations on a voluntary basis. The TCFD's final report will be presented by the Leaders Summit in July 2017.

##### *Improving financial inclusion and literacy in a digital world*

FM&CBG welcomed continuing progress on work improving financial inclusion and literacy in a digital world. They welcomed the OECD/International Network on Financial Education report on "Ensuring Financial Education and Consumer Protection for All in the Digital Age" as well as the WBG report on "Emerging Approaches to Digital Financial Inclusion" prepared by the Global Partnership for Financial Inclusion (GPII).

FM&CBG also noted the outcomes of the G20 workshop “Helping SMEs Go Global – Moving Forward in SME Finance” in Frankfurt in February on how to improve Small and Medium-sized Enterprises’ access to finance, in particular in sustainable global value chains, through development banks and FinTech companies, and in Africa.

#### *Remittances*

Based on the Baden-Baden agreements and the dialogue with the private sector in Vienna, the FSB was asked to coordinate further work with the Financial Action Task Force and the GPFi on identifying and addressing issues relating to remittance providers’ access to banking services and to report back by the Leaders Summit in July 2017. They also supported GPFi’s work and in particular the monitoring process of the G20 National Remittances Plans.