

## Appendix III

# Press communiqués of the International Monetary and Financial Committee and the Development Committee

### Development Committee Communiqué

Washington, DC  
October 9, 2010

1. The Development Committee met today, October 9, 2010, in Washington DC.
2. Two years after the onset of the global financial crisis, actions by developed and developing countries, with strong support from multilateral financial institutions, have helped head off a catastrophic economic downturn. Economic resilience among many developing countries, reflecting sound policies in the years prior to the crisis, has underpinned the effectiveness of the global response, and is now contributing to the nascent global recovery.
3. Many developing countries have done well in maintaining growth and output and preserving core spending on health, education and infrastructure. Protecting vulnerable groups has proved a bigger challenge—especially in low-income countries—partly because of fiscal constraints and difficulties in scaling up effective social protection mechanisms.
4. Until 2008, developing countries had made significant, if uneven, progress to achieve the Millennium Development Goals (MDGs). The food, fuel and financial crises, however, have taken a heavy toll. We commit to intensify our efforts to achieve the MDGs by 2015, with a stronger focus on results.
5. We welcome the role played by the multilateral financial institutions in supporting countries' own responses to the crises. We note the exceptionally high levels of commitments and disbursements by the World Bank Group (WBG) and the International Monetary Fund (IMF) since the onset of the financial crisis. We call on the WBG and the IMF to continue identifying policies and instruments that could best assist

in preventing and responding to future crises, reduce the risks to growth and increase prospects for a sustainable recovery.

6. The International Development Association (IDA) is one of the world's most important instruments for achieving the MDGs and improving the lives of millions of people. IDA contributes unique strengths to development policy and financing, which underlie its strong track record of delivering development results. In this context, we welcome the continued efforts to improve IDA's results measurement. We call for a strong sixteenth IDA replenishment, with fair and broader burden sharing among all donors and the WBG.

7. We stress the importance of the revival of world trade and investment in underpinning global economic recovery and growth. Therefore, we urge members to avoid all forms of protectionist measures. Developing economies will play an increasing role in global growth and trade. We reiterate our support for the WBG's continuous efforts in infrastructure, innovation and human capital investment. We would like to emphasize our support for further strengthening and mainstreaming of the WBG's work on gender. We also recognize the WBG's work in the area of climate change, including Climate Investment Funds. We encourage further collaboration with the United Nations Framework Convention on Climate Change.

8. Food security and nutrition will remain vital concerns for many developing countries. We look forward to strengthened efforts by the WBG, in coordination with other international institutions, to address issues of agricultural productivity, food security and challenges posed by agricultural commodity price volatility.

9. We encourage the continued implementation of the Post Crisis Directions framework that provides the WBG with strategic guidance to help the institution

prioritize, make trade-offs and maximize its development impact. We acknowledge the work underway on results, including a corporate scorecard, on knowledge sharing and learning, and on decentralization. We expect the Board to monitor and report on all the agreed reforms to ensure their timely and effective implementation. We commend the WBG on opening access to data, tools and information. We welcome the continued efforts of the International Finance Corporation to contribute to stronger private sector development, including in IDA countries, and its efforts to mobilize additional resources, such as through the Asset Management Company.

10. We welcome the third Sub-Saharan Africa Chair at the WBG. We stress the importance of timely implementation of the remaining proposals on voice reform and on strengthening the WBG's financial capacity that we endorsed last spring.

11. We note the progress made on the governance and accountability of the WBG, and look forward to proposals from the Board, including work underway on presidential selection and dual performance, at our next meeting. We reiterate the importance of an open, merit-based and transparent process for the selection of the President of the WBG. We also reiterate the importance of promoting staff diversity to reflect better the global nature of the WBG.

12. The Committee's next meeting is scheduled for April 17, 2011 in Washington, DC.

**Communiqué of the Twenty-Second Meeting of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund**

October 9, 2010

Chaired by Dr. Youssef Boutros-Ghali,  
Minister of Finance of Egypt

**Global economy.** Economic recovery is proceeding, but remains fragile and uneven across the membership. Faced with this source of potential stress, we underscore our strong commitment to continue working collaboratively to secure strong, sustainable,

and balanced growth and to refrain from policy actions that would detract from this shared goal. Our priorities are to address remaining financial sector fragilities; ensure strong growth in private sector demand and job creation; secure sound public finances and debt sustainability; work toward a more balanced pattern of global growth, recognizing the responsibilities of surplus and deficit countries; and address the challenges of large and volatile capital movements, which can be disruptive. The rejection of protectionism in all its forms must remain a key element of our coordinated response to the crisis; renewed efforts are urgently needed to bring the Doha Round to a successful conclusion.

**Financial sector reform.** We welcome the recent Basel agreement on a substantial improvement in the quality and quantity of bank capital together with the introduction of a global liquidity standard and a leverage ratio. We look forward to full, timely, and consistent implementation across jurisdictions, which will improve financial sector resilience. Further action is needed to enhance regulation, supervision, cross-border resolution, and macro-prudential surveillance. Progress is also needed to strengthen balance sheets and market infrastructure, and to reduce risks from systemically important financial institutions and moral hazard, while ensuring a level playing field. We call on the Fund to contribute to this important agenda in collaboration with relevant bodies. We welcome the IMF-FSB progress report on data gaps and encourage further efforts to follow up on its recommendations.

**Low-income countries (LICs).** The resilience and rapid recovery of many LICs is a positive development. The significant reforms undertaken by these countries in recent years have cushioned their economies during the crisis. Rebuilding policy space is a priority, along with strengthening the capacity to invest efficiently and borrow sustainably in order to meet their growth and development needs. We welcome members' contributions for concessional lending and call for further such support, including from new contributors. The international community needs to redouble its efforts to achieve the MDGs by 2015, including by meeting aid commitments.

**IMF reform.** We welcome the extensive and ongoing work by the Fund on the review of its governance and mandate that we had called for. The Fund has responded well in adapting to the membership's needs during the crisis. Further action is urgently needed to reinforce the institution's role and effectiveness as a global body for macro-financial surveillance and policy collaboration.

- **Quota and governance reforms.** We reemphasize that quota and governance reforms are critical to institutional legitimacy and effectiveness. The Fund is and should remain a quota-based institution. We urge members who have not consented to the 2008 quota and voice reform to do so promptly. We have made progress toward finding common ground on the core reform areas, and we are working actively to resolve outstanding issues. These issues relate to the size of the quota increase and the quota shift, in line with our October 2009 Istanbul communiqué; enhanced voice and representation of emerging markets and developing countries at the IMF's Executive Board; modalities for protecting the voting share of the poorest members; enhanced ministerial engagement and strategic oversight; and an open, transparent, and merit-based process for selecting the heads of the IMF and other IFIs. We call for progress in Board and management accountability, Board effectiveness, and staff diversity. Given the urgency of these issues, we call on the Managing Director to report to the IMFC on progress on quota and governance reforms by the end of October.

- **Surveillance mandate.** Fund bilateral and multilateral surveillance must be further strengthened, drawing lessons from the crisis. Stronger and evenhanded surveillance to uncover vulnerabilities in large advanced economies is a priority. Surveillance should also be better focused on financial stability issues and their macroeconomic linkages, and more attentive to cross-border spillovers. Synergies between surveillance tools should also be strengthened. We welcome the decision to make FSAP financial stability assessments mandatory for members with systemic financial sectors as part of surveillance. We call for the 2011 triennial review to consider the effectiveness of the Fund's framework for surveillance, including

its rigor, candor, evenhandedness, focus on systemic issues, and ways to improve its traction. We call on members to fulfill their obligations under Article IV of the Articles of Agreement. We look forward to reviewing progress at our next meetings.

- **Financing mandate.** Having overhauled its lending facilities early in the crisis, we welcome recent decisions by the Executive Board to further strengthen the Fund's crisis prevention role by refining the Flexible Credit Line and establishing the Precautionary Credit Line. These are important initiatives that should now be assessed over time. Also, we call on the Fund to continue its work on ways to improve its capacity to help members cope with systemic shocks, and to cooperate with other relevant bodies, in particular regional financial arrangements. We look forward to progress reports.

- **Mandate for international monetary stability.** While the international monetary system has proved resilient, tensions and vulnerabilities remain as a result of widening global imbalances, continued volatile capital flows, exchange rate movements, and issues related to the supply and accumulation of official reserves. Given that these issues are critically important for the effective operation of the global economy and the stability of the international monetary system, we call on the Fund to deepen its work in these areas, including in-depth studies to help increase the effectiveness of policies to manage capital flows. We look forward to reviewing further analysis and proposals over the next year.

**Next IMFC meeting.** Our next regular meeting will be held in Washington, D.C. on April 16, 2011. We call on our Deputies to prepare for our discussions in advance.

### **International Monetary and Financial Committee Attendance**

#### **Chairman**

Youssef Boutros-Ghali

#### **Managing Director**

Dominique Strauss-Kahn

#### **Members or Alternates**

Olusegun O. Aganga, Minister of Finance, Nigeria

Ibrahim A. Al-Assaf, Minister of Finance,  
Saudi Arabia

Obaid Humaid Al Tayer, Minister of State for  
Financial Affairs, United Arab Emirates

Ernesto Cordero Arroyo, Secretary of Finance  
and Public Credit, Mexico

José De Gregorio, President, Central Bank of  
Chile

Jan Kees de Jager, Minister of Finance,  
Netherlands

James Michael Flaherty, Minister of Finance,  
Canada

Timothy F. Geithner, Secretary of the  
Treasury, United States

Sigbjørn Johnsen, Minister of Finance,  
Norway

Aleksei Kudrin, Deputy Prime Minister and  
Minister of Finance, Russian Federation

Christine Lagarde, Minister of Economy,  
Industry and Employment, France

Mohammed Laksaci, Governor, Banque  
d'Algérie

Guido Mantega, Minister of Finance, Brazil

Hans-Rudolf Merz, Minister of Finance,  
Switzerland

Zeti Akhtar Aziz, Governor, Central Bank of  
Malaysia (Alternate for Ahmad Husni  
Mohamad Hanadzlah, Minister of Finance II,  
Malaysia)

Pranab Mukherjee, Minister of Finance, India

Magloire Ngambia, Minister of Economy,  
Trade, Industry and Tourism, Gabon

Yoshihiko Noda, Minister of Finance, Japan

George Osborne, Chancellor of the  
Exchequer, United Kingdom

Didier Reynders, Deputy Prime Minister and  
Minister of Finance, Belgium

Axel Weber, President, Deutsche  
Bundesbank, Germany (Alternate for  
Wolfgang Schäuble, Minister of Finance,  
Germany)

Giulio Tremonti, Minister of Economy and  
Finance, Italy

Jeung-Hyun Yoon, Minister of Strategy and  
Finance, Korea

Zhou Xiaochuan, Governor, People's Bank of  
China

## Observers

Ahmed bin Mohammed Al Khalifa, Chairman,  
Joint Development Committee (DC)

Jaime Caruana, General Manager, Bank for  
International Settlements (BIS)

Mario Draghi, Chairman, Financial Stability  
Board (FSB)

Heiner Flassbeck, Director, Division on  
Globalization and Development Strategies,  
United Nations Conference on Trade and  
Development (UNCTAD)

Angel Gurría, Secretary-General,  
Organisation for Economic Co-operation and  
Development (OECD)

Pascal Lamy, Director-General, World Trade  
Organization (WTO)

Hasan M. Qabazard, Director, Research  
Division, Organization of the Petroleum  
Exporting Countries (OPEC)

Olli Rehn, European Commissioner for  
Economic and Monetary Affairs, European  
Commission (EC)

Juan Somavia, Director-General, International  
Labour Organization (ILO)

Jean-Claude Trichet, President, European  
Central Bank (ECB)

Robert Peter Vos, Director, Development  
Policy and Analysis Division, Department of  
Economic and Social Affairs, United Nations  
(UN)

Robert B. Zoellick, President, World Bank  
Group

## Development Committee Communiqué

Washington, DC

April 16, 2011

1. The Development Committee met today, April 16, 2011, in Washington DC.
2. We welcome evidence of a strengthening global economy, led in large part by developing countries. However we are concerned that overheating in some sectors, especially food and energy, is resulting in price pressures and volatility, putting developing countries and especially their most vulnerable populations at risk. We pledge to stay alert to the economic challenges arising from natural disasters, conflict and social unrest. We remain committed to ensuring sustainable, balanced and inclusive growth and providing timely, effective support where needed.
3. Recent events in parts of the Middle East and North Africa will have lasting social and economic impacts, which will differ from country to country. We welcome the timely World Bank Group (WBG) and IMF engagement and advice, including program and policy support for jobs, social safety nets, fiscal management, governance, promotion of private sector development and other critical areas. We call on the Bank to strengthen its support to the Middle East and North Africa, working with governments and with relevant multilateral, regional and bilateral organizations.
4. The international financial institutions continue to play an essential role in helping countries prevent and weather crises. We especially welcome the unprecedented sixteenth replenishment of the International Development Association (IDA) and the approval of the IBRD capital increase, and look forward to a swift adoption of IFC's selective capital increase. We welcome IDA16's focus on gender, fragile states and climate change and emphasis on results. We also look forward to IDA's continued support for agriculture, infrastructure and energy. We welcome the special allocation for Haiti and the new dedicated Crisis Response Window to strengthen IDA16's capacity to respond rapidly when member countries are hit by economic crises or natural disasters. All of these additional resources will help the WBG

to continue to support member countries in their fight against poverty.

5. We welcome the fact that two thirds of developing countries are on target or close to being on target for reaching the Millennium Development Goals. However, progress has been mixed and it has slowed in places due to the global economic crisis and the recent food and energy price increases. We commit to intensifying our efforts to achieve results by 2015, especially in lagging regions, fragile states and for vulnerable and historically excluded populations, including women and girls, and to protecting progress by building resilience to economic and environmental shocks.
6. We are concerned about high and volatile international food prices and their impact on vulnerable populations, as well as the longer term risks they pose to growth and poverty reduction. We welcome the responsiveness of the WBG, working with partners including the G20, to help address short- and long-term challenges related to food security and price volatility. We welcome the recommendations in the Development Committee paper, *Responding to Global Food Price Volatility and Its Impact on Food Security* and urge further action in this area. We welcome the WBG's stepped-up role in agricultural development and agricultural research, including efforts to strengthen the productivity and resilience of smallholder production. We call on the WBG to pursue innovative solutions to strengthening agricultural productivity, trade, and farmers' access to markets, as well as private investment and South-South cooperation. Africa is disproportionately affected by shocks and deserves special attention. We stress the crucial role women play in agriculture and the importance of ensuring their needs are addressed. To help meet developing country needs, we recognize the importance of stronger coordinated multilateral action in food and agriculture, including adequately funding the Global Agriculture and Food Security Program (GAFSP), and partnerships involving the UN and other relevant bodies.
7. We welcome the World Development Report (WDR) on *Conflict, Security and Development*, with its emphasis on the link between conflict resolution and economic development. The WDR has the potential to

stimulate significant improvement in the performance of the WBG and other development partners in fragile and conflict-affected states. As part of the international community's collective effort, the WBG can play a key role in helping countries through a focus on job creation and private sector development, inclusive growth, the development of strong institutions, and the enhancement of security and justice in countries affected by fragility, conflict, organized crime and other forms of violence. We support incorporating lessons from the WDR into WBG policies and operations, including alignment of results and risk management, and provision of incentives to the best qualified staff to serve in these situations. We urge the WBG to be ready to engage early and consistently in fragile and conflict-affected situations within the areas covered by its institutional mandate, and in full coordination with other development partners.

8. We welcome the outcomes of the Cancun meeting on climate change and the WBG's role as an interim trustee of the Green Climate Fund (GCF). This will help to draw on the WBG's experience from the Climate Investment Funds and to ensure continuity in climate investment before the GCF becomes operational. We look forward to further progress in this area, including innovative approaches to development and climate change financing, and the Bank's support for the work of the Transitional Committee in charge of designing the GCF.

9. We welcome ongoing implementation of the WBG's Post Crisis Directions and actions to modernize the WBG's structures and operations to reinforce its ability to improve client responsiveness and to deliver, measure, and report on effective results. We welcome the report on presidential selection, which responds to the request for an open, merit-based and transparent selection process, and the report on dual performance feedback as a means to strengthen governance and accountability, bearing in mind the development mandate of the WBG. We welcome the efforts to develop the WBG's Corporate Scorecard with a view to strengthening the strategic dialogue with shareholders on directions and overall institutional performance. We call on the

WBG to continue to promote staff diversity to better reflect its global nature.

10. We extend our sympathy and support to the government and people of Japan as they grapple with the impact of the recent natural disasters.

11. The Development Committee's next meeting is scheduled for September 24, 2011, in Washington DC.

**Communiqué of the Twenty-Third Meeting of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund**

April 16, 2011

Chaired by Mr. Tharman Shanmugaratnam, Minister for Finance of Singapore

We welcome Minister Tharman as our new Chairman. We thank Dr. Youssef Boutros-Ghali for his service as IMFC Chairman during challenging times.

**Global economy.** The global recovery is gaining strength but remains vulnerable. We discussed the significant risks to the outlook and decided to take necessary actions to strengthen the recovery. Credible actions are needed to accelerate progress in addressing challenges to financial stability and sovereign debt sustainability, and to ensure timely fiscal consolidation in advanced economies, whilst taking steps to avoid overheating in emerging market countries, and dealing with risks from higher commodity prices. We also underscore the importance of employment creation for medium-term sustainability. Against this background, the immediate economic impact of the tragic events in Japan and of developments in some Middle Eastern and North African countries also warrants close attention. As policies can have significant cross-border effects, we commit to continue to work together to address policy spillovers and to secure robust and balanced global growth.

**Global financial stability.** We are committed to accelerate efforts to strengthen the resilience of the financial sector and its ability to support economic recovery. Further progress is needed to address excessive financial risk taking and moral hazard, and strengthen supervision and regulation in financial centers. Recent international agreements on enhancing financial regulation

must now be implemented and accompanied by more effective supervision. More cooperation and progress are needed to address risks posed by global systemically important financial institutions, including through heightened prudential standards, and on cross-border resolution. We welcome IMF contributions in these areas and on macro-prudential policy frameworks, as well as upcoming Financial Sector Assessment Program reports on economies with systemic financial sectors. We call for enhanced financial sector oversight of risks related to shadow banking activities and agree to maintain momentum to tackle noncooperative jurisdictions. We welcome the update on the data gaps initiative and look forward to concrete progress.

#### **International Monetary System (IMS)**

We welcome the IMF's analytical work on the functioning of the IMS.

**Surveillance.** We look forward to a thorough assessment in the Triennial Surveillance Review of the effectiveness, evenhandedness, and traction of the Fund's surveillance, including an assessment of possible gaps and any needed updates of the surveillance framework. Continued emphasis is needed on improving bilateral and multilateral surveillance, and enhancing the linkages between the financial and macroeconomic dimensions. Benefitting also from the recent IEO reports, we call for concrete proposals, by our next meeting, to further strengthen IMF surveillance, including on identification of risks, surveillance of countries that pose the largest systemic risks, and the coherence and integration of surveillance products. We look forward to candid and comprehensive spillover reports on economies with greatest systemic significance, and to discussing a consolidated multilateral surveillance report at our next meeting.

**Capital flows.** The IMF's recent work on managing capital inflows is a step that should lead toward a comprehensive and balanced approach for the management of capital flows drawing on country experiences. Giving due regard to country-specific circumstances and the benefits of financial integration, such an approach should encompass

recommendations for both policies that give rise to outward capital flows and the management of inflows. We urge the IMF to deepen its analysis of global liquidity, the varied experiences of member countries with capital account management, liberalization of cross-border capital flows, and development of domestic financial markets.

**Liquidity.** We welcome the upcoming discussion of global financial safety nets for dealing with systemic crises, including liquidity provision mechanisms, with adequate safeguards. We also welcome the significant expansion of resources in the New Arrangements to Borrow. We urge the Fund to work with regional financing arrangements to develop broad principles for cooperation with the IMF. We call for further work on a criteria-based path to broaden the composition of the SDR basket.

**Low-income countries (LICs).** Largely due to strong pre-crisis macroeconomic policy buffers, LICs were more resilient during the global crisis than in the past and have been recovering well but most remain vulnerable to the recent surge in food and fuel prices. It is important to address the economic and social impact of these price shocks. The IMF should continue to provide policy support and financing to help LICs overcome their balance of payments problems. We ask the IMF to refine its tools to assess LICs' vulnerabilities and debt sustainability, and explore avenues to help LICs better manage volatility.

**Governance.** We welcome the entry into effect of the 2008 quota and voice reform and urge all members to work to make the 2010 quota and governance reform effective by the 2012 Annual Meetings. We look forward to enhancing the role of the IMFC as a key forum for global economic and financial cooperation.

**Earthquake in Japan.** We extend our sympathy and support to the government and people of Japan as they grapple with the impact of the recent natural disasters.

**Next IMFC meeting.** Our next meeting will be held in Washington, D.C. on September 24, 2011.

**International Monetary and Financial Committee Attendance**

**Chairman**

Tharman Shanmugaratnam

**Managing Director**

Dominique Strauss-Kahn

**Members or Alternates**

Atnafu Teklewold, Governor, National Bank of Ethiopia

(Alternate for Olusegun O. Aganga, Minister of Finance, Nigeria)

Ibrahim A. Al-Assaf, Minister of Finance, Saudi Arabia

Obaid Humaid Al Tayer, Minister of State for Financial Affairs, United Arab Emirates

Ernesto Cordero Arroyo, Secretary of Finance and Public Credit, Mexico

José De Gregorio, President, Central Bank of Chile

Frans Weekers, State Secretary, Ministry of Finance, Netherlands

(Alternate for Jan Kees de Jager, Minister of Finance, Netherlands)

Mark Carney, Governor, Bank of Canada  
(Alternate for James Michael Flaherty, Minister of Finance, Canada)

Timothy F. Geithner, Secretary of the Treasury, United States

Sigbjørn Johnsen, Minister of Finance, Norway

Aleksei Kudrin, Deputy Prime Minister and Minister of Finance, Russian Federation

Christine Lagarde, Minister of Economy, Finance and Industry, France

Mohammed Laksaci, Governor, Bank of Algeria

Guido Mantega, Minister of Finance, Brazil

Duvvuri Subbarao, Governor, Reserve Bank of India

(Alternate for Pranab Mukherjee, Minister of Finance, India)

Françoise Assengone Obame, Deputy Minister of Economy, Trade, Industry and Tourism, Gabon

(Alternate for Magloire Ngambia, Minister of Economy, Trade, Industry and Tourism, Gabon)

Yoshihiko Noda, Minister of Finance, Japan

George Osborne, Chancellor of the Exchequer, United Kingdom

Didier Reynders, Deputy Prime Minister and Minister of Finance, Belgium

Wolfgang Schäuble, Federal Minister of Finance, Germany

Wayne Swan, Deputy Prime Minister and Treasurer, Australia

Prasarn Trairatvorakul, Governor, Bank of Thailand

Giulio Tremonti, Minister of Economy and Finance, Italy

Eveline Widmer-Schlumpf, Head, Federal Department of Finance, Switzerland

Yi Gang, Deputy Governor, People's Bank of China

(Alternate for Zhou Xiaochuan, Governor, People's Bank of China)

**Observers**

Ahmed bin Mohammed Al Khalifa, Chairman, Joint Development Committee (DC)

Jaime Caruana, General Manager, Bank for International Settlements (BIS)

Helen Clark, Administrator, United Nations Development Programme, and Chair, United Nations Development Group (UN)

Mario Draghi, Chairman, Financial Stability Board (FSB)

Heiner Flassbeck, Director, Division on Globalization and Development Strategies, United Nations Conference on Trade and Development (UNCTAD)

Angel Gurría, Secretary-General, Organisation for Economic Co-operation and Development (OECD)

Pascal Lamy, Director-General, World Trade Organization (WTO)

Hasan M. Qabazard, Director, Research Division, Organization of the Petroleum Exporting Countries (OPEC)

Stephen Pursey, Director, Policy Integration Department, International Labour Organization (ILO)

Olli Rehn, European Commissioner for Economic and Monetary Affairs, European Commission (EC)

Jean-Claude Trichet, President, European Central Bank (ECB)

Robert B. Zoellick, President, World Bank Group