

**INTERGOVERNMENTAL GROUP OF TWENTY-FOUR ON  
INTERNATIONAL MONETARY AFFAIRS AND DEVELOPMENT**

**COMMUNIQUÉ  
OCTOBER 10, 2013**

1. We, the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development, held our ninetieth meeting in Washington, D.C. on October 10, 2013 with Mr. Fernando Aportela, Deputy Minister of Finance and Public Credit of Mexico in the Chair; Mr. Karim Wissa of Egypt as First Vice-Chair; and Mr. Mohammad Safadi, Minister of Finance of Lebanon as Second Vice-Chair.

**Global Economy and Growth Agenda**

2. Emerging markets and developing countries (EMDCs) have enormous growth potential and will continue to be the driving force of the global economy. We note, however, that global growth projections for 2013 and 2014 are marginally lower than in April, partly due to slower growth in emerging market economies (EMEs). Such a deceleration in emerging market growth is not surprising in view of the very high growth levels achieved before the crisis and the adverse effects of the sharp slowdown and protracted difficulties and uncertainties in both Europe and the United States (U.S.). Low-income countries (LICs) have been more insulated and growth in these countries, notably in Sub-Saharan Africa (SSA), remains strong.

3. We are concerned by the higher volatility in global financial markets following indications of exit from unconventional monetary policies, as well as the renewed policy uncertainties in some advanced economies (AEs). We call on AEs to be mindful of negative spillovers and to clearly communicate their exit strategies. We ask AEs that have policy space to take more concerted action to boost their contribution to global demand. We believe more needs to be done by the Fund to support countries in warding off global tail risks and minimizing output losses.

4. Given the renewed financial turbulence, it is important that EMEs affected by global financial instability have the flexibility to adopt policies to preserve resilience. LICs will need to sustain high growth in a challenging environment. In that regard, we support the Fund's renewed focus on growth in relevant Fund-supported programs, particularly in small states, and the proposal that an explicit growth agenda be included. We recognize the importance of improvements in productivity growth and an increased rate of structural transformation in EMDCs, including LICs. We are committed to peer dialogue and learning to support inclusive and job-creating growth.

5. We are deeply concerned that unemployment rates and poverty levels remain high in a number of EMDCs. In order to ensure EMDCs achieve poverty reduction goals, social inclusion, and stable, long-term growth, we commit to take a broad range of actions to promote more and better jobs. This can only be achieved by investing in skills and education to encourage skills portability, facilitate labor mobility and enhance employability.

## **Role and Reform of the IMF**

6. We deeply regret that the agreed October 2012 deadline for entry into force of the 2010 quota and governance reform was missed and that there was no agreement on a new quota formula by the review deadline of January 2013. Both are critical to the Fund's legitimacy, credibility and effectiveness. We urge countries to fulfill their commitment of implementing the 2010 governance reform expeditiously. We reemphasize the need for the timely conclusion of the 15th General Review of Quotas, based on a reformed formula. The IMF must have adequate quota resources to play its systemic role on a sustainable basis.

7. We strongly believe that the fundamental goal of quota and governance reform must be to enhance the voice and representation of EMDCs, including the poor, as well as vulnerable, fragile and small low- and middle-income countries. The realignment of quotas must recognize the growing weight of dynamic EMDCs in the global economy, but this must not come at the expense of other EMDCs. Enhancing the quota shares of the poorest members and protecting their representation must be done through the quota formula. We reiterate our longstanding call for a third chair for SSA on the IMF Executive Board to improve the representation of the region, provided it does not come at the expense of other EMDC chairs. Dialogue to achieve this goal should continue and all available options should be explored.

8. We welcome the efforts by countries that have contributed to enhancing the resources of the Poverty Reduction and Growth Trust (PRGT), including through the use of gold sales profits, and reiterate our commitment to ensuring the PRGT's long-term sustainability. We call on the IMF to make a concerted effort to raise additional resources for PRGT financing, particularly through bilateral contributions.

9. We support the revisions to the Bank-Fund Debt Sustainability Framework and encourage implementation, including in LICs. We call for the IMF and the World Bank to continue providing technical assistance, as required by members, to enhance their debt management capacity. We support the proposal to make the IMF's policy on debt limits more flexible and urge the Fund to complete as soon as possible the ongoing review to enable LICs to secure adequate financing for their investment programs while preserving debt sustainability. We welcome the work in progress by the IMF and World Bank Group (WBG) to review and update the Guidelines for Public Debt Management and support further progress in updating these Guidelines. We look forward to further work by the IMF and concrete proposals on issues and gaps identified in the review of recent experiences with sovereign debt restructuring.

10. We welcome the IMF's focus on tax equity and international taxation, given the need for EMDCs to preserve their revenue base, promote equality and job creation and address the adverse effects of tax avoidance and evasion, including through transfer pricing and tax havens. We call for the provision of technical assistance by the Fund to support the institutional capacity of EMDCs.

## **Development Agenda and Role of the World Bank Group**

11. We stress the critical importance of sustaining efforts to achieve the Millennium Development Goals (MDGs) as the deadline approaches and welcome the report of the High-

Level Panel of Eminent Persons on the Post-2015 Development Agenda and the Secretary-General's Report, "Life of Dignity for All." We note the emphasis on, among others, ending extreme poverty, sustainable development, transforming economies for jobs and inclusive growth, and building effective, open and accountable institutions for development. We call on the WBG to intensify its efforts towards achieving the MDGs and contributing to the post-2015 development agenda based on its mandate and comparative strengths.

12. We believe in the importance of focusing on inclusive and job-creating growth as a basis for enduring poverty reduction. Towards that end, we support the WBG corporate strategy and its goals of contributing to ending extreme poverty and promoting shared prosperity in a sustainable manner. We welcome the emphasis on supporting clients in delivering customized development solutions, backed by finance, knowledge and convening services. We look forward to a detailed implementation plan that takes into account client perspectives and diversity, financial sustainability and the importance of developing the Bank's human resources and leadership capacity.

### **Development Financing**

13. We emphasize the fundamental importance of adequate, sustainable financing for achieving global development aspirations and goals, and support strengthening the lending capacity of the WBG. We stress the particular importance of mobilizing large-scale infrastructure financing to meet demands in developing countries. We encourage the establishment of the single project preparation facility initiative by the WBG for large regional projects in Africa and call on the WBG to further leverage private resources in support of transformative infrastructure investment. We look forward to further discussions on additional mechanisms for long-term infrastructure financing, including the initiative proposed by the WBG and the New Development Bank proposed by the BRICS.

14. We are encouraged by the creation of the Conflict-Affected and Fragile Economies Facility (CAFEF) at the Multilateral Investment Guarantee Agency (MIGA) and support the facility's goal of insuring investment projects in these countries to mobilize private sector resources and encourage quality job creation.

15. We call for the timely and robust replenishment of IDA, based on the immense needs of the poor and vulnerable, including people in fragile and conflict-affected situations. We welcome the focus on transformational impact and on leveraging IDA resources, including through additionality of loans, while enhancing IDA's results, cost effectiveness and efficiency.

16. We note the adverse effects of climate change and environmental degradation, particularly for poor, fragile and vulnerable countries, and recognize the need to address shared global challenges. In that regard, we support further reforms and enhancements to improve the Global Environment Facility's (GEF) effectiveness and call for an ambitious replenishment of GEF6 to ensure that GEF has adequate resources to meet its mandate.

17. We call for the 9<sup>th</sup> WTO Ministerial Conference in Bali to reinvigorate the Doha Development Agenda, and deliver a balanced and successful outcome, including on the long-

standing issues of agricultural products. We also call for concrete progress on negotiations to enhance labor mobility.

### **Other Matters**

18. We encourage the IMF and the World Bank to demonstrate flexibility in the design and conditionality of their programs in Arab countries in transition, given the political and social constraints facing policymakers, and call for additional resources to neighboring countries facing the influx of Syrian refugees. It is important that all countries in the Middle East and North Africa (MENA) region have equal opportunities to benefit from the financial products and advisory services of these two international institutions without any political considerations.

19. We reiterate the importance of staff diversity at all levels for enhancing the legitimacy and effectiveness of the IFIs and call for further efforts to strengthen the recruitment, career progression and promotion of nationals from underrepresented regions.

20. We thank Mexico for its Chairmanship of the Group and welcome Egypt as the incoming Chair. We also welcome Colombia as the Second Vice-Chair. The next meeting of the G-24 Ministers is expected to take place on April 10, 2014 in Washington D.C.

## LIST OF PARTICIPANTS<sup>1</sup>

Ministers of the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development held their ninetieth meeting in Washington, D.C. on October 10, 2013 with Mr. Fernando Aportela, Deputy Minister of Finance and Public Credit of Mexico in the Chair; Mr. Karim Wissa of Egypt as First Vice-Chair; and Mr. Mohammad Safadi, Minister of Finance of Lebanon as Second Vice-Chair.

The meeting of the Ministers was preceded on October 9, 2013 by the hundred and second meeting of the Deputies of the Group of Twenty-Four, with Messrs. Bosco Marti, Head of International Affairs at the Ministry of Finance and Public Credit of Mexico, and Alfonso Guerra, Director of International Affairs at the Bank of Mexico, as Chairmen.

**African Group:** Karim Djoudi, Algeria; Nialé Kaba, Côte d'Ivoire; Mutombo Mwana Nyembo, Democratic Republic of Congo; Shakour Shaalan, Egypt; Sufian Ahmed, Ethiopia; Luc Oyoubi, Gabon; Henri A.K. Wampah, Ghana; Ngozi Okonjo-Iweala, Nigeria; Pravin Gordhan, South Africa.

**Asian Group:** Arvind Mayaram, India; Ali Taiebnia, Islamic Republic of Iran; Alain Bifani, Lebanon; Yaseen Anwar, Pakistan; Rosalia De Leon, Philippines; Sarath Amunugama, Sri Lanka; Maya Choueiri, Syrian Arab Republic.

**Latin American Group:** Hernán Lorenzino, Argentina; Carlos Cozende, Brazil; Luis Fernando Mejía, Colombia; Johnny Gramajo, Guatemala; Bosco Marti, Mexico; Manuel Ramos-Francia, Mexico; Julio Velarde, Peru; Jwala Rambarran, Trinidad and Tobago; José Rojas-Ramirez, Venezuela.

**Observers:** Jassim Almannai, Arab Monetary Fund; Guanjiyao Zhu, China; Inés Bústillo, ECLAC; Ramon Espinel, Ecuador; Sergei Storchak, G-20; Danny Leipziger, Growth Dialogue; José M. Salazar, ILO; Birama Sidibé, IsDB; Mohamed Taamouti, Morocco; Manuel Montes, South Centre; Mahmed Khene, OFID; Hojatollah Ghanimi Fard, OPEC; Yousef Al Bassam, Saudi Arabia; Sultan Alsuwaidi, United Arab Emirates; Yuefen Li, UNCTAD; Shamshad Akhtar, UNDESA.

**Special Guests:** Christine Lagarde, Managing Director, International Monetary Fund  
Jim Yong Kim, President, World Bank

**G-24 Secretariat:** Amar Bhattacharya, Analisa Bala, Susanne Quadros, Rachael Holt, Regina Chengcheng Feng, Ndzouli Mendouga

**IMF Secretariat for the G-24:** Rosalind Mowatt, Iulia Teodoru, Veronika Zavacka, Dalila Bendourou

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<sup>1</sup> Persons who sat at the discussion table.