

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

**COMMUNIQUÉ  
SEPTEMBER 22, 2011**

1. We the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development held our eighty-sixth meeting in Washington D.C. on September 22, 2011. Mr. Pravin Gordhan, Minister of Finance of South Africa was in the Chair, with Mr. Pranab Mukherjee, Minister of Finance of India as First Vice-Chair and Mr. Agustín Carstens, Governor of the Bank of Mexico as Second Vice-Chair.

**Heightened Threats to the Global Recovery**

2. We expressed concern about the serious threat to the global economic recovery and underscored the need for urgent, concerted and coordinated actions to tackle the crisis of confidence in advanced economies (AEs), and its spillovers on emerging market and developing countries (EMDCs).
3. AEs' policies need to give priority to supporting the fragile recovery, while ensuring credible medium-term fiscal consolidation. We called for more decisive action by the Euro area to address the sovereign debt crisis and restore confidence. We also stressed the need for AEs to address weaknesses in bank balance sheets, as well as to accelerate structural reforms to support strong, sustainable, balanced, and inclusive global growth.
4. We called for urgent actions to deal with the consequences of volatile commodity prices and long-term impediments to food and energy security, especially with respect to the most vulnerable countries and populations. We reiterated the critical importance of reaching agreement on global trade and urged delivery of aid commitments to meet the needs of the poorest.
5. We underscored the important contribution that EMDCs have made to the global recovery but are concerned about the risk of widespread slowdown as a result of a more adverse global environment. We are committed to making our best efforts to maintain high and sustainable growth, taking into account our specific circumstances. We recognized that, while a number of countries within the membership have made extraordinary progress, there are many developing countries with unrealized potential, and called for more intensified multilateral cooperation to tap this potential.
6. We reiterated the need for the IMF to adopt an open-minded and even-handed approach to the management of capital flows. Governments must continue to have the flexibility and discretion to adopt policies they consider appropriate to mitigate risks from volatile capital flows.

### **Realizing the Potential for Multipolar Growth**

7. Maximizing the opportunities that now exist for developing countries to rebalance and boost global aggregate demand and long-term growth will require stepped-up investments, including for infrastructure and agriculture. We believe that concerted efforts are needed to tap the potential for enhanced regional cooperation and South-South linkages. These regional and national investment priorities can only be met through a reinvigoration of development finance.

8. We recognized that meeting the energy needs of our populations and addressing climate change will require profound structural changes to forms of energy production. We also underlined the urgent and growing needs for investments to ameliorate the effects of climate change, especially in the most vulnerable countries.

9. We expressed concern about the growing gap between the scale of climate finance needs and the delivery of resources that AEs had committed to provide, including the initial fast track commitments. While welcoming all efforts to identify possible sources of financing, we stressed that such financing must be additional and in compliance with the agreements reached under the United Nations Framework Convention on Climate Change.

### **Challenges of Inclusion and Job Creation**

10. We recognized the grave threat that growing inequality poses to growth and political stability globally and in many countries, and stressed the importance of strategies that are inclusive, dynamic, and guarantee fair opportunities for women, youth, and the poor. To this end, we called for the upcoming World Development Report (WDR) on jobs to present concrete proposals for creating jobs and addressing persistent unemployment. We called on the IMF to place greater emphasis on job creation, inclusion and social impacts in its work with members. We welcomed the current WDR that shows that gender equality matters for development. We will strengthen our efforts to overcome the existing gaps and target the multiple determinants of gender inequality.

### **Strengthening the Capacity and Governance of the International Financial Institutions**

11. We believe that ongoing efforts to strengthen the effectiveness of IMF surveillance are often undermined by inappropriate and weak implementation framework and practices. We called therefore for further enhancements to improve the even-handedness of surveillance and its effectiveness and traction, in particular with AEs.

12. We noted that IFI effectiveness and legitimacy will depend on tangible and ambitious progress in improving the voice and representation of developing countries in all aspects of governance. In this regard we reiterated our support for a comprehensive review of the IMF quota formula by January 2013 and the completion of the fifteenth General Review of Quotas by January 2014, as agreed by the Board of Governors of the IMF in December 2010. Any changes to the formula should lead to an increase in the calculated and actual quota shares of dynamic

EMDCs in line with their relative positions in the world economy, and must not come at the expense of other EMDCs. We called on members to accelerate their efforts in implementing the 2010 IMF quota and governance reforms.

13. We also reiterated our support for measures to protect the voice and representation of the IMF's poorest members and small and vulnerable states through an increase in the number of chairs held by EMDCs, including the addition of a third chair for sub-Saharan Africa.

14. We called on the IMF to complete the financing package for low-income countries and to maintain its lending capacity at an appropriate level to help countries meet the burden of high food and fuel prices. We agreed on the need to strengthen the capacity of the World Bank to respond to immediate challenges and longer-term development needs and to continue to implement the agreed reform agenda.

### **Other Matters**

15. We welcomed the new Managing Director, Ms. Lagarde, and recognized the contributions of the outgoing Managing Director, Mr. Strauss-Kahn, to the work of the Fund.

16. We recognized the efforts by the Chair in enhancing the effectiveness of the Group and thanked South Africa for its leadership and contribution. We welcomed Egypt as the incoming Second Vice-Chair. The next meeting of the G-24 Ministers is expected to take place on April 20, 2012 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 eighty-sixth meeting in Washington D.C. on September 22, 2011. Mr. Pravin Gordhan, Minister of Finance of South Africa was in the Chair, with Mr. Pranab Mukherjee, Minister of Finance of India as First Vice-Chair and Mr. Agustín Carstens, Governor of the Bank of Mexico as Second Vice-Chair.

The meeting of the Ministers was preceded on September 21, 2011 by the ninety-eighth meeting of the Deputies of the Group of Twenty-Four, with Mrs. Mmakgoshi Phetla-Lekhethe, Deputy Director-General of National Treasury of South Africa, as Chair.

**African Group:** Karim Djoudi, Algeria; Charles Koffi Diby, Côte d'Ivoire; Jean-Claude Masangu, Democratic Republic of Congo; Fayza Aboulnaga, Egypt; Sufian Ahmed, Ethiopia; Magloire Ngambia, Gabon; Kwabena Duffuor, Ghana; Ngozi Okondjo-Iweala, Nigeria; Mmakgoshi Phetla-Lekhethe, South Africa.

**Asian Group:** Xiaosong Zheng, China; Kaushik Basu, India; Sayed Shamseddin Hosseini, Islamic Republic of Iran; Mohamad Safadi, Lebanon; Abdul Hafeez Shaikh, Pakistan; Cesar Purisima, Philippines; Sarath Amunugama, Sri Lanka; Shakour Shaalan, Syria.

**Latin American Group:** Roberto Felletti, Argentina; Rogerio Studart, Brazil; Maria Arbelaez, Colombia; Juan Carlos Castañeda, Guatemala; Carlos Perez Verdía, Mexico; Julio Velarde, Peru; Winston Dookeran, Trinidad and Tobago; Jose Rojas, Venezuela.

**Observers:** Jassim Almannai, Arab Monetary Fund; William Calvo, Central American Monetary Council; Inés Bustillo, ECLAC; Janine Berg, ILO; Karim El Aynaoui, Morocco; Irfan Haque, South Centre; Suleiman Al-Herbish, OFID; Hasan Qabazard, OPEC; Ahmed Alghannam, Saudi Arabia; Yuefen Li, UNCTAD; Alex Trepelkov, UNDESA.

**Special Guests:** Christine Lagarde, Managing Director, International Monetary Fund  
Robert B. Zoellick, President, World Bank

**G-24 Secretariat:** Amar Bhattacharya, Analisa Bala, Ndzouli Mendouga

**G-24 Research Coordinator:** Jomo Sundaram

**IMF Secretariat for the G-24:** Rosalind Mowatt, Dalila Bendourou

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