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

COMMUNIQUÉ
Washington DC, April 19, 2018

1. We welcome the recovery of global growth and investment. While growth prospects are firming up for emerging market and developing economies (EMDEs), the growth outlook for several countries, mostly commodity exporters and small and fragile states, will improve more gradually. Moreover, heightened downside risks arise from a potential sharp tightening of financial conditions, further rise in protectionism, and geopolitical tensions. Against this background, sustaining inclusive growth while enhancing our economies' resilience is our key priority. Enhanced global cooperation and regional integration are essential to improve growth prospects for all countries.

2. Recent trade restrictions are a major concern. To strengthen the contribution of trade to the global economy, we call on work toward an open, rules-based, multilateral, and equitable trading system that benefits all.

3. Digitalization and technological change will further create opportunities but also challenges. We urge international financial institutions (IFIs) to strengthen their cooperative work on policy responses so countries can seize such opportunities and manage the associated risks. We encourage the International Monetary Fund (IMF), other IFIs, and financial standard-setters to assess the implications of technological advances on the financial system, including crypto assets and cyber-security, and support multilateral responses.

4. While EMDEs have managed risks arising from volatile capital flows using a mix of policy measures, there is still scope to improve the consistency and traction of the IMF's advice with regard to its Institutional View. We call for a balanced and context-based assessment of macroprudential and capital flow measures. More attention should be given to how international policy coordination can help deal with capital flow volatility.

5. We call for a strong Global Financial Safety Net, with an adequately resourced, quota-based IMF at its center. We call for at least maintaining the IMF's current lending capacity and restoring the Fund's historical ratio of own to borrowed resources. We look forward to the completion of the 15th General Review of Quotas, including agreement on a new quota formula, by the Spring Meetings of 2019 and no later than the Annual Meetings of 2019. We are concerned about the slow progress to date and call on the IMFC to seek consensus among its members to ensure timely completion. We reiterate our call for a revised quota formula that increases the weight of GDP PPP within the GDP blend and further shifts quota shares from advanced economies to dynamic EMDEs. The realignment of quota shares must not come at the expense of other EMDEs and should protect the quota shares and voice of all countries eligible for the Poverty Reduction and Growth Trust (PRGT) and small developing states. We call for a third Chair for Sub-Saharan Africa to enhance the voice and representation of the region, but not at the expense of other EMDEs' Chairs.

6. We look forward to further work by the IMF on broadening the role and use of Special Drawing Rights (SDRs) as an instrument of international policy cooperation, and in this regard

to its more active use as a reserve currency, including through sizable and more frequent SDR allocations.

7. In the review of the IMF's facilities for low-income countries (LICs), we support a more comprehensive engagement that includes expanding the resources of the PRGT, increasing access commensurate with countries' needs, and introducing a precautionary instrument. We welcome the IMF and the World Bank Group's (WBG) efforts to prepare countries to implement the revised Debt Sustainability Framework for LICs. We welcome the IMF Independent Evaluation Office's recent assessment of the Fund's work on fragile states, fully support its recommendation to enhance engagement with fragile states, and look forward to the Fund's follow-up plan.

8. We urge continued support from IFIs and the international community to developing countries that are disproportionately affected by refugee crises, and encourage the continued pursuit of developmental approaches to address this serious challenge.

9. We look forward to the outcomes of the UN Global Compact on Migration. We call for more analytical work to assess the potential macroeconomic and developmental impacts in those countries that are facing tightening of immigration regulations.

10. We also call for concrete solutions to address the continued decline in correspondent banking relationships in some countries. In this regard, we are concerned about the increased cost of remittances, and call on international organizations to identify the obstacles and means to reduce the cost to 3 percent of the amount remitted, as per the Sustainable Development Goals (SDGs).

11. Risks to debt sustainability have increased in many countries, particularly in LICs. Using debt responsibly to finance growth-enhancing investments, ensuring fiscal sustainability through domestic resource mobilization, and developing financing mechanisms to improve resilience in debt structures, will reduce debt vulnerability and increase fiscal space to finance priority infrastructure and social spending. We call on the IMF and WBG to increase their assistance on liability management as a matter of priority, and to develop a comprehensive and transparent debt reporting system. We emphasize the joint responsibilities of debtors and creditors, as noted in the G20 Operational Guidelines for Sustainable Financing and laid out in UNCTAD's Principles for Responsible Lending and Borrowing. We also call for a better framework for debt resolution, and encourage the IMF, coordinating with other relevant bodies, to facilitate creditor coordination.

12. We urge the IMF and the WBG to continue to strengthen their assistance to improve domestic resource mobilization. We stress the importance of international tax cooperation to develop fair rules, avert harmful tax practices and competition, and enhance tax transparency. We welcome the progress to date of the Automatic Exchange of Information Initiative and encourage EMDEs to commit to the international standards on tax transparency. We support the Base Erosion and Profit Shifting (BEPS) Inclusive Framework and call for measures to enable EMDEs to participate effectively, mindful of their country-specific circumstances. We welcome the BEPS interim report on tax challenges arising from digitalization. We have created the G-24 working group on tax policies and international tax cooperation, and look forward to its interim

report in our next meeting in October. We reiterate our call for effective international cooperation to combat illicit financial flows.

13. We welcome the IMF's recent adoption of an enhanced Framework that strengthens its support to countries to address governance vulnerabilities including corruption, where macro-critical, and look forward to the promotion of a transparent, candid and evenhanded Fund engagement with countries. We support addressing the role of the private sector, including in facilitating the concealment of corruption proceeds. We encourage judicious use of external expertise and information, including cautious use of third-party indicators.

14. We call for all countries to implement their Nationally Determined Contributions under the Paris Climate Agreement, while reflecting the principle of common but differentiated responsibilities. We call on the WBG and developed countries to support EMDEs' climate actions and efforts to build resilience to climate-related disasters. We welcome the WBG's mainstreaming of disaster risk management in its country assistance strategies and investments in early warning systems. We encourage support for investments in new technologies to improve disaster resilience.

15. Multilateral development banks (MDBs) play a key role in supporting countries to achieve the SDGs. We encourage them to work jointly and as a system in key areas, based on comparative strength, to maximize development impact. MDBs should do more to catalyze private financing, including by working toward helping make infrastructure an asset class. Adequate financing and effective governance are essential for MDBs to deliver on their mandate.

16. We encourage timely and successful completion of the WBG Capital Package. We call for the conclusion of IBRD and IFC's Shareholding Reviews, upholding the Istanbul Principles to achieve equitable voting power between developed and developing and transition countries while protecting the voting share of the smallest poor countries, and producing an outcome that has broad support from its members. We look forward to a stronger WBG that, as a cooperative, works effectively and efficiently with all client countries. We look forward to effective implementation of IDA18, which should substantially increase assistance to LICs and deliver on its five themes, including jobs and economic transformation.

17. We look forward to the implementation of the WBG's Gender Strategy and urge that it builds on countries' efforts to improve gender equality and integrates gender issues broadly in their development agendas. The WBG should further promote peer learning as an important element of the implementation of this Strategy.

18. We also call on the IMF and the WBG to strengthen their efforts toward addressing the severe under-representation of some regions and countries in recruitment and career progression, including at managerial levels. We reiterate the importance of staff diversity and gender balance at all levels, including diversity of educational institutions and backgrounds.

LIST OF PARTICIPANTS[1]

Ministers of the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development held their ninety-ninth meeting in Washington D.C. on April 19, 2018 with Eran Wickramaratne, State Minister of Finance and Mass Media, Sri Lanka in the Chair; Julio Velarde, President of the Central Reserve Bank of Peru, serving as First Vice-Chair; and Kenneth Ofori-Atta, Minister of Finance, Ghana as Second Vice-Chair.

The meeting of the Ministers was preceded on April 18, 2018 by the one hundred and eleventh meeting of the Deputies of the Group of Twenty-Four, with P. Nandalal Weerasinghe, Senior Deputy Governor, Central Bank of Sri Lanka, as Chair.

African Group: Abderrahmane Raouya, Algeria; Mutombo M. Nyembo Deogratias, Democratic Republic of Congo; Adama Koné, Côte d'Ivoire; Sahar Nasr, Egypt; Getachew Gizaw, Ethiopia; Regis Immongault, Gabon; Ernest Addison, Ghana; Henry Rotich, Kenya; Mohamed Taamouti, Morocco; Kemi Adeosun, Nigeria; Nhlanhla Nene, South Africa.

Asian Group: Aparna Subramani, India; Peyman Ghorbani, Islamic Republic of Iran; Alain Bifani, Lebanon; Miftah Ismail, Pakistan; Gil Beltran, Philippines; Indrajit Coomaraswamy, Sri Lanka; Maya Choueiri, Syria Arab Republic.

Latin American Group: Nicolás Dujovne, Argentina; Erivaldo Gomes, Brazil; Andres Velasco, Colombia; Maria Elsa Viteri, Ecuador; Oscar Monterroso, Guatemala; Ronald Gabriel, Haiti; Alfonso Guerra, Mexico; Renzo Rossini, Peru; Alvin Hilaire, Trinidad and Tobago; Jose Rojas, Venezuela.

Observers: Abdulrahman Al Hamidy, Arab Monetary Fund; Domingo González-Hidalgo, Central American Monetary Council; Ping Sun, China; Inés Bustillo, UN ECLAC; Mohamed Edrees, G-77; Deborah Greenfield, ILO; Nella Hendriyetty, Indonesia; Mohamed Jouini, Islamic Development Bank; Tareq Alnassar, OFID; Joerg Spitzy, OPEC; Ibrahim Alturki, Saudi Arabia; Manuel F. Montes, South Centre; Mubarak Al Mansoori, United Arab Emirates; Richard Kozul-Wright, UNCTAD; Elliot Harris, UN DESA.

Special Guests: Christine Lagarde, Managing Director, International Monetary Fund
Kristalina Georgieva, Chief Executive Officer, World Bank

G-24 Secretariat: Marilou Uy, Aldo Caliari, Shichao Zhou, Alida Uwera, Lana Bleik

IMF Secretariat for the G-24: Marushia Gislén, Rasheeda Smith Yee, Danny Xufeng Jiang, Olga Bespalova, Aric Maiden

[1] Persons who sat at the discussion table.